

HIE is not in control of what is going on at Cairngorm

Description

This post explores considers very recent developments in what is going on at Cairngorm Mountain, following earlier posts ([see here](#)), how this is symptomatic of wider ills in how companies are allowed to operate and the implications for the proposed development at the Ptarmigan. Unfortunately being in a National Park offers no immunity to this lack of public accountability and failure to act in the public interest.

Over the last week there has been a flurry of activity on the Companies House website related to the companies that appear to own and operate Cairngorm Mountain, Natural Assets Investment Ltd (NAIL) and the UK Great Travel Company Ltd (UKGTCL). Under Company Law UK companies are legally required to register and keep up to date certain information on the Companies House website, including who controls them. Although information about who controls a company is also legally required to be included in company accounts, because these are often published a year or more after the financial year in question (the last accounts for NAIL are for the year ending December 2016), this does not tell you who currently owns a particular company. That becomes particularly important when a company like Natural Retreats breaks up – its the only way the public can find out what is happening.

Unfortunately Companies House is grossly under-resourced and current legal requirements are not enforced so for the last few months there has been no information publicly available about who really owns and operates Cairngorm. My MP, Alison Thewliss, has been in the news about this this week calling, rightly in my view, for tighter regulation of Scottish Limited Partnerships. While tighter enforcement needs to be extended to all companies, public authorities could help with improving transparency if they made it a pre-condition for all public contracts that the company concerned met Company House requirements. I have been in dialogue with the Chief Executive of HIE, Charlotte Wright, about this in respect to Cairngorm Mountain and had the following responses:

1 *Information on Companies House website*

Companies House data should be kept up to date, and I understand you raising this as a concern. However, as I said before, HIE believes that this is a matter for the company. I would assure you that we do not rely solely on Companies House information for our monitoring activities, which are regular and robust.

and then, when I questioned this further, received the following:

HIE's approach to risk evaluation and treatment is refreshed continually, and overseen by our Risk and Assurance Committee which reports to the HIE Board and is attended by representatives of Audit Scotland and the Scottish Government. We are always alert to changes that may affect individual projects, and that process is being followed in relation to the new arrangements for CML.

While I was disappointed that HIE is basically claiming “its not our job” to help ensure information about

their contractors is available to the public, it is possible that they have had a word behind the scenes and that helps explain the activity in the last week on the Companies House website. This started with information on the ownership of Cairngorm Mountain which confirms NAIL still owns it:

Form	Description
22 Jan 2018 PSC02	Notification of Natural Assets Investments Limited as a person with significant control on 6 April 2016

And was followed on 26th January with notifications for six other NAIL subsidiaries confirming they were still owned by NAIL. So far so good. Then two further changes occurred, both of which raise serious questions about what is going on at Cairngorm and the extent to which HIE have any influence over this (remember NAIL and UKGTCL are managing what used to be public assets and Cairngorm Mountain Ltd leases what is publicly owned land).

Who controls NAIL?

NAIL, the company which was registered as having significant control in Cairngorm Mountain Ltd on 22nd January, had declared on the Companies House website that there was a person who controlled but they did not know who this was (see below). This appears to have mince – and illustrates just what companies can get away with – because in its accounts for the year ending December 2016 NAIL stated that David Michael Gorton (a fund manager) had significant control:

NATURAL ASSETS INVESTMENTS

Company number 07541643

- Overview
- Filing history
- People
- Charges

- Officers
- Persons with significant control

0 active persons with significant control / 1 active statement

Statement **ACTIVE**

The company knows or has reasonable cause to believe that there is a registrable person in relation to the company but it has not identified the registrable person

Notified on
24 February 2017

Then, on 26th January, Companies House published this notice for NAIL stating that the person with significant control statement has been withdrawn.

Form	Description
26 Jan 2018 PSC09 Withdrawal of a person with significant control statement on 26 January 2018	

So what is going on? Has David Michael Gorton sold NAIL to multiple owners so there is no need legally to state who has “significant control” – which appears unlikely – and has HIE been informed? Or is this simply a mistake? I have written again to the HIE Chief Executive to try and find out.

Ownership of the UKGTCL (formerly Natural Retreats)

The HIE tender published on 30th November for a review of ski infrastructure at Cairngorm ([see here](#)) stated that:

“In June 2014, following a public tender process to find a new operator for Cairngorm Mountain, HIE sold its shares in the operating company, CML, to Natural Assets Investments Ltd. CML is now operated by a Natural Assets subsidiary, UK Great Travel Company Ltd.”

So, according to HIE in November, when Natural Retreats broke up and the UK arm became the UKGTCL, it became a subsidiary (owned by) to Natural Assets (Investment Ltd) the same company that owns Cairngorm. If this is true, it was never registered at Companies House.

On 29th January however I received the following information from Companies House:

“You have been sent this email because you are following THE UK GREAT TRAVEL COMPANY LIMITED (07232597)

The following information is available from the [company's filing history](#).

Date	Form	Description
26 Jan 2018	PSC02	Notification of The Great Travel Company Limited as a person with significant control on 1 November 2017?

In other words the UK Great Travel Company, the new name for Natural Retreats, is NOT owned by NAIL as HIE claimed but rather is owned by a new company, the Great Travel Company Ltd (the similarity in names is confusing), which Companies House shows is controlled by Matthew Spence (and not David Michael Gorton). Either HIE has got it very wrong – which raises serious concerns about the robustness of the procedures they claim to have in place to monitor what is going on at Cairngorm – or ownership of the company has changed twice in the last four months or so. If that is the case, none of the required documentation is on the Companies House website.

Who now operates and controls Cairngorm? And what are the public interest implications?

The Cairngorm Mountain website included the following statement in its announcement ([see here](#)) of its (very brief) public consultation on the Ptarmigan extension *“CairnGorm Mountain Ltd is operated by The UK Great Travel Company Ltd”*.

So its now all clear, Cairngorm Mountain is OWNED by NAIL, controlled by David Michael Gorton, but OPERATED by UKGTCL which is controlled by Matthew Spence – who also happens to be one of the Directors of NAIL!

While there are further questions to be asked about the relationship between these companies, one of the most pressing issues is HIE's proposal to lend millions of pounds to fund the redevelopment of the

Ptarmigan. Before this goes any further HIE need to clarify whether their proposed loan will be to:

- Cairngorm Mountain Ltd, whose net liabilities at December 2016 were £1,092,906
- UKGTCL, as the company which operates Cairngorm (whose net liabilities at December 2016 were £216,959) or to;
- NAIL, the company which owns it whose net liabilities at December 2016 were £29,380,827?

HIE also need to explain publicly how they intend to secure the proposed loan when none of the companies concerned have sufficient assets to guarantee it.

Now that the ownership and management of Cairngorm Mountain appears to have been clarified, HIE's proposal to lend the operators/owners large amounts of public funds to redevelop the Ptarmigan appears from a financial perspective foolhardy in the extreme. Time perhaps for Audit Scotland, who sit on HIE's risk management committee, to have a look at what is going on and provide HIE with some advice?

Category

1. Cairngorms

Tags

1. Governance
2. HIE
3. natural retreats
4. planning

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