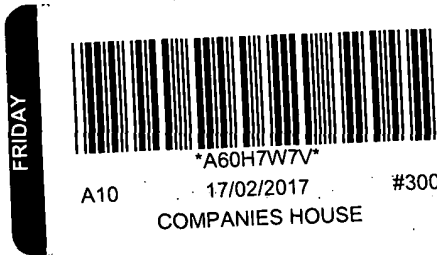


Company Registration No. SC043599 (England and Wales)

CAIRNGORM MOUNTAIN LTD.

**REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2015**



CAIRNGORM MOUNTAIN LTD.

COMPANY INFORMATION

Directors

Mr T Dennis
Mr E J Kearney
Mr M D Spence
Mr A Wild

Company number

SC043599

Registered office

Cairngorm Ski Area
Aviemore
Inverness-Shire
PH22 1RB

Auditors

RSM UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Bankers

Bank of Scotland
4th Floor
New Uberior Hoise
11 Earl Grey Street
Edinburgh
EH3 9BN

Solicitors

Balfour & Manson
Incorporating Cuthbertson, Riddle & Graham
54-66 Frederick Street
Edinburgh
EH2 1LS

CAIRNGORM MOUNTAIN LTD.
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2015

The directors present their report and financial statements for the period ended 31 December 2015.

Principal activities

The principal activity of the company during the period was the provision of an all year round tourist attraction providing mountain railway experience, retail, catering and winter recreational activities.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr T Dennis
Mr E J Kearney
Mr M D Spence
Mr A Wild

Auditors

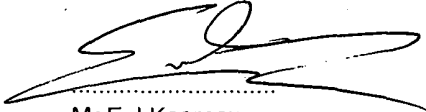
A resolution to reappoint RSM UK Audit LLP as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



Mr E J Kearney
Director

16.02.17

CAIRNGORM MOUNTAIN LTD.

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

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 these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAIRNGORM MOUNTAIN LTD.

Opinion on financial statements

We have audited the financial statements on pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the period 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.

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 <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Graham Bond FCA (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

3 Hardman Street
Manchester

M3 3HF

16/2/17

CAIRNGORM MOUNTAIN LTD.
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2015

		Period ended	Year ended
	Notes	31 Dec 2015 £	31 Mar 2015 £
Turnover		2,050,393	4,331,824
Cost of sales		(2,359,000)	(3,352,081)
Gross (loss)/profit		(308,607)	979,743
Administrative expenses		(919,643)	(1,045,849)
Other operating income	2	8,644	12,427
Operating loss		(1,219,606)	(53,679)
Interest receivable and similar income		97	45
Interest payable and similar charges	3	(23,735)	511,850
Other finance (costs)/income	15	(5,000)	8,000
(Loss)/profit on ordinary activities before taxation	4	(1,248,244)	466,216
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit for the financial period	13	(1,248,244)	466,216

CAIRNGORM MOUNTAIN LTD.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 31 DECEMBER 2015

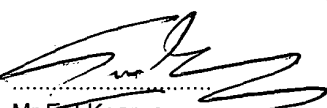
	Period ended	Year ended
Notes	31 Dec 2015 £	31 Mar 2015 £
(Loss)/profit for the financial period	(1,248,244)	466,216
Actuarial loss on pension scheme	(33,000)	(269,000)
	<u> </u>	<u> </u>
Total recognised gains and losses relating to the period	(1,281,244)	197,216
	<u><u> </u></u>	<u><u> </u></u>

CAIRNGORM MOUNTAIN LTD.**BALANCE SHEET
AS AT 31 DECEMBER 2015**

	Notes	31 Dec 2015		31 Mar 2015	
		£	£	£	£
Fixed assets					
Tangible assets	7		899,788		925,952
Current assets					
Stocks		162,739		132,256	
Debtors	8	472,636		304,248	
Cash at bank and in hand		124,922		617,740	
		<u>760,297</u>		<u>1,054,244</u>	
Creditors: amounts falling due within one year	9	<u>(2,076,942)</u>		<u>(1,147,772)</u>	
Net current liabilities			<u>(1,316,645)</u>		<u>(93,528)</u>
Total assets less current liabilities			<u>(416,857)</u>		<u>832,424</u>
Creditors: amounts falling due after more than one year	10		(81,451)		(66,473)
Provisions for liabilities	11		<u>(99,020)</u>		<u>(114,035)</u>
Net (liabilities)/assets excluding pension liability			<u>(597,328)</u>		<u>651,916</u>
Pension liability	15		<u>(179,000)</u>		<u>(147,000)</u>
Net (liabilities)/assets including pension liability			<u><u>(776,328)</u></u>		<u><u>504,916</u></u>
Capital and reserves					
Called up share capital	12		565,000		565,000
Other reserves	13		75,000		75,000
Profit and loss account	13		<u>(1,416,328)</u>		<u>(135,084)</u>
Shareholder's funds			<u><u>(776,328)</u></u>		<u><u>504,916</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 4 to 14 were approved by the board of directors and authorised for issue on 10-02-17 and are signed on its behalf by:


 Mr E J Kearney
 Director

CAIRNGORM MOUNTAIN LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention 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 current liabilities of £1,316,645 (year to March 2015 - £93,528) and net liabilities of £776,328 (31 March 2015 - £504,916 net assets), and 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.
a going concern.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

The whole of the turnover is attributable to the provisions of goods and services which fall within the company's sole activity within the United Kingdom.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	2.5% straight line
Tenant's improvements and assets under construction	over the period of the lease
Plant and machinery	10-25% straight line and 25% reducing balance
Ski and snowboard equipment	25-33% straight line

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

CAIRNGORM MOUNTAIN LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

In addition, the company operates a defined benefit pension scheme. Pension fund assets are measured using market values. Pension fund liabilities are measured using the projected unit method and discounted by the yield available on long-dated, high quality corporate bonds. The expected return on the plan's assets and the increase during the period in the present value of the plan's liabilities arising from the passage of time are included in interest payable. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses.

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.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2	Other operating income	31 Dec 2015 £	31 Mar 2015 £
	Government grants received	611	1,000
	Donations received in respect of car parking	8,033	11,427
		<u>8,644</u>	<u>12,427</u>

CAIRNGORM MOUNTAIN LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

3	Interest payable and similar charges	31 Dec 2015	31 Mar 2015
		£	£
	On amounts payable to group companies	18,000	-
	Hire purchase interest	5,735	4,218
	Dividends paid on preference shares classified as financial liabilities		
	Preference final proposed	-	(516,068)
		<u>23,735</u>	<u>(511,850)</u>
4	(Loss)/profit on ordinary activities before taxation	31 Dec 2015	31 Mar 2015
		£	£
	(Loss)/profit on ordinary activities before taxation is stated after charging/ (crediting):		
	Depreciation of tangible fixed assets		
	- owned	327,219	120,352
	- held under finance leases and hire purchase contracts	47,686	42,562
	Loss/(profit) on disposal of tangible assets	2,441	(6,606)
	Government grants	(611)	(1,000)
	Auditor's remuneration for statutory audit	14,984	13,500
		<u>14,984</u>	<u>13,500</u>
5	Tax on (loss)/profit on ordinary activities		
	There are no factors that may affect future tax charges.		
6	Directors' remuneration	31 Dec 2015	31 Mar 2015
		£	£
	Directors' remuneration	-	114,188
		<u>-</u>	<u>114,188</u>

The number of directors to whom retirement benefits are accruing under defined benefit schemes amounted to 0 (31 Mar 2015 - 3).

CAIRNGORM MOUNTAIN LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

7 Tangible fixed assets

	Land and buildings	Tenant's improvements and assets under construction	Plant and machinery	Ski and snowboard equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2015	51,474	442,208	3,888,758	145,502	4,527,942
Additions	1,095	209,117	119,284	22,353	351,849
Disposals	-	-	(11,500)	-	(11,500)
At 31 December 2015	52,569	651,325	3,996,542	167,855	4,868,291
Depreciation					
At 1 April 2015	19,167	199,314	3,265,231	118,278	3,601,990
On disposals	-	-	(8,392)	-	(8,392)
Charge for the period	1,119	215,852	150,566	7,368	374,905
At 31 December 2015	20,286	415,166	3,407,405	125,646	3,968,503
Net book value					
At 31 December 2015	32,283	236,159	589,137	42,209	899,788
At 31 March 2015	32,307	242,894	623,527	27,224	925,952

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 December 2015	202,828
At 31 March 2015	228,424
Depreciation charge for the period	
At 31 December 2015	47,686
At 31 March 2015	42,562

Tenants improvements includes assets under construction of £28,000 (31 March 2015 - £76,500).

CAIRNGORM MOUNTAIN LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

8	Debtors	31 Dec 2015 £	31 Mar 2015 £
	Trade debtors	188,657	153,932
	Amounts owed by group undertakings	4,563	1,473
	Other debtors	279,416	148,843
		<u>472,636</u>	<u>304,248</u>

9	Creditors: amounts falling due within one year	31 Dec 2015 £	31 Mar 2015 £
	Net obligations under hire purchase contracts	64,305	67,890
	Trade creditors	851,097	416,625
	Amounts owed to group undertakings	628,369	323,921
	Taxes and social security costs	23,581	29,064
	Other creditors	509,590	310,272
		<u>2,076,942</u>	<u>1,147,772</u>

Net obligations under hire purchase contracts are secured on the relevant assets.

10	Creditors: amounts falling due after more than one year	31 Dec 2015 £	31 Mar 2015 £
	Net obligations under hire purchase contracts	<u>81,451</u>	<u>66,473</u>

Net obligations under hire purchase contracts are secured on the relevant assets.

11	Provisions for liabilities	Other £
	Balance at 1 April 2015	114,035
	Released in the period	(15,015)
	Balance at 31 December 2015	<u>99,020</u>

The amount provided is in respect of a maintenance provision.

CAIRNGORM MOUNTAIN LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

12 Share capital	31 Dec 2015	31 Mar 2015
	£	£
Allotted, called up and fully paid		
565,000 Ordinary shares of £1 each	565,000	565,000
	<u>565,000</u>	<u>565,000</u>

13 Reserves	Other reserves (see below)	Profit and loss account
	£	£
Balance at 1 April 2015	75,000	(135,084)
Loss for the period	-	(1,248,244)
Actuarial gains or losses on pension scheme assets	-	(33,000)
Balance at 31 December 2015	75,000	(1,416,328)
	<u>75,000</u>	<u>(1,416,328)</u>

Other reserves

Capital redemption reserve

Balance at 1 April 2015 & at 31 December 2015

75,000

The closing balance on the profit and loss account includes a £33,000 debit (31 March 2015 - £147,000) stated after deferred taxation of £Nil (31 March 2015 - £Nil), in respect of pension scheme liabilities (31 March 2015 - assets) of the company pension scheme.

14 Commitments under operating leases

At 31 December 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2016:

	31 Dec 2015	31 Mar 2015
	£	£
Operating leases which expire:		
Between two and five years	6,706	6,706
	<u>6,706</u>	<u>6,706</u>

CAIRNGORM MOUNTAIN LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

15 Retirement benefits

Defined contribution

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge detailed below represents contributions payable by the company to the fund. Contributions totaling £Nil (31 March 2015 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

	31 Dec 2015	31 Mar 2015
	£	£
Contributions payable by the company for the period	19,548	18,536

Defined benefit

The company operates a Defined Benefit pension scheme, which is funded.

The pension cost and provision for the year ending 31 December 2015 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 1 November 2013. Following a review by the actuary at 31 December 2015 the scheme is showing a deficit at that date of £179,000 (March 2015 - £147,000). In accordance with FRSSE the deficit has been recognised in the balance sheet. A surplus is only recognised to the extent that the excess can be recovered by the Company.

The contribution made for the period ended 31 December 2015 was £19,000 (year ended 31 March 2015 - £20,000). The agreed contribution rate for future years is 15%.

Value of scheme assets and liabilities

	31 Dec 2015	31 Mar 2015
	£	£
Market value of assets	1,018,000	992,000
Present value of scheme liabilities	1,197,000	1,139,000
(Deficit)/surplus in scheme	(179,000)	(147,000)
Related deferred tax liability	-	-
Net pension (liability)/surplus	(179,000)	(147,000)

Movement in the period:

	31 Dec 2015	31 Mar 2015
	£	£
Deficit in scheme at 01 April 2015	(147,000)	114,000
Current service cost	(13,000)	(20,000)
Net of interest cost and expected return on assets of the scheme	(5,000)	8,000
Contributions by scheme participants	19,000	20,000
Actuarial (losses)/ gains	(33,000)	(269,000)
(Deficit)/surplus in scheme at 31 December 2015	(179,000)	(147,000)

CAIRNGORM MOUNTAIN LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

16 Related party relationships and transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

The company's directors EJ Kearney, MD Spence and A Wild together with the controlling party D Gorton have interests in Natural Retreats Management LLC, a company incorporated in the USA. Natural Retreats UK Limited is a subsidiary of Natural Retreats Management LLC.

During the period to 31 December 2015 the company received management services amounting to £275,952 (year to 31 March 2015 - £483,046), purchase of fixed assets amounting to £121,917 (year to 31 March 2015 - £82,500) and other services amounting to £62,562 (year to 31 March 2015 - £122,996) from Natural Retreats UK Limited. At 31 December 2015 £112,543 (31 March 2015 - £100,944) was owing to Natural Retreats UK Limited.

During the period the company recharged expenses amounting to £112,678 (year to 31 March 2015 - £116,026) to Natural Retreats UK Limited. At 31 December 2015 £94,209 (31 March 2015 - £63,280) was due from Natural Retreats UK Limited.

17 Control

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 Mr D Gorton.