

Company Registration No. 07232597 (England and Wales)

**NATURAL RETREATS UK LIMITED**  
**REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2015**



# NATURAL RETREATS UK LIMITED

## COMPANY INFORMATION

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**Directors**

T Dennis  
Mr E Kearney  
MD Spence  
A Wild

**Company number**

07232597

**Registered office**

1st Floor Whitecroft House  
Wilmslow  
Cheshire  
SK9 5BQ

**Auditors**

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

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# NATURAL RETREATS UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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

### Principal activities

The principal activity of the company during the year was the provision of luxury short term self-catering holidays, mainly to individuals.

### Directors

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

T Dennis  
Mr E Kearney  
MD Spence  
A Wild

### Auditors

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an 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 Kearney  
Director

14.10.16

# **NATURAL RETREATS UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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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 MEMBERS OF NATURAL RETREATS UK LIMITED

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We have audited the financial statements on pages 4 to 13. 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).

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.

## 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.

## 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

*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

*24/10/16*

# NATURAL RETREATS UK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

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		Year ended 31 December 2015 £	Period ended 31 December 2014 £
	Notes		
Turnover		3,076,562	2,473,276
Cost of sales		(1,119,961)	(935,118)
<b>Gross profit</b>		<b>1,956,601</b>	<b>1,538,158</b>
Distribution costs		(371,699)	(207,266)
Administrative expenses		(2,420,603)	(1,800,460)
<b>Operating loss</b>		<b>(835,701)</b>	<b>(469,568)</b>
Interest payable and similar charges	3	(1,457)	1,184,035
<b>(Loss)/profit on ordinary activities before taxation</b>	2	<b>(837,158)</b>	<b>714,467</b>
Tax on (loss)/profit on ordinary activities	5	-	-
<b>(Loss)/profit for the financial year</b>	11	<b>(837,158)</b>	<b>714,467</b>

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**NATURAL RETREATS UK LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2015**

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		110,948		129,640
Investments	7		349,937		372,710
			<u>460,885</u>		<u>502,350</u>
<b>Current assets</b>					
Debtors	8	2,717,433		2,418,930	
Cash at bank and in hand		336,822		427,916	
		<u>3,054,255</u>		<u>2,846,846</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,928,572)</u>		<u>(896,242)</u>	
<b>Net current assets</b>			<u>1,125,683</u>		<u>1,950,604</u>
<b>Total assets less current liabilities</b>			<u>1,586,568</u>		<u>2,452,954</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(200,772)</u>		<u>(230,000)</u>
<b>Net assets</b>			<u>1,385,796</u>		<u>2,222,954</u>
<b>Capital and reserves</b>					
Called up share capital	12		4,097,660		4,097,660
Profit and loss account	11		(2,711,864)		(1,874,706)
<b>Shareholders' funds</b>			<u>1,385,796</u>		<u>2,222,954</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 13 were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

  
.....  
Mr E Kearney  
Director

14.10.16.

# NATURAL RETREATS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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### 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 January 2015).

#### **Going concern**

The directors consider that the going concern basis of preparation is appropriate. The losses continue to be funded by the support of the major shareholder. The major shareholder has provided a written undertaking to the directors to provide sufficient funds to enable the company to meet its liabilities for the foreseeable future.

#### **Turnover**

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

#### **Tangible fixed assets and depreciation**

Tangible fixed assets 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:

Equipment	33.33% per annum
Fixtures & fittings	20% per annum

#### **Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **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.



# NATURAL RETREATS UK LIMITED

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

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### 1 Accounting policies (Continued)

#### Financial instruments

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

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

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

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Leasing and hire purchase contracts

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.

<b>2 (Loss)/profit on ordinary activities before taxation</b>	<b>2015</b>	<b>2014</b>
	£	£
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets		
- owned	72,213	71,348
- held under finance leases and hire purchase contracts	3,848	-
Auditor's remuneration for statutory audit	14,123	13,450
	<u>          </u>	<u>          </u>

A management charge has been levied by K2 Equity Partners LLP to Natural Retreats UK Limited for an amount of £nil (2014 - £87,503). This management fee includes an element in respect of the remuneration of the directors for their services to the company, which it is not possible to identify separately.

# NATURAL RETREATS UK LIMITED

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

### 3 Interest payable and similar charges

	2015 £	2014 £
Interest payable and similar charges	(1,457)	(450,156)
Reversal of interest and similar charges for the period and prior period	-	1,434,191
Forgiveness of loan from related party	-	200,000
	<u>(1,457)</u>	<u>1,184,035</u>

On 11 December 2014 a Deed of Release was completed between the company and D Gorton with all monies owed to D Gorton being repaid in full. D Gorton agreed to waive all interest accrued on the debt to date and to release the company from all obligations under the agreement and the debenture.

### 4 Directors' remuneration

	2015 £	2014 £
Directors' remuneration	273,384	200,000
	<u>273,384</u>	<u>200,000</u>

### 5 Tax on (loss)/profit on ordinary activities

The company has a deferred tax asset of approximately £445,000 (2014 - £260,000) available for utilisation against future taxable profits.

### 6 Tangible fixed assets

	Equipment £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 January 2015	336,015	83,466	419,481
Additions	52,857	4,512	57,369
At 31 December 2015	<u>388,872</u>	<u>87,978</u>	<u>476,850</u>
<b>Depreciation</b>			
At 1 January 2015	240,636	49,205	289,841
Charge for the year	64,870	11,191	76,061
At 31 December 2015	<u>305,506</u>	<u>60,396</u>	<u>365,902</u>
<b>Net book value</b>			
At 31 December 2015	<u>83,366</u>	<u>27,582</u>	<u>110,948</u>
At 31 December 2014	<u>95,379</u>	<u>34,261</u>	<u>129,640</u>

# NATURAL RETREATS UK LIMITED

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

### 6 Tangible fixed assets (Continued)

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

	Equipment £
<b>Net book values</b>	
At 31 December 2015	15,165
	<u>          </u>
<b>Depreciation charge for the year</b>	
At 31 December 2015	3,848
	<u>          </u>

### 7 Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2015	372,710
Disposals	(22,773)
	<u>          </u>
At 31 December 2015	349,937
	<u>          </u>
<b>Net book value</b>	
At 31 December 2015	349,937
	<u>          </u>
At 31 December 2014	372,710
	<u>          </u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Harbour Holidays (Rock) Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
<b>Principal activity</b>		
Harbour Holidays (Rock) Limited	102,867	130,102
	<u>          </u>	<u>          </u>

# NATURAL RETREATS UK LIMITED

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

8 Debtors	2015 £	2014 £
Trade debtors	188,597	255,538
Amounts owed by group undertakings	2,091,831	1,874,359
Other debtors	437,005	289,033
	<u>2,717,433</u>	<u>2,418,930</u>
	<u><u>2,717,433</u></u>	<u><u>2,418,930</u></u>
9 Creditors: amounts falling due within one year	2015 £	2014 £
Net obligations under finance leases	7,214	-
Trade creditors	384,258	371,468
Amounts owed to group undertakings	1,081,685	157,755
Taxes and social security costs	112,594	120,095
Other creditors	342,821	246,924
	<u>1,928,572</u>	<u>896,242</u>
	<u><u>1,928,572</u></u>	<u><u>896,242</u></u>
10 Creditors: amounts falling due after more than one year	2015 £	2014 £
Net obligations under finance leases	11,045	-
Other creditors	189,727	230,000
	<u>200,772</u>	<u>230,000</u>
	<u><u>200,772</u></u>	<u><u>230,000</u></u>
Other creditors falling due after one year related to deferred consideration for the acquisition of Harbour Holidays (Rock) Limited.		
11 Profit and loss account		Profit and loss account £
Balance at 1 January 2015		(1,874,706)
Loss for the period		(837,158)
		<u>(2,711,864)</u>
Balance at 31 December 2015		<u><u>(2,711,864)</u></u>

# NATURAL RETREATS UK LIMITED

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

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<b>12</b>	<b>Share capital</b>	<b>2015</b>	<b>2014</b>
		£	£
	<b>Allotted, called up and fully paid</b>		
	4,097,660 Ordinary shares of £1 each	4,097,660	4,097,660

### 13 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:

	<b>2015</b>	<b>2014</b>
	£	£
Operating leases which expire:		
Within one year	-	9,841
Between two and five years	15,295	29,772
In over five years	75,962	-
	<u>91,257</u>	<u>39,613</u>

# NATURAL RETREATS UK LIMITED

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

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### 14 Related party relationships and transactions

The directors MD Spence, EJ Kearney and A Wild have an interest in K2 Equity Partners LLP which provided services to the value of £43,575 (31 March 2015 - £102,391) to the company during the year. Included in trade creditors is £1,007 (2014 - £1,859) payable to K2 Equity Partners LLP at 31 December 2015.

K2 Equity Partners LLP has an interest in Natural Assets Investments Limited. During the year the company supplied services amounting to £285,811 (2014 - £345,245) to Natural Assets Investments Limited. At 31 December 2015 trade debtors includes £5,082 (2014 - £26,845) due from Natural Assets Investments Limited.

During the period the company received services amounting to £176,497 (2015 - £57,105) from Natural Assets Investments Limited. At 31 December 2015 trade creditors includes £20,907 (2014 - £15,831) due to Natural Assets Investments Limited.

Natural Assets Investments Limited has a number of subsidiary undertakings to which services were provided as follows:

- JOG 2 Limited year ended 31 December 2015 - £6,146 (2014 - £260)
- JOG Highlands LLP year ended 31 December 2015 £7,559 (2014 - £7,211)
- JOG 3 LLP year ended 31 December 2015 - £nil (31 March 2015 - £715)
- Natural Land 1 LLP year ended 31 December 2015 - £nil (2014 - £1,179)
- Natural Land 3 Limited year ended 31 December 2015 - £141,757 (2014 - £122,532)
- Natural Outfitters Limited year ended 31 December 2015 - £70,017 (2014 - £3,986)
- North York Moors Limited year ended 31 December 2015 - £nil (2014 - £1,166)
- NL3 Cottages Management Limited year ended 31 December 2015 - £2,940 (2014 - £3,477)
- Pentire Fistril Beach Limited year ended 31 December 2015 - £74,443 (2014 - £142,007)
- Pentire Management Limited year ended 31 December 2015 - £5,5813 (2014 - £4,667)
- NA Lews Castle Limited year ended 31 December 2015 - £380,982 (2014 - £165,200)
- Trewhiddle Village Limited year ended 31 December 2015 - £113,908(2014 - £40,210)
- Yorkshire Dales Limited year ended 31 December 2015 - £247,629 (2014 - £131,129)

Trade debtors includes balances owing to the company as follows:

- JOG Highlands LLP year ended 31 December 2015 - £719 (2014 - £7,211)
- JOG 2 Limited year ended 31 December 2015 - £832 (2014 - £47)
- Natural Land 1 LLP year ended 31 December 2015 - £46 (2014 - £420)
- Natural Land 3 Limited year ended 31 December 2015 - £11,317 (2014 - £2,815)
- NL3 Management Cottages Limited year ended 31 December 2015 £nil (2014 - £1,560)
- Natural Outfitters Limited year ended 31 December 2015 - £10,258 (2014 - £3,560)
- Pentire Fistril Beach Limited year ended 31 December 2015 - £1,314 (2014 - £30,836)
- Pentire Management Limited year ended 31 December 2015 - £1,722 (2014 - £4,485)
- Trewhiddle Village Limited year ended 31 December 2015 - £2,236 (2014 - £21,445)
- Yorkshire Dales Limited year ended 31 December 2015 - £3,963 (2014 - £10,163)

Also accrued income includes an amount of £182,565 (2014 - £nil) due from NA Lews Castle Limited.

# NATURAL RETREATS UK LIMITED

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

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### 14 Related party relationships and transactions (Continued)

During the year the company received services amounting to £82,595 (2014 - £72,405) from Natural Outfitters Limited. At 31 December 2015 trade creditors includes £2,058 (2014 - £4,684) due to Natural Outfitters Limited.

During the year the company was recharged expenses amounting to £1,292 (2014 - £1,159) by JOG Highlands LLP. Trade creditors includes £nil (2014 - £1,843) due to JOG Highlands LLP at 31 December 2015.

During the year the company was recharged expenses amounting to £65 by Trehiddle Village Limited (2014 - £nil). Trade creditors includes £nil (2014 - £nil) due to Trehiddle Village Limited at 31 December 2015.

During the year the company was recharged expenses amounting to £2,211 by Natural Land 3 Limited (2014 - £nil). Trade creditors includes £nil (2014 - £nil) due to Natural Land 3 Limited at 31 December 2015.

During the year the company was recharged expenses amounting to £572 by Yorkshire Dales Limited (2014 - £nil). Trade creditors includes £nil (2014 - £nil) due to Yorkshire Dales Limited at 31 December 2015.

Natural Retreats LP has an interest in the former parent company Natural Retreats Management Limited. At 31 December 2015 £nil (2014 - £183,212) was owing to the company by Natural Retreats LP.

D Gorton is a shareholder of the former parent company Natural Retreats Management Limited. Interest amounting to £nil (2014- £450,156) was charged on a loan that was repaid in the period ended 31 December 2014. £1,434,191 of interest previously charged was credited to the profit and loss account in the period ended 31 December 2014.

### 15 Control

The immediate parent company and immediate and ultimate controlling party is Natural Retreats Management LLC, a company incorporated in Delaware, USA.