First Natural Limited

Registered number: 05842333

Annual Report

For the year ended 30 April 2021

COMPANY INFORMATION

Directors	R C Russell S Shah M R Palmer
Company secretary	S Shah
Registered number	05842333
Registered office	Millenium House / Unit 2 King Business Centre Reeds Lane, Sayers Common Hassocks West Sussex BN6 9LS
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2021

Introduction

The directors present their Strategic Report on the affairs of the Group and the Company together with the audited financial statements for the year ended 30 April 2021.

Business review

During the year, net sales have increased by 49.2% to £11.7 million (2020: £7.8 million) off the back of significant new business wins which commenced in July 2020. In addition to this, there has been continued growth in the digital business, with customers like Amazon increasing by 150% through the year as customer preferences moved to online ordering through the pandemic. The Tisserand brand has been refocused towards the wellbeing market and has seen significant growth with both existing and new retailers. The Company continues to invest in its own digital platforms to access the direct to consumer market as well as explore new international market opportunities, particularly in the US market, where Tisserand is under represented.

Gross margins have decreased to 36.60% (2020: 38.9%) as we continue to invest in increased capacity. During the year the group also consolidated it's bottling operations in West Sussex and therefore had a period in which it had duplicated production facilities.

EBITDA has doubled to £1.0 million (2020: £0.5million) with EBITDA margins similarly increasing to 8.26% (2020: 6.66%).

During the year we have invested significantly in new capacity and a decision to consolidate our production facilities was taken during the year, which should increase capacity to over 15 million units per annum across all product lines which will allow it to meet the strong customer demand. The shareholders have demonstrated their support for the ongoing growth in the Company, through a conversion of £0.8million of convertible loans into ordinary share capital which was completed at year end.

Key Performance Indicators

KPIs	**2021**	**2020**	Growth
Sales	11,725,838	7,837,198	49.20%
Cost of sales	(7,434,425)	(4,787,377)	
Gross margin	4,291,413	3,049,821	
GPM	36.60%	38.90%	
Operating profit/(loss)	389,242	(32,457)	
Add back: Share options and warrants	28,807	57,325	
Add back depreciation	102,738	70,210	Note 14
Add back amortisation	361,253	394,219	Note 13
Add back exceptional costs	84,821	-	Note 12
Adjusted EBITDA*	**966,861**	**521,754**	85.31%
EBITDA Margin	8.26%	6.66%	

* Adjusted EBITDA is after share based payment expense and exceptional costs.

Future developments

The Group's financial position has continued to strengthen with net assets increasing by £0.9 million to £2.3 million as a consequence of the increasing profit, the benefit of shareholder loan conversions and the directors subscribing to shares during the year of £0.8 million. The financial position is expected to continue to strengthen the Group continues to focus on not only growing profitably, but also increased discipline on working capital management where the directors have identified cash savings of £0.3 million available.

The Group has secured financing arrangements which allow it to finance day to day working capital requirements as well as invest in further growth activities to continue the strong performance achieved in the year.

Principal risks and uncertainties

The operations of the Group expose it to a variety of financial risks that include the effects of currency risk, credit

risk and liquidity risk. The Group uses sound management principles to mitigate these risks. The directors are responsible for setting the objectives and underlying principles of financial risk management policies for the Group. The policies set by the director are implemented by the finance team of the Group.

The withdrawal of the United Kingdom from the European Union

Brexit has had a negative impact on the business, with unnecessary delays on a minority of goods inwards, where we source less than 5% of our goods directly from the European Union. We continue to experience delays on goods outwards, as customs rules are continually reinterpreted and we have actively stopped selling in certain markets due to the difficulty and cost of getting goods shipped into these markets. We are currently evaluating a move of some of our picking and packing into a European market to overcome this obstacle.

Economic impact of the COVID-19 pandemic

COVID-19 impacted the operating procedures of the business and we were pleased to report that only 0.5 production days were lost as we implemented stringent measures throughout the group. Demand increased significantly throughout the COVID-19 period and as we ended the year, we saw increased footfall and a number of retailers reopen. The majority of our customers, such as Amazon, Boots, Holland & Barrett and Waitrose have remained open throughout the pandemic and digital sales now accounting for over 20% of our business. International business was mixed but remained on budget, with new customer wins in the USA and in the Middle East and continued growth in the Republic of Ireland outweighing weakness in the Far Eastern markets.

This report was approved by the board and signed on its behalf.

R C Russell
Director

Date: 28 February 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2021

The directors present their report and the audited consolidated financial statements for the year ended 30 April 2021.

Principal activity

The principal activities of the Group are: the bottling, marketing and sales of essential oils and personal care products under the "Tisserand" brand and under contract for third parties; the marketing and sales of specialised skin care products under the "Barefoot SOS" brand; and the distribution of natural home care products under the "Colibri" and "Maroma" brands.

The principal activity of the parent Company is the sale of the products of the Group through its website and the raising of additional funds to support the growth of the Group.

Results and dividends

The loss for the year, after taxation, amounted to £21,369 (2020: loss of £110,399).

The directors do not recommend the payment of a dividend for the year (2020: £nil).

Directors

The directors who served during the year and up to the date of this report were:

R C Russell
S Shah
M R Palmer

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated audited consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited consolidated financial statements for each financial year. Under that law the directors have elected to prepare the audited consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited consolidated 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 audited consolidated financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the audited consolidated 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.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Qualifying third party indemnity provisions

The directors benefit from a qualifying indemnity provision in the form permitted by the Section 234 of the Companies Act 2006 in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the year. The qualifying indemnity provision was in force throughout the financial year and up to the date of approval of the Directors' Report.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in accordance with Companies Act 2006, S414C (11) certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to the business review and future developments.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

Going concern

In assessing the status of the Group as a going concern, the directors have forecast trading levels, expected profitability from future trade as well as the likely requirement and availability of funding for the Group into the next year. They also note potential sources of uncertainty as being the withdrawal of the United Kingdom from the European Union, and economic recession pursuant to the COVID-19 pandemic.

Having considered these various factors together, the directors conclude that the Group and Company have sufficient resources to continue operating for the foreseeable future, and accordingly the financial statements are prepared on the going concern basis.

Post balance sheet events

In November 2021 the Group entered into a refinance with Santander UK plc. The Group has entered into 3 facilities with Santander incorporating a £1.75m Growth Capital Loan which is repayable in 4 years, a 12 month £0.5million trade loan facility and a 12 month £4.0million confidential invoice discounting facility. Interest on the Growth Capital Loan is 10% per annum over UK base rate of which 5% per annum is payable in cash on a quarterly basis and 5% accrues to the term of the Growth Capital Loan. Interest on the trade loan is 3% over UK base rate. Interest on the confidential invoice discounting facility is 2.15% over UK base rate.

There have been no other significant events affecting the Company and the Group since the year end.

Auditor

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

This report was approved by the board and signed on its behalf.

R C Russell
Director

Date: 28 February 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST NATURAL LIMITED

Opinion

We have audited the financial statements of First Natural Limited (the 'Company') and its subsidiaries ('the Group') for the year ended 30 April 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated 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 United Kingdom Accounting Standards, including FRS 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 and the Company's affairs as at 30 April 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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

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 and 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST NATURAL LIMITED

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 course of 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.

Matters on which we are required to report by exception

In 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST NATURAL LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Group and 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 intend either to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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.

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

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. Based on our understanding of the Group and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

Based on our understanding of the Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006].

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST NATURAL LIMITED

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit 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.

Gerhard Bonthuys (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor

6 Sutton Plaza
Sutton Court Road
Sutton

Surrey
SM1 4FS

1 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 £	2020 £
Turnover	4	11,725,838	7,837,198
Cost of sales		(7,434,425)	(4,787,377)
Gross profit		4,291,413	3,049,821
Distribution costs		(64,331)	(1,080,390)
Administrative expenses		(3,852,688)	(2,079,253)
Other operating income	5	99,669	77,365
Exceptional other operating charges	12	(84,821)	-
Operating profit/(loss)	6	389,242	(32,457)
Interest payable and similar expenses	10	(260,517)	(195,921)
Profit/(loss) before taxation		128,725	(228,378)
Tax on profit/(loss)	11	(150,094)	117,979
Loss for the financial year		(21,369)	(110,399)
Other comprehensive income		-	-
Total comprehensive income for the year		(21,369)	(110,399)
(Loss) for the year attributable to:			
Owners of the parent Company		(21,369)	(110,399)
		(21,369)	(110,399)

The consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 17 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	13		948,865		1,189,459
Tangible fixed assets	14		692,684		447,354
			1,641,549		1,636,813
Current assets					
Stocks	16	2,685,475		1,478,561	
Debtors: amounts falling due within one year	17	3,798,014		2,459,147	
Cash and cash equivalents	18	268,737		313,154	
		6,752,226		4,250,862	
Creditors: amounts falling due within one year	19	(5,242,148)		(3,879,147)	
Net current assets			1,510,078		371,715
Total assets less current liabilities			3,151,627		2,008,528
Creditors: amounts falling due after more than one year	20		(790,186)		(613,225)
Deferred taxation	24	(106,632)		-	
			(106,632)		-
Net assets			2,254,809		1,395,303
Capital and reserves					
Called up share capital	25		32,681		26,653
Share premium account	28		1,918,373		1,085,731
Other reserves	28		86,132		57,325
Profit and loss account	28		217,623		225,594
Total equity			2,254,809		1,395,303

The financial statements were approved and authorised for issue by the board and were signed on its behalf by by:

R C Russell
Director

Date: 28 February 2022

The notes on pages 17 to 46 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	13		133,253		144,000
Investments	15		1,474,758		1,460,291
			1,608,011		1,604,291
Current assets					
Debtors: amounts falling due within one year	17	943,350		891,673	
Cash and cash equivalents	18	36,308		65,945	
		979,658		957,618	
Creditors: amounts falling due within one year	19	(81,150)		(931,115)	
Net current assets			898,508		26,503
Total assets less current liabilities			2,506,519		1,630,794
Creditors: amounts falling due after more than one year	20		(413,567)		(443,476)
Net assets			2,092,952		1,187,318
Capital and reserves					
Called up share capital	25		32,681		26,653
Share premium account	28		1,918,373		1,085,731
Other reserves	28		86,132		57,325
Profit and loss account	28		55,766		17,609
Total equity			2,092,952		1,187,318

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 APRIL 2021

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £24,760 (2020: loss of £471,539).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R C Russell
Director

Date: 28 February 2022

The notes on pages 17 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 May 2019 (as previously stated)	19,275	174,291	65,084	822,818	1,081,468
Prior year adjustment	-	-	(65,084)	(486,825)	(551,909)
At 1 May 2019 (as restated)	19,275	174,291	-	335,993	529,559
Comprehensive income for the year					
Loss for the year	-	-	-	(110,399)	(110,399)
Total comprehensive income for the year	-	-	-	(110,399)	(110,399)
Shares issued during the year	7,378	931,600	-	-	938,978
Share-based payments	-	-	57,325	-	57,325
Share issue costs	-	(20,160)	-	-	(20,160)
Total transactions with owners	7,378	911,440	57,325	-	976,143
At 1 May 2020	26,653	1,085,731	57,325	225,594	1,395,303
Comprehensive income for the year					
Loss for the year	-	-	-	(21,369)	(21,369)
Total comprehensive loss for the year	-	-	-	(21,369)	(21,369)
Share-based payments (note 27)	-	-	1,069	13,398	14,467
Conversion of convertible loan notes	5,483	778,687	-	-	784,170
Share warrants (note 26)	545	53,955	27,738	-	82,238
Total transactions with owners	6,028	832,642	28,807	13,398	880,875
At 30 April 2021	32,681	1,918,373	86,132	217,623	2,254,809

The notes on pages 17 to 46 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2021

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 May 2019 (as previously stated)	19,275	174,291	65,084	492,740	751,390
Prior year adjustment	-	-	(65,084)	(3,592)	(68,676)
At 1 May 2019 (as restated)	19,275	174,291	-	489,148	682,714
Comprehensive income for the year					
Loss for the year	-	-	-	(471,539)	(471,539)
Total comprehensive income for the year	-	-	-	(471,539)	(471,539)
Contributions by and distributions to owners					
Shares issued during the year	7,378	931,600	-	-	938,978
Share-based payments	-	-	57,325	-	57,325
Share issue costs	-	(20,160)	-	-	(20,160)
Total transactions with owners	7,378	911,440	57,325	-	976,143
At 1 May 2020	26,653	1,085,731	57,325	17,609	1,187,318
Comprehensive income for the year					
Profit for the year	-	-	-	24,759	24,759
Total comprehensive income for the year	-	-	-	24,759	24,759
Contributions by and distributions to owners					
Share-based payments (note 27)	-	-	1,069	13,398	14,467
Conversion of convertible loan notes	5,483	778,687	-	-	784,170
Share warrants (note 26)	545	53,955	27,738	-	82,238
Total transactions with owners	6,028	832,642	28,807	13,398	880,875
At 30 April 2021	32,681	1,918,373	86,132	55,766	2,092,952

The notes on pages 17 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(21,369)	(110,399)
Adjustments for:		
Amortisation of intangible assets	391,712	393,599
Depreciation of tangible fixed assets	102,738	72,944
Loss/(profit) on disposal of tangible fixed assets	14,097	(18,000)
Interest paid	260,517	195,921
Taxation charge/(credit)	150,094	(117,979)
(Increase)/decrease in stocks	(1,206,914)	295,505
Increase in debtors	(1,342,962)	(834,022)
Increase in creditors	1,847,727	49,490
Share based payments	42,205	57,325
Net cash generated from/(used in) operating activities	237,845	(15,616)
Cash flows from investing activities		
Purchase of intangible assets	(165,215)	(394,268)
Purchase of tangible fixed assets	(348,068)	(139,348)
Sale of intangible assets/tangible fixed assets	-	25,705
Net cash used in investing activities	(513,283)	(507,911)
Cash flows from financing activities		
Issue of shares	54,500	938,978
New loan notes	3,204	568,310
Repayment of bank loans	(14,501)	(110,243)
New finance leases	108,268	70,152
Repayment of finance leases	(54,709)	-
Interest paid	(260,517)	(195,921)
New/(repayment of) other loans	394,776	(440,303)
Net cash from financing activities	231,021	830,973
Net (decrease)/increase in cash and cash equivalents	(44,417)	307,446
Cash and cash equivalents at beginning of year	313,154	5,708
Cash and cash equivalents at the end of year	268,737	313,154
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	268,737	313,154

1. General information

First Natural Limited is a private company limited by shares, incorporated and registered in England. The address of the registered office of the Company is Millennium House/Unit 2 King Business Centre, Reeds Lane, Sayers Common, Hassocks, West Sussex, BN6 9LS.

The principal activities of the Group are: the bottling, marketing and sales of essential oils and personal care products under the "Tisserand" brand and under contract for third parties; the marketing and sales of specialised skin care products under the "Barefoot SOS" brand; and the distribution of natural home care products under the "Colibri" and "Maroma" brands.

The principal activity of the parent Company is the sale of the products of the Group through its website and the raising of additional funds to support the growth of the Group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the Company statement of cash flows.

The financial statements have been presented in Pounds Sterling as this is currency of the primary economic environment in which the Company operates and are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained.

2. Accounting policies (continued)

2.3 Going concern

In assessing the status of the Group as a going concern, the directors have forecast trading levels, expected profitability from future trade as well as the likely requirement and availability of funding for the Group into the next year. They also note potential sources of uncertainty as being the withdrawal of the United Kingdom from the European Union, and economic recession pursuant to the COVID-19 pandemic.

Having considered these various factors together, the directors conclude that the Group and Company have sufficient resources to continue operating into the foreseeable future, and accordingly the financial statements are prepared on the going concern basis.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Government grants

Grants are accounted under the accruals model. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

Grants are shown within the Statement of Comprehensive Income within 'Other operating income'.

2.9 Interest payable and similar expenses

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Related enhanced tax claims are treated as grants, and recognised within 'other operating income' in the financial statements.

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 2 to 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2. Accounting policies (continued)

2.13 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Goodwill - over 5 years

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Intangible assets are amortised over their respective useful lives as follows:

Licenses - 20% per annum

Development - 20% - 50% per annum

Brands - over 20 years

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the lease term
Plant and machinery	- 10% to 20% per annum
Fixtures and fittings	- 10% to 20% per annum
Computer equipment	- 10% to 20% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. The cost of finished goods includes the cost of import duties, inbound logistics, variable production overheads (including labour), materials and an element of fixed overheads. Stocks are written off in the ordinary course of business, where there may be obsolescence due to ageing or discontinuation of product ranges.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2. Accounting policies (continued)

2.19 Debtors: amounts falling due within one year

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.21 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and cash and cash equivalents.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.23 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Goodwill and Intangible assets

On acquisition, the Group determines a reliable estimate of the useful life of goodwill and intangible assets based upon factors such as the expected use of the acquired business, forecasts of expected future results and cash flows, and any legal, regulatory or contractual provisions that can limit useful life. At each subsequent reporting date the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the useful life of goodwill and intangible assets.

Key sources of estimation uncertainty

Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

4. Turnover

The whole of the turnover is attributable to the marketing and sales of essential oils and personal care products.

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	10,230,645	6,203,607
Rest of the world	1,495,193	1,633,591
	11,725,838	7,837,198

5. Other operating income

	2021 £	2020 £
Government grants	26,718	-
Other operating income	72,951	77,365
	99,669	77,365

The government grants of £26,718 relates to Coronavirus Job Retention Scheme (CJRS) the Group received during the year. The other operating income of £72,951 (2020: £77,365) relates to R&D tax credit.

6. Operating profit/(loss)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	102,738	70,210
Amortisation of intangible assets	361,253	394,219
Exchange differences	17,720	5,657
Other operating lease rentals	129,615	120,788

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor	27,500	22,000

Taxation compliance services	6,530	5,700
Accounting services	3,870	7,250
	10,400	12,950

8. Directors' remuneration

	2021 £	2020 £
Director's emoluments	248,466	209,686
Contributions to pension scheme	7,814	8,406
	256,280	218,092

The highest paid director received remuneration of £122,789 (2020: £112,184).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020: £nil).

During the year pension benefits were accruing in respect of 1 (2020: 1) director.

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	2,189,484	1,746,778
Social security costs	195,122	164,781
Cost of defined contribution scheme	71,777	70,996
	2,456,383	1,982,555

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Directors	3	3
Employees	75	58
	78	61

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest	10,175	33,179
Finance lease interest	16,368	5,192
Other interest	18,414	49,581
Invoice discounting charges	85,448	35,667
Other fees and charges	-	23,460
Loan note interest	102,374	-
Share-based payments charges on warrants	27,738	48,842
	260,517	195,921

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	19,123	-
Adjustments in respect of previous periods	20,244	-
Total current tax	39,367	-
Deferred tax		
Origination and reversal of timing differences	143,182	(117,979)
Adjustments in respect of prior periods	(32,455)	-
Total deferred tax	110,727	(117,979)
Taxation on (loss)/profit on ordinary activities	(150,094)	117,979

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19 %). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	128,725	(228,378)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	24,458	(43,392)
Effects of:		
Fixed asset timing differences	602	705
Expenses not deductible for tax purposes	65,986	50,499
Adjust opening deferred tax to 19%	-	(31,358)
Deferred tax not recognised	57,407	40,202
Non-taxable income	13,852	(16,803)
Non-taxable gains	-	(75,912)
Other tax adjustments	-	(41,920)
Adjustments to tax charge in respect of previous periods	20,244	-
Adjustments to tax charge in respect of previous periods - deferred tax	(32,455)	-
Total tax charge/(credit) for the year	150,094	(117,979)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

12. Exceptional other operating charges

	2021 £	2020 £
Exceptional costs	84,821	-
	84,821	-

Exceptional costs of £84,821 relate to the closure of the Market Rasen site in Lincolnshire.

13. Intangible assets

Group

	Licenses	Development	Intellectual property	Goodwill	Total
	£	£	£	£	£
Cost					
At 1 May 2020	363,838	1,150,853	860,000	702,388	3,077,079
Additions	35,009	122,953	7,253	-	165,215
Disposals	(109,760)	(319,344)	-	-	(429,104)
At 30 April 2021	289,087	954,462	867,253	702,388	2,813,190
Amortisation					
At 1 May 2020	269,952	506,882	459,000	651,786	1,887,620
Charge for the year	83,588	184,063	43,000	50,602	361,253
On disposals	(109,760)	(305,247)	-	-	(415,007)
Impairment charge	30,459	-	-	-	30,459
At 30 April 2021	274,239	385,698	502,000	702,388	1,864,325
Net book value					
At 30 April 2021	14,848	568,764	365,253	-	948,865
At 30 April 2020	93,886	643,971	401,000	50,602	1,189,459

13. Intangible assets (continued)

Company

	Intellectual property £
Cost	
At 1 May 2020	162,000
Additions	7,253
At 30 April 2021	169,253
Amortisation	
At 1 May 2020	18,000
Charge for the year	18,000
At 30 April 2021	36,000
Net book value	
At 30 April 2021	133,253
At 30 April 2020	144,000

14. Tangible fixed assets

Group

	Leasehold improvements	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 May 2020	76,924	680,969	73,691	207,047	1,038,631
Additions	60,663	189,709	8,910	88,786	348,068
Disposals	(4,933)	(226,071)	(55,160)	(18,060)	(304,224)
At 30 April 2021	132,654	644,607	27,441	277,773	1,082,475
Depreciation					
At 1 May 2020	45,639	407,388	64,190	74,060	591,277
Charge for the year	16,948	45,555	2,887	37,348	102,738
Disposals	(4,933)	(226,071)	(55,160)	(18,060)	(304,224)
At 30 April 2021	57,654	226,872	11,917	93,348	389,791
Net book value					
At 30 April 2021	75,000	417,735	15,524	184,425	692,684
At 30 April 2020	31,285	273,581	9,501	132,987	447,354

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021	2020
	£	£
Plant and machinery and computer equipment	238,905	200,422
	238,905	200,422

The depreciation charged to the financial statements in the year in respect of assets held under finance leases amounted to £32,617 (2020: £24,064).

14. Tangible fixed assets (continued)

Company

	Computer equipment £
Cost	
At 1 May 2020	17,113
At 30 April 2021	17,113
Depreciation	
At 1 May 2020	17,113
At 30 April 2021	17,113
Net book value	
At 30 April 2021	-
At 30 April 2020	-

15. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost	
At 1 May 2020	1,460,291
Additions	22,950
Disposals	(8,483)
At 30 April 2021	1,474,758
Net book value	
At 30 April 2021	1,474,758
At 30 April 2020	1,460,291

The additions during the year is as a result of newly issued share options in First Natural Brands Limited for shares in the Company.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
First Natural Brands Limited	Millennium House/Unit 2 King Business Centre, Reeds Lane, Sayers Common, Hassocks, West Sussex, BN6 9LS	Bottling, sales and marketing of personal care products.	Ordinary	100 %
First Natural IP Limited	Millennium House/Unit 2 King Business Centre, Reeds Lane, Sayers Common, Hassocks, West Sussex, BN6 9LS	Dormant	Ordinary	100 %

Natural Aromatics Limited and First Natural IP Limited were dissolved on 16 March 2021 and 25 May 2021 respectively.

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 30 April 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(loss)
	£	£
First Natural Brands Limited	1,617,509	(33,911)
First Natural IP Limited	-	(1)

16. Stocks

	Group 2021	Group 2020
	£	£
Finished goods	1,632,021	384,605
Raw materials	1,053,454	1,093,956
	2,685,475	1,478,561

Stocks are subject to, and given as security for, a stock financing facility.

The Company did not hold any stock at year end.

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	2,985,443	1,774,805	-	-
Amounts owed by group undertakings	-	-	550,712	499,034
Other debtors	145,996	2,990	39,557	2,619
Prepayments and accrued income	326,184	336,866	12,690	41,460
Deferred taxation (note 24)	340,391	344,486	340,391	348,560
	3,798,014	2,459,147	943,350	891,673

Included in the trade debtor balance shown above is £2,302,904 (2020: £1,786,185) which is subject to and given as security for an invoice discounting facility.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

18. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	268,737	313,154	36,308	65,945
	268,737	313,154	36,308	65,945

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Stock financing facility	500,289	260,859	-	-
Bank loans	7,900	14,692	-	-
Other loans	212,615	56,976	-	-
Loan notes	40,045	791,104	40,045	791,104
Invoice discounting facility	2,302,905	1,263,421	-	-
Trade creditors	1,468,510	1,077,907	5,778	22,616
Amounts owed to group undertakings	-	-	-	40,000
Corporation tax	39,367	-	20,244	-
Other taxation and social security	106,082	64,268	8,690	30,365
Obligations under finance leases	122,761	44,642	-	-
Other creditors	15,701	53,324	-	-
Accruals and deferred income	425,973	251,954	6,393	47,030
	5,242,148	3,879,147	81,150	931,115

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

An unlimited Company guarantee has been given by First Natural Limited to secure all liabilities of First Natural Brands Limited.

The existing debt facility which is available to the Group from the same provider of finance was increased by £500,000 during the year, to ensure ongoing increased headroom is available for the Group. Since year end, the Group entered into a refinance with Santander UK plc. Refer to note 33 for further details.

Stocks are subject to, and given as security for, the stock financing facility.

The obligations under finance leases are secured by way of a charge over the assets held under finance leases contracts.

20. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	-	7,709	-	-
Other loans	311,248	72,111	-	-
Loan notes	413,567	443,476	413,567	443,476
Obligations under finance leases	65,371	89,929	-	-
	790,186	613,225	413,567	443,476

The Group received a loan under the Coronavirus Business Interruption Loan Scheme of £250,000. This loan is repayable over thirty-three months commencing after an initial three-month period with no capital repayments. This loan was secured by a guarantee and debenture dated 21 January 2020 which had been granted by the Group.

21. Finance leases

Minimum lease payments under finance leases fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	76,610	31,241
Between 1-5 years	130,325	92,765
	206,935	124,006
Future interest charges	24,850	10,628
	206,935	124,006

These amounts are secured by way of a charge over the assets held under finance leases contracts.

22. Loans

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Amounts due < 1 year				
Stock financing facility	-	260,859	-	-
Bank loans	7,900	14,692	-	-
Other loans	212,615	56,976	-	-
Invoice discounting facility	-	1,263,421	-	-
Loan notes	40,045	791,104	40,045	791,104
	260,560	2,387,052	40,045	791,104
Amounts due 1-2 years				
Bank loans	-	7,709	-	-
Other loans	128,937	49,853	-	-
Loan notes	-	59,892	-	59,892
	128,937	117,454	-	59,892
Amounts due 2-5 years				
Bank loans	-	22,258	-	-
Other loans	182,311	-	-	-
Loan notes	413,567	418,049	413,567	418,049
	595,878	440,307	413,567	418,049
Total loans	985,375	2,944,813	453,612	1,269,045

Loan notes

Loan notes have been issued over a number of years in various tranches. Interest is payable quarterly at a fixed rate of 10%. Repayment has been extended since year end to May 2024 in agreement with the loan note holders.

2019 notes represent amounts due under the terms of a loan note agreement dated 29 April 2015. Interest is payable monthly at a fixed rate of 8% on the principal amount outstanding. Repayments were due over 48 monthly instalments. All balances were fully repaid in the year.

2021 notes represent amounts due under the terms of a loan note agreement dated 16 March 2017. Interest is payable monthly at a fixed rate of 6% on the principal amount outstanding. These were fully converted into ordinary shares during the year.

2022 loan notes issued in year are at 8.75% interest payable monthly and repayable in July 2022.

23. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	268,737	313,154	36,308	65,945
Financial assets measured at amortised cost	3,113,439	1,789,176	379,825	458,650
	3,382,176	2,102,330	416,133	524,595
Financial liabilities				
Other financial liabilities measured at amortised cost	2,657,718	2,893,760	459,390	455,709

Financial assets measured at fair value through profit or loss comprise Cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and amounts owed from group undertakings.

Financial liabilities measured at amortised cost comprise trade and other creditors, obligations under finance lease contracts, bank loans and other loans and loan notes.

24. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	344,486	226,507
Charged to profit or loss	(110,727)	117,979
At end of year	233,759	344,486

Company

	2021 £	2020 £
At beginning of year	348,560	242,024
Charged to profit or loss	(8,169)	106,536
At end of year	340,391	348,560

The deferred tax balance is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(109,930)	19,290	598	-
Tax losses carried forward	343,689	325,196	339,793	348,560
	233,759	344,486	340,391	348,560
Comprising:				
Asset - due within one year (note 17)	340,391	344,486	340,391	348,560
Liability	(106,632)	-	-	-
	233,759	344,486	340,391	348,560

25. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
3,268,041 (2020: 2,665,300) Ordinary shares of £0.01 each	32,681	26,653

The ordinary shares entitle the holder of each to one vote and no right to fixed income. All shares in issue rank pari passu.

The Group received notifications from loan note holders of their intention to convert the loan notes held to share capital. This has resulted in the allotment and issue of 203,627 shares as set out below.

	Number of shares issued	Price per share	Share capital	Share premium
29/09/2020	3,000	1.0000	30	2,970
10/12/2020	51,500	1.0000	515	50,985
10/12/2020	110,136	1.4300	1,101	156,393
29/01/2021	203,146	1.4300	2,032	288,652
30/04/2021	234,959	1.4300	2,349	333,642
	602,741		6,027	832,642

26. Share warrants

Warrants

	Weighted average exercise price / pence	2021 No.	Weighted average exercise price / pence	2020 No.
Brought forward	104	166,000	100	80,000
Issued in year	100	42,000	106	102,000
Exercised	100	(52,750)	100	(16,000)
Carried forward	104	155,250	104	166,000

The new grant date during the year was in June 2020.

Warrants have an expiry period of 4-5 years, at which point the holder may subscribe to shares in the Company at a ratio of 1:1.

27. Share based payments

Share options are granted to employees of the Group, at the sole discretion of the board. Options have a vesting period 1.25 years, provided certain predetermined metrics are achieved. Vested options are exercisable for a period of 10 years from the grant date thereof.

During the year there were cancelled EMI scheme share options and the share capital reserve was released.

Details of the share options outstanding during the year are as follows:

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Brought forward	102.1	42,000	-	-
Issued in year	33.2	13,000	102.1	42,000
Exercised	(102.1)	(6,000)	-	-
Carried forward	33.2	49,000	102.1	42,000

	2021 £	2020 £
Equity-settled schemes	42,205	57,325
	42,205	57,325

28. Reserves

Share premium account

This reserve represents the consideration paid to the Company in exchange for shares, which is in excess to the nominal value of the share purchased.

Other reserves

Other reserves relate to share based payment arrangements entered into by the Group.

29. Consolidated analysis of net debt

	At 1 May 2020	Cash flows	Repay-ments	New loans/ finance leases	Other non-cash changes	At 30 April 2021
	£	£	£	£	£	£
Cash at bank and in hand	313,154	(44,417)	-	-	-	268,737
Debt due after 1 year	(523,296)	-	7,709	(3,204)	(206,024)	(724,815)
Debt due within 1 year	(1,123,631)	-	6,792	(394,775)	750,765	(760,849)
Finance leases	(134,571)	-	54,707	(108,268)	-	(188,132)
	(1,468,344)	(44,417)	69,208	(506,247)	544,741	(1,405,059)

30. Pension commitments

The Group operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Group to the fund and amounted to £71,777 (2020: £70,995). Contributions totalling £9,505 (2020: £5,167) were payable to the fund at the reporting date and are included within other creditors.

31. Related party transactions

At year end Robin Russell, Mark Palmer and Sanam Shah, the Directors, all held £nil of loan notes (2020: £70,000, £50,000 and £28,860 respectively).

At year end Robin Russell, Sanam Shah and Mark Palmer, the Directors, held 2,000, 3,500 and nil of £1 warrants (2020: 17,750, 19,000 and 13,000) respectively. See note 23.

At year end, the spouse of Mark Palmer held £10,000 of loan notes (2020: £nil). At year end a sibling of Sanam Shah held 3,000 of £1 warrants (2020: nil).

At the year end within accruals was £nil (2020: £29,875) in respect of accrued directors salaries and employer's pension contributions.

32. Operating lease commitments

At 30 April 2021 the Group and Company has future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within 1 year	166,977	83,025
Between 1 and 5 years	162,874	217,316
	329,851	300,341

33. Post balance sheet events

In November 2021 the Group entered into a refinance with Santander UK plc. The Group has entered into 3 facilities with Santander incorporating a £1.75m Growth Capital Loan which is repayable in 4 years, a 12 month £0.5million trade loan facility and a 12 month £4.0million confidential invoice discounting facility. Interest on the Growth Capital Loan is 10% per annum over UK base rate of which 5% per annum is payable in cash on a quarterly basis and 5% accrues to the term of the Growth Capital Loan. Interest on the trade loan is 3% over UK base rate. Interest on the confidential invoice discounting facility is 2.15% over UK base rate.

There have been no other significant events affecting the Company and the Group since the year end.

34. Controlling party

The Company and Group were under the control of the directors throughout the year.