

Pentire Fistral Beach Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2014



Pentire Fistral Beach Limited

FINANCIAL STATEMENTS

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report to the member	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8

Pentire Fistral Beach Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Timothy Dennis
Ewan James Kearney
Matthew Dawson Spence
Anthony Wild

REGISTERED OFFICE

1st Floor Whitecroft House
51 Water Lane
Wilmslow
Cheshire
England
SK9 5BQ

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Pentire Fistral Beach Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Pentire Fistral Beach Limited for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of holiday lettings.

DIRECTORS

The directors who served the company during the year were as follows:

Timothy Dennis
Ewan James Kearney
Matthew Dawson Spence
Anthony Wild

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.


AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Anthony Wild

Director

12/12/14

Pentire Fistral Beach Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 MEMBER OF PENTIRE FISTRAL BEACH LIMITED

We have audited the financial statements on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.



GRAHAM BOND FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

23/12/14

Pentire Fistral Beach Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2014

		2014	2013
	<i>Notes</i>	£	£
TURNOVER		157,267	224,215
Cost of sales		(68,414)	(82,328)
Gross profit		88,853	141,887
Administrative expenses		(169,991)	(853,231)
OPERATING LOSS	2	(81,138)	(711,344)
Attributable to:			
Operating loss before exceptional items		(81,138)	(89,073)
Exceptional items	2	—	(622,271)
		(81,138)	(711,344)
Loss on disposal of fixed assets		(47,377)	(312,642)
		(128,515)	(1,023,986)
Interest receivable	3	83,108	—
		(45,407)	(1,023,986)
Interest payable and similar charges	4	(296,735)	(266,613)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(342,142)	(1,290,599)
Taxation		—	—
LOSS FOR THE FINANCIAL YEAR	12	(342,142)	(1,290,599)

Pentire Fistril Beach Limited
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2014

	2014 £	2013 £
Loss for the financial year	(342,142)	(1,290,599)
Unrealised deficit on revaluation of certain fixed assets	(411,637)	-
Total recognised gains and losses since the last financial statements	<u>(753,779)</u>	<u>(1,290,599)</u>

Pentire Fistral Beach Limited


BALANCE SHEET

31 March 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	5	<u>2,228,742</u>	<u>3,176,708</u>
CURRENT ASSETS			
Debtors	6	42,933	62,812
Cash at bank and in hand		<u>5,750</u>	<u>4,173</u>
		48,683	66,985
CREDITORS			
Amounts falling due within one year	7	<u>(45,228)</u>	<u>(55,403)</u>
NET CURRENT ASSETS		<u>3,455</u>	<u>11,582</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,232,197</u>	<u>3,188,290</u>
CREDITORS			
Amounts falling due after more than one year	8	(4,952,784)	(5,155,098)
		<u>(2,720,587)</u>	<u>(1,966,808)</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Revaluation reserve	11	(411,637)	–
Profit and loss account	12	<u>(2,308,952)</u>	<u>(1,966,810)</u>
DEFICIT		<u>(2,720,587)</u>	<u>(1,966,808)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 5 to 12 were approved by the board of directors and authorised for issue on 12/12/14 and are signed on their behalf by:



Anthony Wild
Director

Pentire Fistral Beach Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

GOING CONCERN

As part of its going concern review the Board has followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk: Guidance for UK Companies 2009". The Board has prepared detailed financial forecasts and cash flows looking 12 months ahead from the date the accounts are signed. In drawing up these forecasts the Board has made assumptions based upon its view of the current and future economic conditions that will prevail over the forecast period.

The company has net liabilities of £2,720,587 (2013 - £1,966,808) and so the company is reliant on group support to cover its working capital requirements.

The company has support from related parties, including its ultimate parent undertaking, and in turn, from the loan holder (and main shareholder) in the ultimate parent undertaking. The loan holder (and major shareholder) is considered to have adequate capabilities to provide support as required and has formally confirmed that he will support the company and its parent undertaking for at least the next 12 months.

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

TURNOVER

Turnover comprises revenue recognised by the company in respect of rents receivable during the period, exclusive of VAT.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings - 33 1/3% p.a.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Pentire Fistral Beach Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

1 ACCOUNTING POLICIES *(continued)*

INVESTMENT PROPERTIES

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 OPERATING LOSS

Operating loss is stated after charging:

	2014	2013
	£	£
Normal depreciation of owned fixed assets	3,178	649
Exceptional depreciation - impairment of investment properties	—	622,271
Auditor's fees	2,600	2,500

Pentire Fistral Beach Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

3 INTEREST RECEIVABLE

	2014	2013
	£	£
Interest from group undertakings	<u>83,108</u>	<u>—</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable to group undertakings	<u>296,735</u>	<u>266,613</u>
Interest paid to group undertakings amounted to £296,735 (2013 - £266,613).		

5 TANGIBLE FIXED ASSETS

	Investment property £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 April 2013	3,174,000	3,400	3,177,400
Additions	4,137	6,712	10,849
Disposals	(544,000)	—	(544,000)
Revaluation	(411,637)	—	(411,637)
At 31 March 2014	<u>2,222,500</u>	<u>10,112</u>	<u>2,232,612</u>
Depreciation			
At 1 April 2013	—	692	692
Charge for the year	—	3,178	3,178
At 31 March 2014	<u>—</u>	<u>3,870</u>	<u>3,870</u>
Net book value			
At 31 March 2014	<u>2,222,500</u>	<u>6,242</u>	<u>2,228,742</u>
At 31 March 2013	<u>3,174,000</u>	<u>2,708</u>	<u>3,176,708</u>

The investment property was valued during the year ended 31 March 2014 on an open market basis by the directors. No depreciation is provided in respect of investment properties or land.

The historical cost of the investment property was £3,096,174 (2013 - £3,796,271).

6 DEBTORS

	2014	2013
	£	£
Trade debtors	—	20,461
Amounts owed by group undertakings	4,704	—
Other debtors	<u>38,229</u>	<u>42,351</u>
	<u>42,933</u>	<u>62,812</u>

Pentire Fistral Beach Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

7 CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	34,070	35,719
Other creditors	11,158	19,684
	<u>45,228</u>	<u>55,403</u>

8 CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Amounts owed to group undertakings	<u>4,952,784</u>	<u>5,155,098</u>

Amounts owed to group undertakings are due for repayment on 24 February 2016 and are subject to interest at a fixed rate of 10%.

9 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption offered by FRS8 to wholly owned subsidiaries within a larger group, with regard to the disclosure of transactions with other group companies.

The company's directors EJ Kearney, MD Spence and A Wild together with the controlling party D Gorton have an interest in Natural Retreats Management Limited which is the parent company of Natural Retreats UK Limited.

During the year the company received services amounting to £185,647 (2013 - £281,919) from Natural Retreats UK Limited. At 31 March 2014 £6,196 (2013 - £21,539) was owing to Natural Retreats UK Limited.

Also during the year income amounting to £165,934 (2013 - £224,215) was received from Natural Retreats UK Limited. At 31 March 2014 £nil (2013 - £20,461) was due from Natural Retreats UK Limited.

10 SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

11 REVALUATION RESERVE

	2014	2013
	£	£
At the beginning of the year	—	(533,757)
Revaluation of fixed assets	(411,637)	—
Transfer from the profit and loss account on realisation	—	533,757
At the end of the year	<u>(411,637)</u>	<u>—</u>

Pentire Fistral Beach Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

12 PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
At the beginning of the year	(1,966,810)	(142,454)
Loss for the financial year	(342,142)	(1,290,599)
Transfer to revaluation reserve	—	(533,757)
At the end of the year	<u>(2,308,952)</u>	<u>(1,966,810)</u>

13 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company is wholly owned by Natural Assets Investments Limited, a company registered in England and Wales which is the immediate controlling party and ultimate parent company. The consolidated financial statements of this group are available to the public from Companies House.

The ultimate controlling party is considered to be Mr D Gorton.