REGISTERED NUMBER: 07541643 (England and Wales)

NATURAL ASSETS INVESTMENTS LIMITED

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

DTE Business Advisers Limited
Chartered Accountants
Statutory Auditors
The Exchange
5 Bank Street
Bury
BL9 0DN

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	T Dennis F M Douglas
REGISTERED OFFICE:	Suites 2g6, 2g8, 2g9 Glasshouse Alderley Park Congleton Road Nether Alderley Macclesfield SK10 4TG
REGISTERED NUMBER:	07541643 (England and Wales)
AUDITORS:	DTE Business Advisers Limited Chartered Accountants Statutory Auditors The Exchange 5 Bank Street Bury BL9 0DN

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS

Natural Assets Investments Limited is a parent company whose subsidiaries' principle focus is on ownership of holiday lettings properties, land ownership, property development and the provision of associated retail services. Despite the impacts of the COVID-19 pandemic the board considers the business had a positive year of trading and looking ahead looks to continue to benefit in the from increased demand from UK holidays and holiday properties.

The group operating profit before interest, tax, depreciation, amortisation and one-off gains of losses on disposals of assets for the reported period is £702,271. This has arisen due to a combination of strong revenue growth combined with tight control over cost of sales accompanied by a reduction in administration expenses in the year ended 31 December 2020 compared to the prior year.

Other factors that are relevant to the business review are as follows:

- The group has continued to sell holiday homes at its Trewhiddle, Llyn Peninsular and Yorkshire Dales locations where there is strong demand for holiday home sales.
- There have been no loan repayments made during the year to the principle shareholder. Interest is accrued on these loans with £2.0m charged during the year (£2.1m charged in 2020).
- Total assets less current liabilities (TALCL) have decreased by £3.3m. The most material movements on the statement of financial position contributing to this are as follows:
  - Decrease in value of investment property, following property sales and revaluation - £7.5m decrease to TALCL
  - Decrease in creditors due within 12 months - £3.5m decrease to TALCL
  - Cash at bank and in hand increased by £1.4m

Strategy

The strategy of the group is to focus on growing sustainable profitability and shareholder return through a focus on the core business of developing, renting and selling self-catering holiday accommodation within the United Kingdom.

The principle strategic objectives of the group are:

- To drive sustainable profitability and shareholder return on all activities and to eliminate loss making activities.
- To selectively pursue strategic land and property investment opportunities that meet the group's investment criteria for risk and return.
- To deliver outstanding products and services that anticipate the market and exceed the expectations of guests and clients.

PRINCIPAL RISKS AND UNCERTAINTIES

The group finances its operations through operational returns on its assets together with the sale of some properties, it is further supported when required by shareholders' loans and, where necessary to fund improvement activities and capital expenditure programmes, through bank and other borrowings.

The management's financial risk management objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due;
- minimise the group's exposure to fluctuating interest rates; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash expected to arise from the group's trading activities.

The directors have assessed the main risks facing the group as being:
- Interest rate movements
- Competitive pressures
- Payment default by customers/guests
- Controlling and managing construction costs
- Falling property values
- Maintaining shareholder funding
- Shift in the popularity of areas for UK Holidays which may have a direct impact on areas where development projects are planned

Interest rate movements are monitored frequently. Exposure to fluctuations in interest rates affecting long terms borrowings is largely eliminated by entering into fixed rate loans where this is possible and economically viable. The group has also made the reduction in value of its third party bank borrowing a priority and significant progress was made on this during the year.

The group establishes long term partnership arrangements with suppliers with whom they work to manage raw material price volatility.

The risk from competitive pressures is managed by building strong partnerships with customers/guests and providing them with the highest standards of quality and service.

The group works closely with its customers to mitigate potential payment defaults and, where it is available, ensures payments are made in advance.

The directors also regularly monitor and asses the risks posed by changes to general economic activity, government policies, tax legislation and environmental requirements and amend their strategy as appropriate.

KEY PERFORMANCE INDICATORS
The group operates and monitors a range of KPIs covering all the key aspects of its operations including the following:
- Activity level - measured by turnover growth, occupancy levels and ADR's
- Turnover, increase year on year is 63% - this was substantially impacted by period of enforced closure arising from the COVID 19 pandemic during the prior year together with an exceptional summer boosted by bounceback from COVID.
- Profitability - measured by Gross Profit as a percentage of turnover increased from 39.3% in 2020 to 52.8% in 2020
- The group maintained and significantly increased its cash balance during the year and did not require an overdraft

The directors monitor performance through the use of detailed annual budgets and forecasts that cover all the trading divisions in the group and the monitoring of actual performance against these budgets.

The directors are satisfied with the performance of the businesses in the light of market conditions during the year.

FUTURE DEVELOPMENTS
The directors feel the group is well placed for the future having completed the development of its last active site and remains tightly focused on renting and selling properties while maintaining a strict focus on cost control and its core activities. The group continues to divest itself of historic non-core activities. As a result the group expects to benefit from increased rental yields and future property sales income.

It is the intention of the directors to focus on driving profitability and asset sales at the group's sites to repay the existing third party bank debt and also potentially to reinvest some of these funds to develop and expand other existing sites within the group.

COVID-19
During the year the COVID-19 pandemic continued to have significant impacts both positive and negative on the group and its business.

The directors have considered the impact of the COVID-19 pandemic and while they recognise that they cannot be expected to predict what will happen in the future with COVID-19, the directors have taken all possible steps to mitigate any risks to the business as a result of this.

Following the lockdowns the group was able to open its rental properties, and achieved high levels of bookings as people looked to take holidays in the UK. In opening up the group has implemented COVID-19 secure procedures including social distancing, and cleaning regimes, along with adopting all Government and public health guidelines to ensure a safe working environment for all staff and customers.

The group has taken advantage, and will continue to do so, of all appropriate financial support packages made available by the Government.

ON BEHALF OF THE BOARD:

T Dennis - Director

14 December 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of a a holding company.

The principal activities of the subsidiary entities are holiday lettings, land ownership, and property development.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2021.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

T Dennis
F M Douglas

DISCLOSURE IN THE STRATEGIC REPORT
In accordance with s414C(11) of the Companies Act, all other applicable disclosure requirements, which would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' to be contained in the directors' report, have been included in the strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
DTE Business Advisers Limited has indicated its willingness to be reappointed for another term and appropriate arrangements are being made for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

ON BEHALF OF THE BOARD:

T Dennis - Director

14 December 2022

Opinion
We have audited the financial statements of Natural Assets Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2021 and of the group's 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.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our planning process:
- We enquired of management the systems and controls the group has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The group did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the group. We determined that the following were most relevant: FRS 102, Companies Act 2006, Health & Safety at Work 1974, Fire Precautions Act 1974, Employment Act 2008, General Data Protection Regulations (GDPR), and COVID-19 government regulations.
- We considered the incentives and opportunities that exist in the group, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the group, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:
- Identifying and testing journal entries, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the valuation of investment property, the classification of properties, the useful economic life of goodwill and the appropriateness of the going concern basis.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations in particular those that are central to the group's ability to continue in operation.
- Testing key revenue lines for evidence of management bias.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party and consolidated balances and transactions.
- Reviewing documentation such as the group board minutes, correspondence with solicitors, for discussions of irregularities including fraud.
- Testing all material consolidation adjustments.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
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 a Report of the Auditors 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.

Richard Taylor (Senior Statutory Auditor)
for and on behalf of DTE Business Advisers Limited
Chartered Accountants
Statutory Auditors
The Exchange
5 Bank Street
Bury
BL9 0DN

14 December 2022

CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
REVENUE	3	**1,862,826**	1,145,352
Cost of sales		**(879,837)**	(694,974)
GROSS PROFIT		**982,989**	450,378
Administrative expenses		**(1,471,888)**	(3,887,855)
		(488,899)	(3,437,477)
Other operating income		**216,281**	284,339
GROUP OPERATING LOSS	5	**(272,618)**	(3,153,138)
Share of operating (loss)/profit in Joint ventures		**(5,676)**	350
Profit/loss on sale of investment properties	6	**(972,595)**	-
		(1,250,889)	(3,152,788)
Interest payable and similar expenses	7	**(2,268,711)**	(2,440,684)
LOSS BEFORE TAXATION		**(3,519,600)**	(5,593,472)
Tax on loss	8	**-**	-
LOSS FOR THE FINANCIAL YEAR		**(3,519,600)**	(5,593,472)
Loss attributable to:			
Owners of the parent		**(3,531,449)**	(5,586,186)
Non-controlling interests		**11,849**	(7,286)
		(3,519,600)	(5,593,472)

The notes form part of these financial statements

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
LOSS FOR THE YEAR		**(3,519,600)**	(5,593,472)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(3,519,600)**	(5,593,472)
Total comprehensive income attributable to:			
Owners of the parent		**(3,531,449)**	(5,586,186)
Non-controlling interests		**11,849**	(7,286)
		(3,519,600)	(5,593,472)

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	**927,563**	1,761,229
Property, plant and equipment	11	**388,575**	439,523
Investments	12		
Interest in joint venture			
Share of gross liabilities		**(40,471)**	(34,795)
Investment property	13	**17,614,180**	25,091,250
		18,889,847	27,257,207
CURRENT ASSETS			
Inventories	14	**19,640**	23,301
Debtors: amounts falling due within one year	15	**631,469**	550,854
Cash at bank and in hand		**1,541,400**	123,193
		2,192,509	697,348
CREDITORS			
Amounts falling due within one year	16	**(10,315,836)**	(13,858,704)
NET CURRENT LIABILITIES		**(8,123,327)**	(13,161,356)
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,766,520**	14,095,851
CREDITORS			
Amounts falling due after more than one year	17	**(66,015,716)**	(65,825,447)
NET LIABILITIES		**(55,249,196)**	(51,729,596)

The notes form part of these financial statements

continued...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2021

	Notes	2021 £	2020 £
CAPITAL AND RESERVES			
Called up share capital	20	**1,000**	1,000
Merger reserves	21	**149,999**	149,999
Other reserves	21	**587,189**	1,395,608
Retained earnings	21	**(55,631,635)**	(52,908,605)
SHAREHOLDERS' FUNDS		**(54,893,447)**	(51,361,998)
NON-CONTROLLING INTERESTS		**(355,749)**	(367,598)
TOTAL EQUITY		**(55,249,196)**	(51,729,596)

The financial statements were approved by the Board of Directors and authorised for issue on 14 December 2022 and were signed on its behalf by:

T Dennis - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	-	-
Property, plant and equipment	11	**154**	3,333
Investments	12	**200,055**	200,055
Investment property	13	-	-
		200,209	203,388
CURRENT ASSETS			
Debtors: amounts falling due within one year	15	**13,768,267**	191,830
Debtors: amounts falling due after more than one year	15	-	19,507,007
Cash at bank		**293,090**	62,145
		14,061,357	19,760,982
CREDITORS			
Amounts falling due within one year	16	**(6,675,222)**	(9,847,589)
NET CURRENT ASSETS		**7,386,135**	9,913,393
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,586,344**	10,116,781
CREDITORS			
Amounts falling due after more than one year	17	**(60,630,641)**	(60,555,839)
NET LIABILITIES		**(53,044,297)**	(50,439,058)
CAPITAL AND RESERVES			
Called up share capital	20	**1,000**	1,000
Merger reserves	21	**149,999**	149,999
Retained earnings	21	**(53,195,296)**	(50,590,057)
SHAREHOLDERS' FUNDS		**(53,044,297)**	(50,439,058)
Company's loss for the financial year		**(2,605,239)**	(3,938,390)

The financial statements were approved by the Board of Directors and authorised for issue on 14 December 2022 and were signed on its behalf by:

T Dennis - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Merger reserves £
Balance at 1 January 2020	1,000	(48,085,061)	149,999
Changes in equity			
Total comprehensive income	-	(5,586,186)	-
Transfer	-	762,642	-
Balance at 31 December 2020	1,000	(52,908,605)	149,999
Changes in equity			
Total comprehensive income	-	(3,531,449)	-
Transfer	-	808,419	-
Balance at 31 December 2021	1,000	(55,631,635)	149,999

	Other reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2020	2,158,250	(45,775,812)	(360,312)	(46,136,124)
Changes in equity				
Total comprehensive income	-	(5,586,186)	(7,286)	(5,593,472)
Transfer	(762,642)	-	-	-
Balance at 31 December 2020	1,395,608	(51,361,998)	(367,598)	(51,729,596)
Changes in equity				
Total comprehensive income	-	(3,531,449)	11,849	(3,519,600)
Transfer	(808,419)	-	-	-
Balance at 31 December 2021	587,189	(54,893,447)	(355,749)	(55,249,196)

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Merger reserves £	Total equity £
Balance at 1 January 2020	1,000	(46,651,667)	149,999	(46,500,668)
Changes in equity				
Total comprehensive income	-	(3,938,390)	-	(3,938,390)
Balance at 31 December 2020	1,000	(50,590,057)	149,999	(50,439,058)
Changes in equity				
Total comprehensive income	-	(2,605,239)	-	(2,605,239)
Balance at 31 December 2021	1,000	(53,195,296)	149,999	(53,044,297)

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	**359,778**	(753,557)
Interest paid		**(289,577)**	(390,485)
Tax paid		**(29,362)**	-
Net cash from operating activities		**40,839**	(1,144,042)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(95,951)**	(40,391)
Purchase of investment property		**(160,948)**	(118,223)
Sale of investment property		**6,547,269**	-
Net cash from investing activities		**6,290,370**	(158,614)
Cash flows from financing activities			
New loans in year		**-**	950,000
Loan repayments in year		**(3,169,102)**	(373,684)
New shareholder loans in year		**183,100**	786,000
Shareholder loan repayments		**(1,927,000)**	(6,750)
Net cash from financing activities		**(4,913,002)**	1,355,566
Increase in cash and cash equivalents		**1,418,207**	52,910
Cash and cash equivalents at beginning of year	2	**123,193**	70,283
Cash and cash equivalents at end of year	2	**1,541,400**	123,193

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Loss before taxation	(3,519,600)	(5,593,472)
Depreciation charges	980,565	954,800
Loss on revaluation of fixed assets	118,154	785,401
(Profit)/loss on disposal	972,595	-
Share of results of joint venture	5,676	(350)
Write down of investment	-	30,000
Finance costs	2,268,711	2,440,684
	826,101	(1,382,937)
Decrease in inventories	3,661	10,100
(Increase)/decrease in trade and other debtors	(51,253)	446,089
(Decrease)/increase in trade and other creditors	(418,731)	173,191
Cash generated from operations	359,778	(753,557)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	1,541,400	123,193

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	123,193	70,283

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	123,193	1,418,207	1,541,400
	123,193	1,418,207	1,541,400
Debt			
Debts falling due within 1 year	(9,809,259)	3,160,287	(6,648,972)
Debts falling due after 1 year	(64,307,147)	(226,419)	(64,533,566)
	(74,116,406)	2,933,868	(71,182,538)
Total	(73,993,213)	4,352,075	(69,641,138)

1. STATUTORY INFORMATION

Natural Assets Investments Limited is a private company limited by shares, incorporated in England and Wales. The company's registered number is 07541643 and its registered office address is Suites 2g6, 2g8, 2g9, Glasshouse Alderley Park, Congleton Road, Nether Alderley, Macclesfield, England, SK10 4TG.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Going concern
As part of its going concern review the board has prepared financial forecasts. 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. For the forecasted period, the Board took account of the support of the loan holder, the probability of bank facilities being renewed and an indicative view of trading performance, for their going concern review.

The group is currently still developing its portfolio and the statement of financial position showing net current liabilities of £8,123,327 (2020: £13,161,356) and net liabilities of £55,249,196 (2020: £51,729,596). While the majority of sites have now completed their development they are still some way from maturity in terms of net income generation and so the group has been reliant on support to cover its working capital requirements.

The group has support from the loan holder who is also the main shareholder. He is considered to have adequate capabilities to provide support as required and has formally confirmed that he will support the group for at least the next 12 months from the date of approval of the financial statements.

The current cash funding requirements prepared by management have given the directors a reasonable expectation that the group will have sufficient resources available to continue in operational existence for the foreseeable future, with the confirmed continued support of the loan holder as noted above. For these reasons, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation
The consolidated financial statements incorporate the results of Natural Assets Investments Limited and all of its material subsidiary undertakings as at 31 December 2021 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

A subsidiary is no longer consolidated when control is lost. The difference between any disposal proceeds and the carrying amount of the subsidiary's net assets (including related goodwill) is recognised in the income statement as a gain or loss on disposal.

continued...

2. ACCOUNTING POLICIES - continued

Critical accounting estimates and judgements
In the application of the company's accounting policies, the directors are required to make estimates and judgements. The estimates are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The estimates are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Estimating the useful economic life of an asset and the anticipated residual value are considered key judgements in calculating an appropriate depreciation charge.

Making judgement on the valuation of investment properties.

Making judgement on the classification of properties.

Assessing the appropriateness of the going concern basis.

Estimating the useful economic life of goodwill.

Revenue
Revenue is recognised at the fair value of the consideration received or receivable for accommodation lettings, and food and drink sales to external customers in the normal course of business. The fair value of consideration takes into account settlement discounts and volume rebates. Revenue is shown net of Value Added Tax.

Revenue from the sale of services is recognised as those services are provided. 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 transfer of the goods.

Goodwill
Goodwill is capitalised and written off evenly over 6 to 8 years, as in the opinion of the directors, this represents the period over which goodwill is expected to give rise to economic benefits.

Negative goodwill arises when the cost of a business combination is less that the fair value of the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit of 20 years.

Property, plant and equipment
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 5% on cost
Plant and machinery	- 33% on cost
Fixtures and fittings	- 33.3% on cost, 25% straight line and 20% straight line

Assets under development or in the course of construction are not depreciated.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the income statement when the change arises.

continued...

2. ACCOUNTING POLICIES - continued

Government grants
Government grants are recognised in other income in the period to which they relate.

Investment property
Investment properties are recognised at fair value. Changes in fair value are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

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

Cost is derived from purchase price. Net realisable value is based on estimated selling price less attributable costs of disposal.

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

Financial instruments
The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

Basic financial liabilities are initially measured at transaction price and subsequently measured at amortised cost.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

continued...

2. ACCOUNTING POLICIES - continued

Fixed asset investments
Fixed asset investments are stated at cost less any permanent diminuation in value.

3. REVENUE

The revenue and loss before taxation are attributable to the one principal activity of the group.

An analysis of revenue by class of business is given below:

	2021	2020
	£	£
Rental income	**1,722,922**	1,098,473
Sales of goods	**139,904**	46,879
	1,862,826	1,145,352

All turnover has been generated within the United Kingdom in the current and prior year.

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	**114,510**	211,842
Social security costs	**13,897**	17,665
Other pension costs	**5,174**	7,355
	133,581	236,862

The average number of employees during the year was as follows:

	2021	2020
Operational	**10**	17
Management	**5**	5
Administration	**1**	1
	16	23

	2021	2020
	£	£
Directors' remuneration	**-**	-

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	**146,899**	121,134
Goodwill amortisation	**844,260**	844,260
Negative goodwill amortisation	**(10,594)**	(10,594)
Auditors' remuneration	**28,300**	26,700
Operating leases - land and buildings	**-**	37,500
Fair value (gains)/losses on investment properties	**118,154**	785,401
Government grants	**(180,131)**	(248,189)

6. PROFIT/LOSS ON SALE OF INVESTMENT PROPERTIES

	2021	2020
	£	£
Loss on sale of investment properties	**972,595**	-

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	**289,577**	390,485
Other loan interest	**1,979,134**	2,050,199
	2,268,711	2,440,684

8. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

continued...

8. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Loss before tax	**(3,519,600)**	(5,593,472)
Loss multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	**(668,724)**	(1,062,760)
Effects of:		
Expenses not deductible for tax purposes	**578,680**	577,164
Income not taxable for tax purposes	**16,332**	139,304
deferred tax and corporation		
Deferred tax not recognised	**73,712**	346,292
Total tax charge	**-**	-

Deferred tax is not recognised in respect of losses of £19,745,690 (2020: £19,371,480).

The finance bill 2021 has set out measures to maintain the corporation tax rate for financial years beginning 1 April 2021 and 2022. For financial years beginning after 1 April 2023, the corporation tax rate will be increased to 25% for profits over £250,000. A small profits rate (SPR) will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by marginal relief. The directors are not aware of any other factors that will materially affect the future tax charge.

9. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

continued...

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Negative goodwill £	Totals £
COST			
At 1 January 2021 and 31 December 2021	8,558,781	(211,883)	8,346,898
AMORTISATION			
At 1 January 2021	6,688,965	(103,296)	6,585,669
Amortisation for year	844,260	(10,594)	833,666
At 31 December 2021	7,533,225	(113,890)	7,419,335
NET BOOK VALUE			
At 31 December 2021	1,025,556	(97,993)	927,563
At 31 December 2020	1,869,816	(108,587)	1,761,229

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2021	274,352	26,096	669,014	969,462
Additions	14,718	-	81,233	95,951
At 31 December 2021	289,070	26,096	750,247	1,065,413
DEPRECIATION				
At 1 January 2021	57,366	22,763	449,810	529,939
Charge for year	14,453	3,179	129,267	146,899
At 31 December 2021	71,819	25,942	579,077	676,838
NET BOOK VALUE				
At 31 December 2021	217,251	154	171,170	388,575
At 31 December 2020	216,986	3,333	219,204	439,523

continued...

11. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2021			
and 31 December 2021	**26,096**	**29,274**	**55,370**
DEPRECIATION			
At 1 January 2021	**22,763**	**29,274**	**52,037**
Charge for year	**3,179**	**-**	**3,179**
At 31 December 2021	**25,942**	**29,274**	**55,216**
NET BOOK VALUE			
At 31 December 2021	**154**	**-**	**154**
At 31 December 2020	3,333	-	3,333

12. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1 January 2021	**(34,795)**
Share of profit/(loss)	**(5,676)**
At 31 December 2021	**(40,471)**
NET BOOK VALUE	
At 31 December 2021	**(40,471)**
At 31 December 2020	(34,795)

Company

	Shares in group undertakings £
COST	
At 1 January 2021	
and 31 December 2021	**200,055**
NET BOOK VALUE	
At 31 December 2021	**200,055**
At 31 December 2020	200,055

continued...

12. **FIXED ASSET INVESTMENTS - continued**

Subsidiary undertakings

Name	Registered office	Holding	Nature of business
Trewhiddle Village Limited	Note 1	100% ordinary	Holiday lettings
Natural Land 3 Limited	Note 1	100% ordinary	Holiday lettings
North York Moors Limited	Note 1	100% ordinary	Property development
John O'Groats Highland Limited	Note 1	100% ordinary	Holding company
NA Lews Castle Limited	Note 1	100% ordinary	Holiday lettings
Yorkshire Dales Limited	Note 1	100% ordinary	Holiday lettings
Natural Outfitters Limited	Note 1	100% ordinary	Retail services
John O'Groats Highland Limited has the following subsidiary:			
JOG Highlands LLP	Note 1	86% member	Holiday lettings
Natural Land 3 has the following subsidiaries			
NL3 Cottages Management Limited	Note 1	100% ordinary	Property management
Natural Land 3 Management Limited	Note 1	100% ordinary	Dormant
Trewhiddle Village Limited has the following subsidiary:			
TW Management Ltd	Note 1	100% ordinary	Property management
Yorkshire Dales Limited has the following subsidiary:			
YD Management Ltd	Note 1	100% ordinary	Property management

Joint ventures

Name	Registered office	Holding	Nature of business
Jog 2 Limited	Note 2	50% ordinary	Land ownership

NL3 Cottages Management Limited and Natural Land 3 Management Limited are not consolidated within these financial statements on the grounds of materiality.

Note 1: Suites 2g6, 2g8, 2g9, Glasshouse Alderley Park, Congleton Road, Nether Alderley, Macclesfield, England, SK10 4TG

Note 2: 5th Floor 88 Church Street, Liverpool, England, L1 3HD

13. INVESTMENT PROPERTY

Group

	Total
	£
FAIR VALUE	
At 1 January 2021	**25,091,250**
Additions	**160,948**
Disposals	**(7,519,864)**
Revaluations	**(118,154)**
At 31 December 2021	**17,614,180**
NET BOOK VALUE	
At 31 December 2021	**17,614,180**
At 31 December 2020	25,091,250

Investment properties have been valued at open market value by the directors at 31 December 2021. The historic cost of investment properties is £19,101,015 (2020: £26,751,265).

The group is required to remit 50% of the sales proceeds received from the sale of any investment properties directly to HSBC in repayment of the outstanding loan.

14. INVENTORIES

	Group	
	2021	2020
	£	£
Inventories	**19,640**	23,301

15. DEBTORS

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Amounts falling due within one year:				
Trade debtors	**62,850**	28,181	**2**	2,268
Amounts owed by group undertakings	**-**	-	**13,401,837**	-
Amounts owed by related parties	**208,224**	-	**259,547**	59,994
Amounts owed by associates	**203,836**	204,521	**-**	-
Other debtors	**38,764**	165,726	**16,816**	41,269
Tax	**29,362**	-	**29,362**	-
VAT	**-**	54,377	**882**	15,955
Prepayments	**88,433**	98,049	**59,821**	72,344
	631,469	550,854	**13,768,267**	191,830

continued...

15. DEBTORS - continued

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	-	19,507,007
Aggregate amounts	**631,469**	550,854	**13,768,267**	19,698,837

Amounts owed to group undertakings have no fixed terms of repayment but a minimum of twelve months notice will be given.

Company
An impairment loss of £781,675 (2020: £423,713) was recognised during the year against amounts due from group undertakings.

An impairment loss of £nil (2020: £850,000) was recognised during the year against other debtors.

Group
An impairment loss of £nil (2020: £850,000) was recognised during the year against other debtors.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans and overdrafts (see note 18)	**6,648,972**	9,809,259	**6,648,972**	9,759,259
Trade creditors	**299,903**	431,264	**6,718**	27,599
Amounts owed to related parties	-	248,151	-	-
Social security and other taxes	**3,985**	7,119	-	-
VAT	**79,016**	-	-	-
Other creditors	**3,122,941**	3,206,390	**17,032**	18,149
Accrued expenses	**161,019**	156,521	**2,500**	42,582
	10,315,836	13,858,704	**6,675,222**	9,847,589

Interest is charged on the bank loans at various rates ranging from 2.5% to 4.5% above the base rate. Interest charged during the year amounted to £289,577 (2020: £390,485).

continued...

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Bank loans (see note 18)	**37,254**	46,069	**37,254**	46,069
Other loans (see note 18)	**64,496,312**	64,261,078	**60,593,387**	60,509,770
Deferred government grants	**1,482,150**	1,518,300	**-**	-
	66,015,716	65,825,447	**60,630,641**	60,555,839

Government grants relate to a development grant received from Highlands and Islands Enterprise for development costs at John O'Groats, Scotland. The grant is repayable if any property is sold within 10 years from the date of the last payment.

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	**2021**	2020
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Bank loans	**6,648,972**	9,809,259	**6,648,972**	9,759,259
Amounts falling due between one and two years:				
Bank loans - 1-2 years	**9,848**	9,605	**9,848**	9,605
Other loans - 1-2 years	**64,496,312**	64,261,078	**60,593,387**	60,509,770
	64,506,160	64,270,683	**60,603,235**	60,519,375
Amounts falling due between two and five years:				
Bank loans - 2-5 years	**27,406**	30,297	**27,406**	30,297
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	**-**	6,167	**-**	6,167

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020
	£	£
Bank loans	**6,686,226**	9,855,328
Other loans	**3,902,925**	3,751,308
	10,589,151	13,606,636

Bank loans are secured by way of a fixed charge over investment properties.

Other loans are secured by way of a debenture over the assets of a subsidiary company, Jog Highlands LLP.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
600	Ordinary A	£1	**600**	600
400	Ordinary B	£1	**400**	400
			1,000	1,000

The Company's A and B ordinary shares, which carry no right to fixed income, are ranked equally and each carry the right to one vote at general meetings of the company.

21. RESERVES

Group
The following describes the nature and purpose of each reserve within equity:

Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere.
Merger reserve	The difference between the value of shares issued by the parent company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries.
Other reserves	The non distributable portion of retained earnings in respect of revaluations on investment properties.

Company
The following describes the nature and purpose of each reserve within equity:

Retained earnings	All other net gains and losses and transactions with owners not recognised elsewhere.
Merger reserve	The difference between the value of shares issued by the company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries.

continued...

22. CONTINGENT LIABILITIES

A claim has been lodged against Natural Assets Investments Limited in respect of alleged damages caused by a former subsidiary undertaking for a breach of the company's guaranteed obligations. This claim is at an early stage and the directors have obtained legal advice and have requested but not yet received all of the additional information to substantiate the claim. The directors will be defending the action and as at the date of signing these financial statements are of the view that no material losses will arise in respect of this legal claim.

23. OTHER FINANCIAL COMMITMENTS

Natural Assets Investments Limited has entered into a composite company unlimited multilateral guarantee with the following group companies: North York Moors Limited, Trewhiddle Village Limited, Yorkshire Dales Limited, Natural Land 1 LLP, John O'Groats Highlands Limited, Natural Land 3 Limited, NA Lews Castle Limited and Natural Outfitters Limited. At 31 December 2021 the total borrowings covered by the guarantee amounted to £6,686,226 (2020: £9,855,328).

24. RELATED PARTY DISCLOSURES

Natural Assets Investments Limited has given a guarantee under section 479C of the Companies act 2006. The following subsidiaries included in these consolidated accounts, are therefore, exempt from the requirements of this Act relating to the audit of individual accounts by virtue of Section 479A: JOG 2 Limited.

Entities with control, joint control or significant influence over the entity

	2021	2020
	£	£
Sales	**147,953**	83,423
Purchases	**242,164**	56,339
Amount due from related party	**208,224**	-
Amount due to related party	**-**	248,151

Other related parties

D Gorton
D Gorton is the majority shareholder of the group, the ultimate controlling party and a director.

Included within creditors falling due within one year is an amount of £3,100,000 (2020: £3,100,000) loaned to Natural Land 3 Limited from D Gorton. This loan is unsecured, interest free and repayable on demand.

Included within creditors falling due after one year is an amount of £3,902,925 (2020: £3,751,308) loaned to JOG Highlands LLP from D Gorton. This loan is secured by way of debenture over the assets of the LLP and interest is charged at 4.5% above LIBOR. The amount is repayable in full on 11 June 2022.

Included within creditors due after one year is an amount of £60,593,387 (2020: £60,509,770) loaned to Natural Assets Investments Limited from D Gorton. This loan is unsecured and interest is charged at various rates between 0% and 10%. The loan has an indeterminate repayment date, with a minimum of 12 months notice required for repayment.

During the year interest amounting to £1,827,517 (2020: £2,050,199) was charged by D Gorton.

The was no key management personnel compensation during the year.

25. POST BALANCE SHEET EVENTS

Dissolution of Subsidiary Undertakings
On 24 May 2022 North York Moors Limited was dissolved.

continued...

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is D Gorton, the majority shareholder of the company.