

Registration number: 03785433

NATIVE HOLDINGS LIMITED
Strategic Report, Directors' Report and
Financial Statements
for the Year Ended 31 December 2021



NATIVE HOLDINGS LIMITED

**Contents of the Financial Statements
for the year ended 31 December 2021**

	Page
Company Information	1
Strategic Report	2-3
Directors' Report	4
Directors' Responsibility statement	5
Independent Auditor's Report	6-9
<i>Statement of Comprehensive Income</i>	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14-22

NATIVE HOLDINGS LIMITED
Company Information
for the year ended 31 December 2021

Directors: G F A Nixon
J P Ruane
W G Westbrook
E A Brookes
A J G Pitman
A P T Hunter

Registered office: United House
9 Pembridge Road
Notting Hill
London
W11 3JY
United Kingdom

Auditors: Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

NATIVE HOLDINGS LIMITED

Strategic Report for the year ended 31 December 2021

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal Activity

The principal activity of Native Holdings Limited, ("the Company") continues to be that of a holding Company. The Company owns Native Places Limited and Native Residential Limited. The Company is a limited Company, incorporated and domiciled in the UK.

The significant new business growth experienced in 2021, particularly within the residential asset management sector, led the company to reframe its legal entity structures. From July 1st, 2021, Aparthotel contracts sit within Native Places Limited and the Build to Rent ('B2R') portfolio operates within its new sister company, Native Residential Limited. Both entities are 100% owned by Native Holdings Limited. The sectors are very different in terms of customer type and cost drivers and depend on HQ support in very different ways but with synergies across disciplines such as customer service and revenue management. The Directors believe the separation will allow a more targeted assessment of each platform and enable a clearer view of the underlying contribution from each to Group performance.

Native Places ended 2021 with 667 units under management across 17 locations and though principally in London but has an increasing presence in the North including Manchester 162 units, Edinburgh 82 and Glasgow 63 units and with further regional assets in the pipeline. Native Residential Limited ended 2021 with 1,052 units under management across four locations in London (2), Birmingham and Manchester.

The Company is a limited company, incorporated and domiciled in the UK. On 1st April 2021, the Company changed its name to Native Holdings Limited, formerly Go Native Holdings Limited.

Review of business

The Company continued to operate as investment company. The only activity in the year, relates to interest income and expense for the pass down of shareholder finance to the trading companies, Native Places Limited and Native Residential Limited.

Future developments and events after the balance sheet dates

During 2022 Native Residential has opened a further two further Residential locations in Woking and Milton Keynes bringing the active portfolio to 1,775 units across six locations. A further two sites have been contracted and will open in Durham and Cardiff within Q4 2022 bringing the total units under management to above 2,147 by year end. Lastly a further 1,395 units will open throughout 2023 bringing the total contracted portfolio total to 3,542 units at the time of this report.

Native Places has also seen the addition of a 92 unit hotel in the St Paul's area of London and its active unit count has reached 759 units with further volume additions expected. The active group portfolio should reach 2,906 units by year end and a total of 4,301 units contracted with more wins likely via active tender processes.

The Company will continue to support its investment in Native Places Limited and Native Residential Limited.

Key Performance Indicators

The main Key Performance Indicator used in managing the performance of the Company is the investment carrying value related to shares in various group undertakings. Investment carrying value is £7,102,935 for 2021, unchanged from £7,102,935 for 2020.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are limited due to the primary activity undertaken. The principal risk is the impairment risk on the investments held. As is the case for many businesses, additional economic risks are currently present due to the a potential near term recession. We have seen cost inflation pressure particularly labour and utility charges evident in the current market. Noted that the group has a mix of assets both long and short term stays and with an increasing UK footprint which should help to withstand any short-term recessionary headwinds.

The Group also operates buildings through a combination of management agreements, where the building owner takes the occupancy risk and leases where the Group bears the occupancy risk. This approach provides a balanced risk within the portfolio and will limit the impact of any economic downturn as and when it arises. Generally, as is the case for many businesses, the Covid-19 crisis led the business to increase its debt levels and it rephased some of its key liabilities including rents and taxes. The Company cleared its rent arrears within the Aparthotel properties within 2021 and its HMRC instalments are aligned to its agreement with HMRC. The business has operated without loan injections since September 2021 and its' 2022 financial performance remains ahead of budget year to date.

NATIVE HOLDINGS LIMITED**Strategic Report (continued)
for the year ended 31 December 2021**

Brexit was certainly a concern due to the potential impact to the attractiveness of London as a centre for business and to a lesser extent, tourism. The Company generates a significant proportion of its business from within the UK and its hotel results have proven resilient despite uncertainties. Within H1 2022 it has reached 95% of inflation inclusive revenue levels versus the pre Covid period norms of H1 2019 and in the opinion of the Directors will soon surpass that measure.

Native Aparthotels continues its pursuit of a national footprint outside of its traditional London heartland with representation already secured in Glasgow, Edinburgh and Manchester and further regional expansion to follow in 2023 and beyond. Native B2R is also increasingly securing future pipeline opportunities outside of London. The Native B2R platform has been largely unaffected by Covid-19 having no material impact on the business. The threat of recession could impact revenues in the immediate term but countering that we could see greater demand in the rental sector due to increased interest rates and some clients deferring decisions to acquire apartments during any recessionary periods.

Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the current market conditions and have concluded that it is appropriate.

The Directors are in receipt of a letter of comfort, from a Company which is owned by the Company's ultimate parent Company, to provide appropriate support through to 31st December 2023.

Having reviewed the Company's future cash requirements and forecast receipts, the Directors expect that the Company will have adequate resources to continue in existence for at least the next twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

On behalf of the board:

Guy Nixon

.....
G F A Nixon - Director

19/12/2022

Date:

NATIVE HOLDINGS LIMITED

**Directors' Report
for the year ended 31 December 2021**

The Directors present their annual report with the audited financial statements of the Company for the year ended 31 December 2021.

The Directors have chosen to include information relating to key performance indicators and principal risks and uncertainties in the Strategic Report.

Dividends

The result for the year has been transferred to reserves. The Directors have not recommended the payment of a dividend (2020- £nil).

Directors

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

G F A Nixon
J P Ruane
W G Westbrook
E A Brookes
A J G Pitman
A P T Hunter

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors', which were made during the year and remain in force at the date of this report.

Going Concern

The Directors have reviewed the Company's future cash requirements and forecast receipts and expect that the Company will have adequate resources to continue in existence for the next twelve months.

Please refer to the strategic report for further comments regarding the going concern assessment.

Financial risk management objectives and policies

The Company's financial risk is limited to the value of its investment in its subsidiaries Native Places Ltd and Native Residential Ltd ("the Operating Companies"). The Operating Companies manage their liquidity risks through careful management of working capital.

Disclosure of information to the auditor

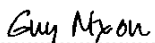
The directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the Board


.....
G F A Nixon - Director
19/12/2022

NATIVE HOLDINGS LIMITED

Directors' Responsibility Statement for the year ended 31 December 2021

Directors' Responsibility Statement

The Directors are responsible for preparing the Strategic Report, 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 UK-adopted international accounting standards. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international 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 Native Holdings Limited

Opinion

We have audited the financial statements of Native Holdings Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and 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 UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from current recessionary and inflationary pressures, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Independent Auditor's Report to the Members of Native Holdings Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors for the financial statements

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, and for such internal control as the directors determine is 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 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 company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Native Holdings Limited

Auditor's 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 an auditor's report 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.

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 auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).


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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and industry in which it operates through our general commercial and sector experience and discussions with management. We determined that the following laws and regulations were most significant: UK-adopted international accounting standards and the Companies Act 2006.
- We assessed the susceptibility of the Company's financial statements to material statement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - a) Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - b) Challenging assumptions and judgements made by management in its significant accounting estimates;
 - c) Identifying and testing journal entries; and
 - d) Assessing the extent of compliance with the relevant laws and regulations.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - a) Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - b) Knowledge of the industry in which the client operates; and
 - c) Understanding of the legal and regulatory requirements specific to the Company including the provisions of applicable legislation, the regulators rules and related guidance, including guidance issues by relevant authorities that interprets those rules and the applicable statutory provision.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition.
- In assessing the potential risk of material misstatement, we obtained an understanding of:
 - a) The Company's operations, including the nature of its revenue sources to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in material misstatement, and
 - b) The Company's control environment, including management's knowledge of relevant laws and regulations and how the Company is complying with those laws and regulations.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

**Independent Auditor's Report to the Members of
Native Holdings Limited**

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 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.

The image shows a handwritten signature in black ink, which appears to be 'S. Cardoso'. To the right of the signature, the text 'UK LLP' is printed in a small, sans-serif font.

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

19/12/2022

Date:

NATIVE HOLDINGS LIMITED

Statement of Comprehensive Income
for the year ended 31 December 2021

	Note	2021 £	2020 £
Continuing operations			
Revenue		-	-
Operating result		-	-
Finance income		162,175	-
Finance costs		(162,175)	-
Result before income tax		-	-
Income tax	5	-	-
Result for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The notes on pages 14 to 22 form part of these financial statements

NATIVE HOLDINGS LIMITED (REGISTERED NUMBER: 03785433)

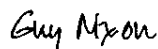
Statement of Financial Position
31 December 2021

	Note	2021 £	2020 £
Assets			
Non-current assets			
Investments	6	7,102,935	7,102,935
Trade and other receivables	7	6,528,175	-
Current assets			
Trade and other receivables	7	-	653,141
Cash and cash equivalents	8	-	-
Total current assets		-	653,141
Total assets		<u>13,631,110</u>	<u>7,756,076</u>
Liabilities			
Current liabilities			
Trade and other payables	11	29,062	682,203
Non-current liabilities			
Trade and other payables	11	6,528,175	-
Total liabilities		<u>6,557,237</u>	<u>682,203</u>
Equity			
Shareholders' equity:			
Called up share capital	9	2,828	2,843
Share premium	10	7,067,099	7,067,099
Retained earnings	10	3,946	3,931
Total equity		<u>7,073,873</u>	<u>7,073,873</u>
Total equity and liabilities		<u>13,631,110</u>	<u>7,756,076</u>

19/12/2022

The financial statements were approved by the Board of Directors on
on its behalf by:

..... and were signed



.....
G F A Nixon - Director

The notes on pages 14 to 22 form part of these financial statements

NATIVE HOLDINGS LIMITED

Statement of Changes in Equity
for the year ended 31 December 2021

	<u>Equity attributable to equity holders of the Company</u>			
	<i>Called-up share capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Total equity</i>
	£	£	£	£
Balance at 1 January 2020	2,843	7,067,099	3,931	7,073,873
Result for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 31 December 2020	2,843	7,067,099	3,931	7,073,873
Capital reduction	(15)	-	15	-
Total transactions with owners	(15)	-	15	-
Result for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 31 December 2021	2,828	7,067,099	3,946	7,073,873

The notes on pages 14 to 22 form part of these financial statements

NATIVE HOLDINGS LIMITED
Statement of Cash Flows
for the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Cash from operations	14	-	(926)
Net cash used in operating activities		-	(926)
Cash flows used in investing activities			
Investment in subsidiary	6	-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Share issue	10	-	-
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		-	(926)
Cash and cash equivalents at beginning of year		-	926
Cash and cash equivalents at end of year	8	-	-

The notes on pages 14 to 22 form part of these financial statements

NATIVE HOLDINGS LIMITED

Notes to the Financial Statements for the year ended 31 December 2021

1. General information

Native Holdings Limited (formerly Go Native Holdings Limited) ("the Company") is a Company incorporated in the United Kingdom under the Companies Act 2006. The Company changed its name to Native Holdings Limited on 1 April 2021.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activity of the Company is that of a holding Company.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Adoption of new and revised standards

Amendments to IFRSs that are mandatorily effective for the current year

The Company applied for the first time certain new accounting standards and amendments to standards, which are effective for annual periods beginning on or after 1 January 2021. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of each amendment is described below:

- Interest rate benchmark reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

The above amendments have not materially impacted the Company's results.

New and revised IFRSs in issue but not yet effective

The Company has not early adopted any new or revised IFRSs that have been issued but are not yet effective. There are no new or revised IFRSs that will have an impact on the Company's financial statements.

NATIVE HOLDINGS LIMITED

Notes to the Financial Statements - continued for the year ended 31 December 2021

3. Summary of significant accounting policies

Basis of Preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and under the historical cost convention in accordance with the Companies Act of 2006. The financial statements provide comparative information in respect of the previous period presented.

The financial statements present information about Native Holdings Limited as an individual Company and do not contain consolidated financial information of the Company and its subsidiary companies (together the 'Group'). The Company has not prepared consolidated financial statements as it has taken advantage of the exemptions given in IFRS 10 paragraph 4(a) and Section 400 of the Companies Act 2006 on the basis that its parent Company, Stibnite Holdings Limited, has prepared consolidated financial statements which include the Company. The consolidated financial statements are available in the parent Company's registered office, C/O Alter Domus (UK) Limited, 30 St. Mary's Axe, London, EC3A 8BF.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis of accounting as described in the Director's Report. The Directors have reviewed the Group's future cash requirements and are of the opinion that the Company will be able to meet its obligations in the foreseeable future.

The Directors are in receipt of a letter of comfort, from a Company who is owned by the Company's ultimate parent Company, to provide appropriate support through to 31st December 2023.

The Directors, having assessed the principal risks and the above factors, therefore believe the Company has adequate resources to continue in existence for at least twelve months from the date of approval of these financial statements and consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The financial assets on initial recognition are recognised at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

For subsequent measurement, following a comprehensive assessment treatment will depend on the category of financial asset.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Based on IFRS, all financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

NATIVE HOLDINGS LIMITED

Notes to the Financial Statements - continued for the year ended 31 December 2021

3. Summary of significant accounting policies - continued

Impairment of financial assets

Financial assets, other than those at Fair Value through Profit or Loss are assessed for indicators of impairment at each year-end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows related to the asset have been affected.

Derecognition of financial assets

A financial asset is primarily derecognised (i.e., removed from the Company's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
(a) the Company has transferred substantially all the risks and rewards of the asset or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Other financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

Share Capital and Share Premium

Share capital and share premium are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in the statements of changes in equity as a deduction from proceeds. The excess of proceeds from issuance of shares over the par value of shares are credited to share premium.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit may differ from net profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year-end date.

NATIVE HOLDINGS LIMITED

Notes to the Financial Statements - continued for the year ended 31 December 2021

3. Summary of significant accounting policies - continued

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each year-end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the year-end date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company does not have any deferred tax assets and liabilities as of 31 December 2021 and 2020, respectively.

Investments

The Company accounts for investments at cost.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or the cash generating units (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared for the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

NATIVE HOLDINGS LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 December 2021**

3. Summary of significant accounting policies - continued

Impairment losses of continuing operations are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and judgements in drawing up the financial statements are in connection with the appropriateness of the carrying value of the investments in subsidiary undertakings. Investments in subsidiary undertakings have been assessed for impairment by assessing the long-term profit earning potential of the subsidiary undertakings.

4. Employees and Directors

There were no staff costs in the year ended 31 December 2021 nor for the year ended 31 December 2020, as there were no employees in either year.

5. Income tax

Analysis of tax expense

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

NATIVE HOLDINGS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2021

6. Investments

	Shares in group undertakings £
Cost	
At 1 January 2021	7,102,935
Additions	-
At 31 December 2021	7,102,935
Net book value	
At 31 December 2021	7,102,935
At 31 December 2020	7,102,935

The Company's investments at the year-end date in the share capital of companies include the following companies within the group, of which were all incorporated in England. The Company has performed an assessment on the recoverability of the investments and has concluded that no impairment is necessary.

	2021	2020
Native Places Limited (formerly Go Native Limited)		
Registered office: United House, 9 Pembridge Road, Notting Hill, London, W11 3JY		
Nature of business: Aparthotel management		
Class of shares:	%	%
Ordinary shares of £1 each	Holding 100	Holding 100
Native (Lovat Lane) Limited (formerly Go Native (Lovat Lane) Limited)		
Registered office: United House, 9 Pembridge Road, Notting Hill, London, W11 3JY		
Nature of business: Dormant		
Class of shares:	%	%
Ordinary shares of £1 each	Holding 100	Holding 100
Native Apartments Limited (formerly Modus Apartments Limited)		
Registered office: United House, 9 Pembridge Road, Notting Hill, London, W11 3JY		
Nature of business: Dormant		
Class of shares:	%	%
Ordinary shares of £1 each	Holding 100	Holding 100
Native Residential Limited (formerly Go Native Residential Limited)		
Registered office: United House, 9 Pembridge Road, Notting Hill, London, W11 3JY		
Nature of business: Residential asset management		
Class of shares:	%	%
Ordinary shares of £1 each	Holding 100	Holding 100

NATIVE HOLDINGS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2021

7. Trade and other receivables

	2021 £	2020 £
Current:		
Amounts owed from group undertakings	-	653,141
Non-current:		
Amounts owed from group undertakings	6,528,175	-

The amounts owed from group undertakings is considered as a non-current asset by management in accordance with the loan terms with Native Places Limited for repayment on 30 June 2023. The balance is subject to a 5% annual interest charge.

The fair value of the trade and other receivables which was measured using significant observable inputs approximates their carrying values due to short-term maturities of these instruments.

8. Cash and cash equivalents

	2021 £	2020 £
Cash at bank	-	-

9. Called up share capital

	Nominal Value	2021 £	2020 £
Authorised, allotted, issued and fully paid:			
Number:	Class:		
54,563	Ordinary A	£0.05	2,728
Nil (2020: 300)	Ordinary B	£0.05	-
1,996	Ordinary C	£0.05	100

During the year ended 31 December 2021 the Company cancelled 300 B Class Ordinary Shares with a nominal value of £0.05 per share.

Fully paid A ordinary shares, have a par value of 5p, carry one vote per share and carry a right to a dividend.

Fully paid C ordinary shares have a par value of 5p do not carry a right to vote but carry a right to a dividend.

Capital includes equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

NATIVE HOLDINGS LIMITED**Notes to the Financial Statements - continued
for the year ended 31 December 2021****10. Reserves**

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	3,931	7,067,699	7,071,630
Result for the year	-	-	-
Capital reduction	15	-	15
	<u>3,946</u>	<u>7,067,699</u>	<u>7,071,645</u>
At 31 December 2021	3,946	7,067,699	7,071,645

The company had previously issued B shares to its Executive Directors to participate in an LTIP scheme. Given the trading performance of the group over the last two years that scheme has now been cancelled and will be replaced in 2022 with a new LTIP structure.

11. Trade and other payables

	2021 £	2020 £
Current:		
Amounts owed to group undertakings	29,062	682,203
Non-current:		
Amounts owed to group undertakings	6,528,175	-

Amounts owed to group undertakings are amounts due to the parent, Stibnite Holdings Limited. The balances includes two loan facilities in place; one of £4.2m with a fixed repayment date of 30 June 2023 and another of £3m with a fixed repayment date of 4 May 2026. From June 2021, the drawn loan balances have a fixed interest rate of 5%.

12. Related party disclosures**Transactions between the Company and its parent undertakings**

Stibnite Holdings Limited, the Company's immediate parent undertaking, owns 65% (2020: 70%) of the share capital of Native Holdings Limited (2020: 70%). During the year, the Company received loans from its parent, Stibnite Holdings Limited, which were loaned to its subsidiary, Native Places Limited, with interest being charged during the period. The amount outstanding as a payable at the year-end date was £6,528,175 (2020: £653,141).

Transactions between the Company and its subsidiaries

During the year, the Company had outstanding loan receivable and related interest receivable totalling £6,528,175, which it received from its parent, loaned to its subsidiary Native Places Limited (formerly Go Native Limited). This amount is receivable at the year-end date (2020: £653,141).

The intercompany balance due to Native Places Limited (formerly Go Native Limited) is £29,062 (2020 - £29,062).

All the remaining subsidiaries of Native Holdings Limited continued to be dormant.

Transactions between the Group and its key management personnel

Disclosures relating to the remuneration of the Directors are shown in the financial statements of Native Places Limited (formerly Go Native Limited).

13. Ultimate controlling party

As at 31 December 2021 the immediate parent Company is Stibnite Holdings Limited which owns 65% of the issued share capital of Native Holdings Limited (formerly Go Native Holdings Limited), a Company registered in England and Wales at United House, 9 Pembridge Road, Notting Hill, London, W11 3JY.

The largest group in which the results of the Company are consolidated is that headed by Ares Management L.P. Copies of the financial statements of Areas Management L.P. can be obtained from its registered address at 2000 Avenue of the Stars, 12th Floor, Los Angeles, CA 90067, United States.

NATIVE HOLDINGS LIMITED**Notes to the Financial Statements - continued
for the year ended 31 December 2021****13. Ultimate controlling party (continued)**

The smallest group in which the results of the Company are consolidated is that headed by Stibnite Holdings Limited. Copies of the financial statements of Stibnite Holdings Limited can be obtained from its registered address at C/O Alter Domus (UK) Limited, 30 St. Mary's Axe, London, EC3A 8BF.

14. Reconciliation of result before income tax to cash generated from operations

	2021 £	2020 £
Result before income tax	-	-
Increase in trade and other receivables	(5,875,034)	-
Increase in trade and other payables	5,875,034	(926)
Cash used in operations	<u>-</u>	<u>(926)</u>

15. Auditor's Remuneration

Auditor's remuneration for audit and non-audit services across the group is borne and disclosed by Native Places Limited.

16. Subsequent events

There are no subsequent events to disclose.