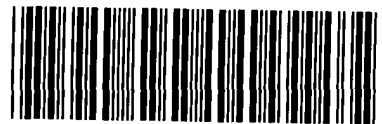


Company Registration No. SC043599 (England and Wales)

**CAIRNGORM MOUNTAIN LTD.  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2016**

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# CAIRNGORM MOUNTAIN LTD.

## COMPANY INFORMATION

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<b>Directors</b>	Mr T Dennis Mr E J Kearney Mr M D Spence Mr A Wild
<b>Company number</b>	SC043599
<b>Registered office</b>	Cairngorm Ski Area Aviemore Inverness-Shire PH22 1RB
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
<b>Bankers</b>	Bank of Scotland 4th Floor New Uberior Hoiuse 11 Earl Grey Street Edinburgh EH3 9BN
<b>Solicitors</b>	Balfour & Manson Incorporating Cuthbertson, Riddle & Graham 54-66 Frederick Street Edinburgh EH2 1LS

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# CAIRNGORM MOUNTAIN LTD.

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors present their annual report and financial statements for the year ended 31 December 2016.

The prior period's accounts covered the nine months 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 year 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

### Auditor

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 auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is 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

.....  
27-09-17

# **CAIRNGORM MOUNTAIN LTD.**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 MEMBER OF CAIRNGORM MOUNTAIN LTD.

### Opinion on financial statements

We have audited the financial statements on pages 4 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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

### 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 year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report has 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 Directors' Report.

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 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.

*RSM UK Audit LLP*

Ian Taylor (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF  
*28 September 2017*

# CAIRNGORM MOUNTAIN LTD.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

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	Year ended 31 December 2016 £	Period ended 31 December 2015 £
Turnover	4,749,982	2,050,393
Cost of sales	(3,659,836)	(2,359,000)
<b>Gross profit/(loss)</b>	<b>1,090,146</b>	<b>(308,607)</b>
Administrative expenses	(1,320,205)	(919,643)
Other operating income	5,234	8,644
<b>Operating loss</b>	<b>(224,825)</b>	<b>(1,219,606)</b>
Interest receivable and similar income	22	97
Interest payable and similar expenses	4 8,225	(28,735)
<b>Loss before taxation</b>	<b>(216,578)</b>	<b>(1,248,244)</b>
Taxation	-	-
<b>Loss for the financial year</b>	<b>(216,578)</b>	<b>(1,248,244)</b>
<b>Other comprehensive income net of taxation</b>		
Actuarial loss on defined benefit pension schemes	(100,000)	(33,000)
<b>Total comprehensive income for the year</b>	<b>(316,578)</b>	<b>(1,281,244)</b>

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**CAIRNGORM MOUNTAIN LTD.****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	6	1,007,089		899,788	
<b>Current assets</b>					
Stocks		147,958		162,739	
Debtors	7	370,462		472,636	
Cash at bank and in hand		107,931		124,922	
		<u>626,351</u>		<u>760,297</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,319,891)</u>		<u>(2,076,942)</u>	
<b>Net current liabilities</b>		<u>(1,693,540)</u>		<u>(1,316,645)</u>	
<b>Total assets less current liabilities</b>		<u>(686,451)</u>		<u>(416,857)</u>	
<b>Creditors: amounts falling due after more than one year</b>	9	(18,740)		(81,451)	
<b>Provisions for liabilities</b>	10	(104,715)		(99,020)	
<b>Net assets excluding pension liability</b>		<u>(809,906)</u>		<u>(597,328)</u>	
<b>Defined benefit pension liability</b>	11	<u>(283,000)</u>		<u>(179,000)</u>	
<b>Net liabilities</b>		<u><u>(1,092,906)</u></u>		<u><u>(776,328)</u></u>	
<b>Capital and reserves</b>					
Called up share capital	12	565,000		565,000	
Capital redemption reserve		75,000		75,000	
Profit and loss reserves		<u>(1,732,906)</u>		<u>(1,416,328)</u>	
<b>Total equity</b>		<u><u>(1,092,906)</u></u>		<u><u>(776,328)</u></u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 27-09-17 and are signed on its behalf by:

  
Mr E J Kearney  
Director

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

CairnGorm Mountain Ltd. is a private company limited by shares incorporated in England and Wales. The registered office is Cairngorm Ski Area, Aviemore, Inverness-Shire, PH22 1RB.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of CairnGorm Mountain Ltd. prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of CairnGorm Mountain Ltd. for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in equity at the transition date and are detailed in note 16.

#### 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 £1,693,540 (2015 - £1,316,645) and net liabilities of £1,092,906 (2015 - £776,328), 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.



# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies (Continued)

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	2.5% straight line
Tenant's improvements	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

Assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies (Continued)

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include trade, amounts owed to group undertakings, other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

##### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade other creditors, and loans from fellow group companies, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 1 Accounting policies (Continued)

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.

#### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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.

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies (Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 125 (2015 - 131).

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 3 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	21,490	14,984
	<u>21,490</u>	<u>14,984</u>

### 4 Interest payable and similar expenses

	2016	2015
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest payable to group undertakings	(18,000)	18,000
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	4,775	5,735
Net interest on the net defined benefit pension liability	5,000	5,000
	<u>(8,225)</u>	<u>28,735</u>

During the the year the interest payable to the parent company in the prior year was refunded.

### 5 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2016	2015
	£	£
In respect of:		
Property, plant and equipment	-	209,117
	<u>-</u>	<u>209,117</u>

**CAIRNGORM MOUNTAIN LTD.**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**6 Tangible fixed assets**

	Leasehold buildings	Tenant's improvements	Assets under construction	Plant and machinery	Ski and snowboard equipment	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2016	52,569	414,208	237,117	3,996,542	167,855	4,868,291
Additions	-	60,000	206,163	89,834	4,885	360,882
Disposals	-	-	-	(26,205)	-	(26,205)
At 31 December 2016	52,569	474,208	443,280	4,060,171	172,740	5,202,968
<b>Depreciation and impairment</b>						
At 1 January 2016	20,286	206,049	209,117	3,407,405	125,646	3,968,503
Depreciation charged in the year	1,542	9,981	-	213,767	20,310	245,600
Eliminated in respect of disposals	-	-	-	(18,224)	-	(18,224)
At 31 December 2016	21,828	216,030	209,117	3,602,948	145,956	4,195,879
<b>Carrying amount</b>						
At 31 December 2016	30,741	258,178	234,163	457,223	26,784	1,007,089
At 31 December 2015	32,283	208,159	28,000	589,137	42,209	899,788

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

<b>7 Debtors</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	107,657	188,657
Amounts owed by group undertakings	-	4,563
Other debtors	262,805	279,416
	<u>370,462</u>	<u>472,636</u>

<b>8 Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	780,072	851,097
Amounts due to group undertakings	844,235	628,369
Other taxation and social security	36,496	23,581
Other creditors	659,088	573,895
	<u>2,319,891</u>	<u>2,076,942</u>

<b>9 Creditors: amounts falling due after more than one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other creditors	18,740	81,451
	<u>18,740</u>	<u>81,451</u>

Other creditors represents net obligations under hire purchase contracts which are secured on the relevant assets.

<b>10 Provisions for liabilities</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Maintenance provision	<u>104,715</u>	<u>99,020</u>
Movements on provisions:		<b>Maintenance provision</b>
		<b>£</b>
At 1 January 2016		99,020
Additional provisions in the year		5,695
At 31 December 2016		<u>104,715</u>

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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<b>11 Retirement benefit schemes</b>		
	<b>2016</b>	<b>2015</b>
<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	42,250	19,548
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.



# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 11 Retirement benefit schemes (Continued)

#### Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. Under the scheme, the employees are entitled to retirement benefits on attainment of a retirement age of 60. No other post-retirement benefits are provided.

The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 1 November 2016.

	2016	2015
<i>Key assumptions</i>	%	%
Discount rate	2.7	3.8
Expected rate of increase of pensions in payment	3.4	3.4
Retail price index	3.4	3.4
Salary growth	4.0	4.0
Increases in deferment	3.4	3.4
	<u>          </u>	<u>          </u>
<i>Mortality assumptions</i>	2016	2015
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.1	21.1
- Females	23	23
	<u>          </u>	<u>          </u>
Retiring in 20 years		
- Males	22.3	22.3
- Females	24.5	24.5
	<u>          </u>	<u>          </u>
	2016	2015
<i>Amounts recognised in the income statement</i>	£	£
Current service cost	11,000	13,000
Net interest on defined benefit liability/(asset)	5,000	5,000
	<u>          </u>	<u>          </u>
Total costs	16,000	18,000
	<u>          </u>	<u>          </u>
	2016	2015
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	(125,000)	(4,000)
Less: calculated interest element	28,000	36,000
	<u>          </u>	<u>          </u>
Return on scheme assets excluding interest income	(97,000)	32,000
Actuarial changes related to obligations	197,000	1,000
	<u>          </u>	<u>          </u>
Total costs	100,000	33,000
	<u>          </u>	<u>          </u>

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 11 Retirement benefit schemes (Continued)

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2016 £	2015 £
Present value of defined benefit obligations	1,440,000	1,197,000
Fair value of plan assets	(1,157,000)	(1,018,000)
Deficit in scheme	<u>283,000</u>	<u>179,000</u>

	2016 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 January 2016	1,197,000
Current service cost	11,000
Contributions from scheme members	2,000
Actuarial gains and losses	197,000
Interest cost	33,000
At 31 December 2016	<u>1,440,000</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

	2016 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2016	1,018,000
Interest income	28,000
Return on plan assets (excluding amounts included in net interest)	97,000
Contributions by the employer	12,000
Contributions by scheme members	2,000
At 31 December 2016	<u>1,157,000</u>

	2016 £	2015 £
<i>The analysis of the scheme assets at the reporting date were as follows:</i>		
Equity instruments	242,970	254,500
Property	34,710	20,360
Corporate bonds	92,560	91,620
Gilts	682,630	620,980
Cash and other	104,130	30,540
	<u>1,157,000</u>	<u>1,018,000</u>

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 12 Called up share capital

	2016	2015
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
565,000 Ordinary shares of £1 each	565,000	565,000

### 13 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	136,528	126,706
Between one and five years	499,722	489,779
In over five years	1,612,932	1,732,932
	<u>2,249,182</u>	<u>2,349,417</u>

### 14 Related party transactions

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 and Natural Retreats US Inc are subsidiaries of Natural Retreats Management LLC.

During the year to 31 December 2016 the company received management services amounting to £640,414 (2015 - £275,952), purchase of fixed assets and other services amounting to £175,220 (2015 - £184,479) from Natural Retreats UK Limited. At 31 December 2016 £27,800 (2015 - £112,543) was owing to Natural Retreats UK Limited.

During the year the company recharged expenses amounting to £30,520 (2015 - £112,678) to Natural Retreats UK Limited. At 31 December 2016 £nil (2015 - £94,209) was due from Natural Retreats UK Limited.

During the year the company was recharged expenses of £10,845 (2015 - £nil) from Natural Retreats US Inc. At 31 December 2016 £2,764 (2015 - £nil) was owing to Natural Retreats US Inc.

During the year the company recharged expenses of £993 to Natural Assets Investments LLC. At 31 December 2016 £993 (2015 - £nil) was due from Natural Assets Investments LLC.

During the year the company was recharged expenses of £10,081 (2015 - £nil) from Natural Assets Investments LLC. At 31 December 2016 £2,088 (2015 - £nil) was owing to Natural Assets Investments LLC.

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 15 Parent company

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.

# CAIRNGORM MOUNTAIN LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 16 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	1 January 2015 £	31 December 2015 £
Equity as reported under previous UK GAAP and under FRS 102	504,916	(776,328)

#### Reconciliation of loss for the financial period

	2015 £
Loss as reported under previous UK GAAP and under FRS 102	(1,248,244)

### Notes to reconciliations on adoption of FRS 102

#### Actuarial losses

In the period ended 31 December 2015 an actuarial loss of £33,000, stated after a deferred tax provision of £nil, between the actual return and the expected return was recognised in the statement of total recognised gains and losses. Under FRS 102, the actuarial loss is recognised in other comprehensive income.