

Bluestone Resorts Holdings Limited

**Annual report and financial
statements**

Registered number 08435581

For the 52 week financial period ended

4 January 2018



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Company information

Directors

JW McNamara
N Evans
AC Probert
P McNamara
HV Stevens (resigned 30/01/2017)
D Rainbow (appointed 24/02/2017)
BR Sainsbury (appointed 16/08/2017)
ND Barley (appointed 16/08/2017)

Company secretary

F Atkins

Company number

08435581

Registered office

The Grange
Canaston Wood
Narberth
Pembrokeshire
SA67 8DE

Independent Auditors

PricewaterhouseCoopers LLP
1 Kingsway
Cardiff
CF10 3PW

Bankers

Barclays
3rd Floor
Windsor Court
3 Windsor Place
Cardiff
CF10 3BX

Strategic report

The Strategic Report prepared in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Business review and performance

Bluestone Resorts Wales Limited acquired Bluestone Resorts Holdings Limited (previous parent company of the group) on 16 December 2016 as part of a management buyout. Bluestone Resorts Wales Limited is now the ultimate parent undertaking and controlling party of Bluestone Resorts Holdings Limited. The acquisition involved the replacement of an existing shareholder loan with a loan from Barclays Bank Plc. This also allows for future development of the resort, such as the SkyDome development.

Bluestone Resorts Holdings has positive net assets. This represents its investment in the ultimate subsidiary, Bluestone Resorts Limited. During the year, Bluestone Resorts Holdings Limited received dividend income from its immediate subsidiary, Bluestone Resorts Group Limited. It paid the same dividend amount to its parent company and minority shareholders. The Company is confident that the trading Company's success will continue, and similar dividends will be received and paid.

Key performance indicators

Key performance indicators include turnover and level of profitability, information for which is set out in the profit and loss account on page 9.

Principal risks and uncertainties

The Company's ultimate subsidiary provides high quality self-catering accommodation and associated facilities in a National Park location in Pembrokeshire. It is dependent upon the demand for short term leisure breaks from customers, predominantly families living within 4 to 5 hours' drive time of the resort.

The activities of larger competitors targeting the same market for leisure breaks in both the UK and abroad can have an adverse impact on the bookings, however, continued focus on customer satisfaction and feedback, coupled with strong marketing and product differentiation should help mitigate the risk.

During the financial period, Article 50 has been enacted following the UK referendum vote to leave the European Union. There has been limited impact to the business seen to date. Only when the final negotiations as to access to the Single Market and trade relationships with other countries are agreed will the Company be able to understand the potential impact this may have in the long term. Directors are keeping abreast of the latest developments and are actively considering mitigation strategies.

Strategic Report *(continued)*

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

Price risk

There are ongoing inflationary pressures on costs in the ultimate subsidiary and, in particular, on the cost of food and beverage goods for resale. The Company will continue to review the contracts held with its major suppliers and ensure that the best possible prices continue to be maintained. The Company's ultimate subsidiary consumes a significant volume of electricity and has in place a rigorous process of managing consumption and uses an energy broker to assist in obtaining the best possible prices for the supply of electricity.

Credit risk

All of the ultimate subsidiary's guests are required to pay for their accommodation in advance of arrival. On site food, beverages and activities have to be paid for at the time of use. The Company therefore has very limited credit risk exposure and does not carry out credit checks other than having card transactions authorised before acceptance.

Liquidity risk

Now that the ultimate subsidiary is trading profitably, the liquidity risk has been reduced significantly. The ultimate subsidiary operates in a cash positive environment, in that customers pay for their holiday in full before arrival.

In addition, the parent Company, Bluestone Resorts Wales Limited, has in place detailed cash flow forecasting models which are updated weekly and enable it to manage cash flow in order to operate within the facility levels granted by lenders.

On behalf of the board



N Evans
Director

The Grange
Canaston Wood
Narberth
Pembrokeshire
SA67 8DE

10 August 2018

Directors' report

The directors present their report and audited financial statements for the 52 week financial period ended 4 January 2018 (the prior financial period was a 52 week period).

Principal activities

The principal activity of the Company is an intermediary company that receives dividend income from the trading company, which is then passed up to the ultimate parent company. The trading subsidiary's principal activity is the operation and continued development of Bluestone National Park Resort in Pembrokeshire, which offers five star, short break holidays all year round.

Results and dividends

The profit for the financial period, after taxation, amounted to £672,000 (2016: £(3,000)). Dividends amounting to £673,000 have been paid or declared in relation to the financial period ended 4 January 2018. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the financial period were:

JW McNamara

N Evans

AC Probert

P McNamara

D Rainbow (appointed 24/02/2017)

BR Sainsbury (appointed 16/08/2017)

ND Barley (appointed 16/08/2017)

HV Stevens

Political contributions

No political donations were made during the financial period or in the prior period.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure their employment with the company continues and that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee engagement

The company has no employees. The ultimate subsidiary actively communicates with its employees through regular means. An Employee Consultation Group (ECG) has been set up to ensure that the employees views are represented at a senior level. The employee benefit trust was also set up during 2017 with a dividend paid in December 2017.

Future developments

The focus of the trading company, Bluestone Resorts Limited, is still on developing the resort, and in maintaining momentum to become Britain's favourite short break destination. This will be achieved through maintaining high quality standards, providing value for money, and a broad appeal to predominantly families looking for a short break in a beautiful rural setting. Planning permission was obtained on February 13 2018 to build SkyDome, an undercover activity centre. This unique facility will support the vision of becoming the UK's leading short-break destination.

Directors' report (*continued*)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

Disclosure of information to auditors

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

Financial risk management

Please refer to the Strategic Report.

Independent auditors

During the year, PricewaterhouseCoopers LLP was appointed to fill a casual vacancy as auditors of the company. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board



N Evans

Director

The Grange,
Canaston Wood
Narberth,
Pembrokeshire
SA67 8DE
10 August 2018

Independent auditors' report to the members of Bluestone Resorts Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Bluestone Resorts Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 4 January 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 4 January 2018; the profit and loss account and other comprehensive income and the statement of changes in equity for the financial period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial

Independent auditors' report to the members of Bluestone Resorts Holdings Limited

Reporting on other information (*continued*)

statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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 year ended 4 January 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of Bluestone Resorts Holdings Limited

Responsibilities for the financial statements and the audit (*continued*)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
10 August 2018

Profit and Loss Account
for the financial period ended 4 January 2018

	<i>Note</i>	52 week period ended 4 January 2018 £000	52 week period ended 5 January 2017 £000
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	(3)
		<hr/>	<hr/>
EBITDA		-	3
		<hr/>	<hr/>
Operating profit		-	3
Dividends received from subsidiary undertakings		673	-
		<hr/>	<hr/>
Profit before taxation		673	3
Tax on profit	4	(1)	-
		<hr/>	<hr/>
Profit for the financial year		672	3
		<hr/> <hr/>	<hr/> <hr/>

Statement of Financial Position
at 4 January 2018

	Note	4 January 2018		5 January 2017	
		£000	£000	£000	£000
Fixed assets					
Investments	5		1,777		1,752
			<u>1,777</u>		<u>1,752</u>
Current assets					
Cash at bank and in hand		1		1	
		<u>1</u>		<u>1</u>	
Creditors: amounts falling due within one year	6	(313)		(312)	
Net current liabilities			(312)		(311)
Total assets less current liabilities			<u>1,465</u>		<u>1,441</u>
Net assets			<u>1,465</u>		<u>1,441</u>
Capital and reserves					
Called up share capital	7		10		10
Share based payment reserve	3		25		-
Retained earnings			1,430		1,431
Total shareholders' funds			<u>1,465</u>		<u>1,441</u>

These financial statements were approved by the board of directors on 10 August 2018 and were signed on its behalf by:



N Evans
Director

Company registered number: 08435581

The accompanying notes form part of the financial statements.

Statement of Changes in Equity
for the financial period ended 5 January 2017

	Called up share capital	Capital Contribution	Retained earnings	Total Shareholders' funds
	£000	£000	£000	£000
Balance at 8 January 2016	10	3,247	1,088	4,345
Profit for the financial period	-	-	3	3
Total comprehensive income for the financial period	-	-	3	3
Notional interest charge on shareholder loan	-	(340)	340	-
Reverse remaining notional interest held in the capital contribution reserve on early repayment	-	(2,907)	-	(2,907)
Total transactions with owners, recognised directly in equity	-	(3,247)	340	(2,907)
Balance at 5 January 2017	10	-	1,431	1,441

Statement of Changes in Equity
for the financial period ended 4 January 2018

	Called up share capital	Share based payment reserve	Retained earnings	Total Shareholders' funds
	£000	£000	£000	£000
Balance at 6 January 2017	10	-	1,431	1,441
Profit for the financial period	-	-	672	672
Total comprehensive income for the financial period	-	-	672	672
Share issue	-	25	-	25
Dividends	-	-	(673)	(673)
Total transactions with owners, recognised directly in equity	-	25	(673)	(648)
Balance at 4 January 2018	10	25	1,430	1,465

Notes

(forming part of the financial statements)

1 Accounting policies

Bluestone Resorts Holdings Limited (the “Company”) is a private company limited by shares and incorporated and domiciled in Wales, in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000. In preparing these financial statements, the group has early adopted the amendments to FRS 102 published in December 2017.

The Company’s parent undertaking, Bluestone Resorts Wales Limited, includes the Company in its consolidated financial statements for the financial period ended 4 January 2018. The consolidated financial statements of Bluestone Resorts Wales Limited are available to the public and may be obtained from The Grange, Canaston Wood, Narberth, Pembrokeshire, SA67 8DE. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the financial period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Intra-group balances and transactions.

As the consolidated financial statements of Bluestone Resorts Wales Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all financial periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements have been prepared on a going concern basis. The Company’s ultimate subsidiary has traded in profit for three years with continued growth expected in 2018 driven by continued investment in the resort including additional accommodation units, which will provide further revenue and profitability for the company as occupancy rates for 2018 remain high.

As at 4 January 2018, the Company has net current liabilities of £312,000 (2016: £311,000) which consist of intercompany transactions within the Bluestone Resorts Wales Group.

The directors have considered the basis of preparation of the financial statements and, based on the assessment of budgets and cash flow forecasts for at least twelve months from the date of signing of these financial statements, are satisfied the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Notes (continued)

1 Accounting policies (continued)

Fixed asset investments

Fixed asset investments are recognised at cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in financial periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and stock, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2 Turnover

There is no turnover during the year or prior year.

3 Share based payments

Following the acquisition of Bluestone Resorts Holdings Limited by Bluestone Resorts Wales Limited on 16 December 2016, certain employees of Bluestone Resorts Limited have been granted shares in Bluestone Resorts Wales Limited. The two schemes are:

Share Incentive Plan (SIP)

Employees that have worked for Bluestone Resorts Limited for more than 12 months have been allocated a percentage of shares based on their length of service and salary, unless they opted out of this allocation. No income tax was due to employees upon receipt of their shares as this is a government approved tax scheme.

Senior management

Senior employees of Bluestone Resorts Limited have been allocated the C1 shares during the year. Income tax will be due based on a HMRC agreed market valuation.

The total charge for the gifting of these shares during the year was £25,000. This assumes a capital sale in 10 years time and has been calculated using the Black Scholes method and this market value is represented in the share based payment reserve (Note 7).

Notes (continued)

4 Tax on profit

Analysis of tax charge in the financial period

	52 week period ended 4 January 2018 £000	52 week period ended 5 January 2017 £000
Current tax:		
UK corporation tax based on the profit for the financial period	1	-
	<hr/>	<hr/>
Total tax	1	-
	<hr/>	<hr/>

Reconciliation of effective tax rate

	52 week period ended 4 January 2018 £000	52 week period ended 5 January 2017 £000
Profit for the period	672	3
Tax charge	1	-
	<hr/>	<hr/>
Profit excluding tax	673	3
Tax using the UK corporation tax rate of 19.25% (2016: 20%)	129	1
Other income not taxable	(129)	(1)
Adjustments from previous periods	1	-
	<hr/>	<hr/>
Total tax charge included in profit or loss	1	-
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 17.5% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2021) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 4 January 2018 has been calculated based on these rates.

Notes (continued)

5 Investments

	Shares in group undertakings £000
<i>Cost or valuation</i>	
At 6 January 2017	1,752
Additions	25
	<hr/>
<i>At 4 January 2018</i>	1,777
	<hr/>
<i>Provision for Impairment</i>	
At 5 January 2017 and 4 January 2018	-
	<hr/>
<i>Net book value</i>	
At 5 January 2017	1,752
	<hr/>
<i>At 4 January 2018</i>	1,777
	<hr/>

The addition represents the fair value of the shares issued from Bluestone Resorts Wales Limited to employees in Bluestone Resorts Limited (Note 7).

6 Creditors: amounts falling due within one year

	4 January 2018 £000	5 January 2017 £000
Other creditors	7	-
Amounts owed to group undertakings	306	312
	<hr/>	<hr/>
	313	312
	<hr/>	<hr/>

Bluestone Resorts Limited (the ultimate subsidiary) has a secured bank overdraft. This is held with Barclays Bank plc, who has a first legal charge over various leasehold and freehold property at the Company. The bank also has a cross guarantee and debenture with the Company, Bluestone Resorts Group Limited, Bluestone Resorts Holdings Limited and Bluestone Resorts Wales Limited. The interest on the bank overdraft is charged at 1.95% over the Barclays Libor Base Rate (currently 0.52%).

7 Called up share capital and reserves

	4 January 2018 £	5 January 2017 £
<i>Allotted, called up and fully paid</i>		
989,990 (2016: 16,697) A ordinary shares of £0.01 each	9,900	167
0 (2016: 945,072) A deferred shares of £0.01 each	-	9,451
0 (2016: 5,390) B1 ordinary shares of £0.01 each	-	54
0 (2016: 500) B2 ordinary shares of £0.01 each	-	5
0 (2016: 2,310) C ordinary shares of £0.01 each	-	23
10,010 (2016: 30,031) D ordinary shares of £0.01 each	100	300
	<hr/> 10,000 <hr/>	<hr/> 10,000 <hr/>

At 4 January 2018, the issued share capital of the company was £10,000 (2016: £10,000).

On 16 December 2016, Bluestone Resorts Wales Limited acquired 99% of the equity of Bluestone Resorts Holdings Limited. The consideration was satisfied in two forms; Firstly, by an issue of shares in Bluestone Resorts Wales Limited to holders of B and C shares in Bluestone Resorts Holdings Limited in exchange for 2,466 A ordinary shares of £0.01, 4,620 B ordinary shares of £0.01 and 3,080 C ordinary shares of £0.01. Secondly, by the creation of loan notes in Bluestone Resorts Wales Limited totalling £5,761,000 in favour of holders of A and D shareholders in Bluestone Resorts Holdings Limited.

Notes (continued)

7 Share capital and reserves (continued)

Reserves

Share based payment reserve

The share based payment reserve represents the market value of the shares gifted in Bluestone Resorts Wales Limited (parent company) to employees of Bluestone Resorts Limited (trading company) over a 10 year period, assuming an exit in 10 years time.

Retained earnings

The retained earnings represent the accumulated profits, losses and distributions of the Company.

8 Related party transactions

During the year, there were no related party transactions, other than those with parent undertakings and subsidiaries.

9 Principal subsidiaries

The Company has the following investments in subsidiaries, all of which are incorporated in Wales in the UK:

Company name	Percentage shareholding	Share holding	Description
Bluestone Resorts Group Limited	100%	Ordinary shares	Intermediate holding company
Bluestone Resorts Limited	100%*	Ordinary shares	Hospitality and leisure trading company

* held indirectly

The registered address of all companies is The Grange, Canaston Wood, Narberth, Pembrokeshire, SA67 8DE.

10 Ultimate and immediate parent undertaking and controlling party

The immediate and ultimate parent undertaking since 16 December 2016 is Bluestone Resorts Wales Limited. Bluestone Resorts Wales Limited is owned by a number of private shareholders, none of whom own more than 30% of the issued share capital of the Company. Accordingly there is no ultimate controlling party. Consolidated financial statements for Bluestone Resorts Wales Limited are available for this financial period end and can be obtained from the registered address at The Grange, Canaston Wood, Narberth, Pembrokeshire, SA67 8DE.

11 Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that financial period, or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods.