

Company Registration No. NI058855

Zest Investment Property Group Limited

Annual report and Financial Statements

For the year ended 30 September 2013



Zest Investment Property Group Limited

Annual report and financial statements for the year ended 30 September 2013

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Zest Investment Property Group Limited

Annual report and financial statements for the year ended 30 September 2013

Officers and professional advisers

Directors

E J Coyle
G Sizer
P H Scott

Company Secretary

G Sizer

Registered Office

49 Darkley Road
Keady
BT60 3AX

Banker

Ulster Bank Limited
11-16 Donegall Square East
Belfast
BT7 5UB

Solicitor

DLA Piper UK LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne

Zest Investment Property Group Limited

Directors' report

The directors present their annual report, together with the financial statements and independent auditor's report for the year ended 30 September 2013.

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

Activities

The principal activity of the company during the year has been an investment holding company. There have been no transactions within the profit and loss account during the year or previous year, therefore no profit and loss account has been presented.

Directors

The directors who served throughout the year were as follows:

G Sizer
E J Coyle
P H Scott (appointed 3 December 2012)

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 7, of the financial statements.

Auditor

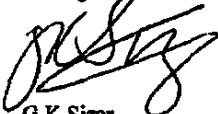
Each of the persons who are directors of the company at the date of this report confirms that:

- so far as the director is aware there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of this information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G K Sizer
Director

30 June 2014

Zest Investment Property Group Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 Zest Investment Property Group Limited

We have audited the financial statements of Zest Investment Property Group Limited for the year ended 30 September 2013 which comprise the balance sheet and the related notes 1 to 14. 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).

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 explained more fully in the directors' responsibilities statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 September 2013 and of its result for the year there 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.

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.

Independent auditor's report to the members of Zest Investment Property Group Limited (continued)

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 preparing a strategic report or in preparing the directors' report.



David Johnson BA FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle Upon Tyne, United Kingdom

30 June 2014

Zest Investment Property Group Limited

Balance sheet As at 30 September 2013

	Notes	2013 £	2012 £
Fixed assets			
Investments	4	<u>6,600,000</u>	<u>6,600,000</u>
Current assets			
Debtors	5	112,224	68,202
Creditors: amounts falling due within one year	6	<u>(2,004,357)</u>	<u>(1,960,335)</u>
Net current liabilities		<u>(1,892,133)</u>	<u>(1,892,133)</u>
Total assets less current liabilities		<u>4,707,867</u>	<u>4,707,867</u>
Creditors: amounts falling due in more than one year	7	<u>(4,750,000)</u>	<u>(4,750,000)</u>
Net liabilities		<u>(42,133)</u>	<u>(42,133)</u>
Capital and reserves			
Called-up share capital	9	1	1
Profit and loss account	10	<u>(42,134)</u>	<u>(42,134)</u>
Shareholders' deficit	11	<u>(42,133)</u>	<u>(42,133)</u>

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

The financial statements of Zest Investment Property Group Limited, (registered number NI 058855) were approved by the Board of Directors and authorised for issue on 30 June 2014.

Signed on behalf of the Board of Directors



G K Sizer
Director

Zest Investment Property Group Limited

Notes to the financial statements for the year ended 30 September 2013

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below, and have been applied consistently for the current and preceding financial year.

Basis of accounting

As disclosed in note 13 the company is party to an omnibus guarantee in relation to the group's external bank borrowings and therefore it is also necessary to consider the financial position of the group. Those borrowings are repayable on demand. The group is undertaking a programme to dispose of certain of its properties to generate additional cash to repay a proportion of the bank loan. The directors have held discussions with the bank and they have indicated that they will not seek repayment of the loan for the foreseeable future whilst the disposal programme is undertaken.

The group funds ongoing working capital requirements and interest payments through its cash balance and cash generated from trading.

The group and company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group and company should be able to operate within the level of their current facility, subject to the bank not seeking repayment of the loan.

On the basis of their assessment of the group and company's financial position the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax liabilities are not discounted.

Cash flow statement

The company is not presenting a cash flow statement in accordance with the exemption in FRS 1 'Cash Flow Statements'. The company qualifies as a small company in companies legislation.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Zest Investment Property Group Limited

Notes to the financial statements for the year ended 30 September 2013

1. Accounting policies (continued)

Profit and loss account

There have been no transactions within the profit and loss account during the year or previous year, therefore no profit and loss account has been presented.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

2. Employees

The average number of employees (including directors) were:

	2013 No.	2012 No.
Directors	3	2

No emoluments were received or are receivable by any director in respect of services during the current or preceding year.

3. Profit on ordinary activities before taxation

Audit fees of £1,000 (2012: £1,000) have been paid by another group entity.

4. Fixed asset investments

	£
Cost and net book value	
At 1 October 2012 and 30 September 2013	6,600,000

The company owns the entire issued share capital of the following entities:

	Country of incorporation	Principal activity	Holding	%
Oxford (2007) Limited	England	Letting of investment property	Ordinary shares	100
Bramley (2007) Limited	England	Intermediate holding company	Ordinary shares	100
Bramley Court (Care Homes)* Limited	England	Letting of investment property	Ordinary shares	100

*Bramley Court (Care Homes) Limited is a subsidiary of Bramley (2007) Limited.

Zest Investment Property Group Limited

Notes to the financial statements for the year ended 30 September 2013

5. Debtors

	2013 £	2012 £
Amounts due from group undertakings	<u>112,224</u>	<u>68,202</u>

6. Creditors: amounts falling due within one year

	2013 £	2012 £
Amounts owed in respect of secured bank loan	145,000	750,000
Amounts owed to group undertakings	1,855,857	1,206,835
Accruals and deferred income	<u>3,500</u>	<u>3,500</u>
	<u>2,004,357</u>	<u>1,960,335</u>

7. Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts owed in respect of secured bank loan	<u>4,750,000</u>	<u>4,750,000</u>

8. Borrowings

	2013 £	2012 £
Amounts due within one year	145,000	750,000
Between one and two years	-	-
Between two and five years	-	-
After more than five years	<u>4,750,000</u>	<u>4,750,000</u>
	<u>4,895,000</u>	<u>5,500,000</u>

At the period end Bank loans comprise of the following:

An on-demand facility of £145,000, provided by Ulster Bank. Interest is charged at 1.5% per annum above Ulster Bank base rate. Capital repayments are £25,000 per quarter.

A term facility of £4,750,000 expiring on 1 February 2022 provided by Ulster Bank. Interest has been fixed at 6.89% per annum. No capital repayments are due at present.

Interest on the loans is recharged to the profit and loss accounts of Oxford (2007) Limited and Bramley Court (Care Homes) Limited respectively, which hold the investment properties to which the borrowing relates.

Zest Investment Property Group Limited

Notes to the financial statements for the year ended 30 September 2013

9. Called-up share capital

	2013 £	2012 £
<i>Allotted, called-up and fully paid</i>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

10. Reserves

	2013 £	2012 £
At 1 October 2012	(42,134)	(42,134)
Result for the year	<u>-</u>	<u>-</u>
At 30 September 2013	<u>(42,134)</u>	<u>(42,134)</u>

11. Reconciliation of movements in shareholders' deficit

	2013 £	2012 £
Opening shareholders' deficit	(42,133)	(42,133)
Profit for the year	<u>-</u>	<u>-</u>
Closing shareholders' deficit	<u>(42,133)</u>	<u>(42,133)</u>

12. Commitments

The company is party to an omnibus guarantee in favour of Ulster Bank to secure group borrowings. The total borrowings outstanding at the period end were £27,852,269 (2012: £28,937,269).

The bank loans are secured by a fixed and floating charge over all the assets of the company.

13. Related party transactions

The company is a wholly owned subsidiary of Zest Investment Group Limited and is exempt from the requirements of FRS 8 'Related Party Disclosures' to disclose transactions with other members of the group headed by Zest Investment Group Limited. There have been no transactions with the directors of the company (refer to note 2), or of the group in the year.

14. Ultimate parent company and controlling party

The directors regard Zest Investment Group Limited, a company incorporated in England and Wales, as being the company's immediate and ultimate parent company and is the parent company of the largest and smallest group which includes the company. Copies of the group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Zest Investment Group Limited is jointly controlled by the directors who each individually hold 33.33 per cent of the issued share capital of the company.