

Natural Assets Investments Limited

GROUP FINANCIAL STATEMENTS

for the year ended

31 March 2013



Natural Assets Investments Limited

FINANCIAL STATEMENTS

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Natural Assets Investments Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Timothy Dennis
Ewan James Kearney
Matthew Dawson Spence
Anthony Wild

REGISTERED OFFICE

51 Water Lane
Wilmslow
Cheshire
England
SK9 5BQ

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Natural Assets Investments Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Natural Assets Investments Limited for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of holding company

The principal activities of the subsidiary entities are holiday lettings, land ownership, property development and the provision of retail and guiding services

RESULTS AND DIVIDENDS

The loss for the year amounted to £7,618,920 The directors have not recommended a dividend

DIRECTORS

The directors who served the company during the period were as follows

Timothy Dennis
Ewan James Kearney
Matthew Dawson Spence
Anthony Wild

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware Each of the directors have confirmed that they 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 it has been communicated to the auditor

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

SMALL COMPANY PROVISIONS

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

On behalf of the board



Anthony Wild

Director

18/12/13

Natural Assets Investments Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATURAL ASSETS INVESTMENTS LIMITED

We have audited the group and parent company financial statements ("the financial statements") on pages 5 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2013 and of the group's loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



GRAHAM BOND FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

20/12/13

Natural Assets Investments Limited
GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2013

	<i>Notes</i>	For the year ended 31 March 13 £	Period from 24 Feb 11 to 31 Mar 12 £
GROUP TURNOVER	2	1,321,589	326,233
Cost of sales		(497,244)	-
GROSS PROFIT		824,345	326,233
Operating expenses		(6,162,481)	(1,884,734)
Other operating income	3	-	401
OPERATING LOSS		(5,338,136)	(1,558,100)
Attributable to			
Operating loss before exceptional items	4	(2,181,975)	(1,481,421)
Exceptional items	4	(3,156,161)	(76,679)
		(5,338,136)	(1,558,100)
Share of operating loss of joint ventures		(16,760)	-
		(5,354,896)	(1,558,100)
Loss on disposal of fixed assets	4	(312,642)	-
Profit on disposal of subsidiaries	11	266,882	-
		(5,400,656)	(1,558,100)
Interest receivable	6	-	155
		(5,400,656)	(1,557,945)
Interest payable and similar charges	7	(2,197,597)	(942,322)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,598,253)	(2,500,267)
Taxation		-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(7,598,253)	(2,500,267)
Attributable to minority interest (companies)		(20,667)	(3,524)
DEFICIT FOR THE FINANCIAL YEAR	19	(7,618,920)	(2,503,791)

The loss for the period arises from the group's continuing operations

Natural Assets Investments Limited

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2013

	For the year ended 31 March 13 <i>Notes</i>	Period from 24 Feb 11 to 31 Mar 12 £
Loss for the financial period	(7,618,920)	(2,503,791)
Unrealised deficit on revaluation of certain fixed assets	725,336	(533,757)
Total recognised gains and losses since the last financial statements	<u>(6,893,584)</u>	<u>(3,037,548)</u>

Natural Assets Investments Limited

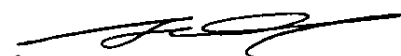
GROUP BALANCE SHEET

As at 31 March 2013

	Notes	31 Mar 13 £	31 Mar 12 £
FIXED ASSETS			
Development costs		65,072	-
		<u>65,072</u>	<u>-</u>
Goodwill		8,409,333	11,535,712
Negative goodwill		(282,034)	(297,703)
		<u>8,127,299</u>	<u>11,238,009</u>
Intangible assets	9	8,192,371	11,238,009
Tangible assets	10	25,005,802	21,596,636
Investments	11	33,165	-
Share of losses in joint ventures		(16,760)	-
		<u>33,214,578</u>	<u>32,834,645</u>
CURRENT ASSETS			
Stocks		40,178	-
Debtors	12	1,440,905	875,501
Cash at bank and in hand		111,420	239,742
		<u>1,592,503</u>	<u>1,115,243</u>
CREDITORS			
Amounts falling due within one year	13	(4,350,786)	(6,915,555)
NET CURRENT LIABILITIES		<u>(2,758,283)</u>	<u>(5,800,312)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>30,456,295</u>	<u>27,034,333</u>
CREDITORS			
Amounts falling due after more than one year	14	(38,575,636)	(29,316,568)
Government grants	15	(1,474,973)	(439,162)
Minority interest (companies)		(185,819)	(165,152)
		<u>(9,780,133)</u>	<u>(2,886,549)</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Merger reserve	19	149,999	149,999
Revaluation reserve	19	778,998	(533,757)
Profit and loss account	19	(10,710,130)	(2,503,791)
DEFICIT	20	<u>(9,780,133)</u>	<u>(2,886,549)</u>

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

The financial statements on pages 5 to 20 were approved by the board of directors and authorised for issue on 18/12/13 and are signed on their behalf by



Anthony Wild
Director

Natural Assets Investments Limited


BALANCE SHEET

As at 31 March 2013

	Notes	31 Mar 13 £	31 Mar 12 £
FIXED ASSETS			
Tangible assets	10	23,709	21,360
Investments	11	233,227	200,061
		<u>256,936</u>	<u>221,421</u>
CURRENT ASSETS			
Debtors	12	16,486,711	11,237,244
Cash at bank and in hand		83,775	158,027
		<u>16,570,486</u>	<u>11,395,271</u>
CREDITORS			
Amounts falling due within one year	13	(56,074)	(78,082)
NET CURRENT ASSETS		<u>16,514,412</u>	<u>11,317,189</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,771,348</u>	<u>11,538,610</u>
CREDITORS			
Amounts falling due after more than one year	14	(33,594,495)	(26,216,568)
		<u>(16,823,147)</u>	<u>(14,677,958)</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Merger reserve	19	149,999	149,999
Profit and loss account	19	(16,974,146)	(14,828,957)
DEFICIT		<u>(16,823,147)</u>	<u>(14,677,958)</u>

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

The financial statements on pages 5 to 20 were approved by the board of directors and authorised for issue on 18/12/13 and are signed on their behalf by



Anthony Wild
Director

for the year ended 31 March 2013

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

GOING CONCERN

As part of its going concern review the Board has followed the guidelines published by the Financial Reporting Council entitled “Going Concern and Liquidity Risk Guidance for UK Companies 2009” The Board has prepared detailed financial forecasts and cash flows looking 12 months ahead from the date the accounts are signed In drawing up these forecasts the Board has made assumptions based upon its view of the current and future economic conditions that will prevail over the forecast period

The group is currently in its development phase with the balance sheet showing net current liabilities of £2,758,283 (2012 £5,800,312) and net liabilities of £9,780,133 (2012 £2,886,549). Certain of the group's property are still currently under development and so the group is reliant on support to cover its working capital requirements.

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

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

BASIS OF CONSOLIDATION

As a small group, the group is not required to prepare consolidated financial statements, but has chosen to do so. The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

CASH FLOW STATEMENT

As a small group the group is exempt from the requirement to present a cash flow statement

INTANGIBLE ASSETS – DEVELOPMENT COSTS

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs are only capitalised when the related products meet the recognition criteria of an internally generated intangible asset, the key criterion being as follows:

- technical feasibility of the completed intangible asset,
- the probability of future economic benefits,
- the reliable measurement of costs, and
- the ability and intention of the company to use or sell the intangible asset

Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Development costs - 5%p a on cost

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

1 ACCOUNTING POLICIES (*continued*)

INTANGIBLE ASSETS - GOODWILL

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to 20 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Negative goodwill arises when the fair value of the consideration for an acquired subsidiary is less than the fair value of the separable net assets. The amount up to the value of the non-monetary assets acquired is credited to the profit and loss account in the period in which those non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair value of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

TURNOVER

Turnover comprises revenue recognised by the group in respect of rents receivable during the period.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	25% - 33⅓% straight line
Motor vehicles	25% straight line
Plant and equipment	33⅓% straight line

Development properties are not depreciated. Upon completion they are transferred to investment properties and accounted for under SSAP 19.

INVESTMENT PROPERTIES

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

STOCKS

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

OPERATING LEASE AGREEMENTS

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

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

1 ACCOUNTING POLICIES (*continued*)

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax is not provided on revaluation surpluses on investment properties as there is no intention to dispose of them in the foreseeable future.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Assets, liabilities and results of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Exchange differences arising are dealt with through reserves.

ASSOCIATED UNDERTAKINGS

Undertakings in which the group has a participating interest and over which it exerts significant influence are defined as associated undertakings. The financial statements include the appropriate share of the results and reserves of these undertakings using the equity method based on audited financial statements.

RELATED PARTY TRANSACTIONS

In accordance with the exemptions conferred by Financial Reporting Standard No 8, details of transactions with entities 100% of whose voting rights are controlled within the group have not been disclosed.

FINANCIAL INSTRUMENTS

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

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

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

DEFERRED GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

2 TURNOVER

The turnover and loss before tax are attributable to the principal activities of the group
An analysis of turnover is given below

	For the year ended 31 March 13 £	Period from 24 Feb 11 to 31 Mar 12 £
United Kingdom	1,255,749	326,233
United States of America	65,840	-
	<u>1,321,589</u>	<u>326,233</u>

3 OTHER OPERATING INCOME

	For the year ended 31 March 13 £	Period from 24 Feb 11 to 31 Mar 12 £
Other operating income	-	<u>401</u>

4 OPERATING LOSS

Operating loss is stated after charging

	For the year ended 31 March 13 £	Period from 24 Feb 11 to 31 Mar 12 £
Directors' remuneration	-	-
Depreciation of owned fixed assets	207,308	97,872
Amortisation of intangible fixed assets	579,531	298,409
Loss on disposal of fixed assets	267,139	2,099
Operating leases – land and buildings	66,017	50,000
Net (gain)/loss on foreign currency translation	(338)	5,438
Auditor's remuneration - audit of the financial statements	42,507	32,464
Exceptional items		
Provisions against amounts owed to group by participating interests	-	76,679
Permanent diminutions in value of investment properties	622,271	-
Impairment of intangible fixed assets	<u>2,533,890</u>	<u>-</u>

The loss on sale of tangible fixed assets of £312,642 related to the sale of a number of units of the investment property at Pentire, Newquay

The profit on disposal of subsidiaries relates to the sale of the US subsidiaries as outlined in note 11

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	For the year ended 31 March 13 £	Period from 24 Feb 11 to 31 Mar 12 £
Remuneration receivable	-	-

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

6 INTEREST RECEIVABLE

	For the year ended 31 March 13 £	Period from 24 Feb 11 to 31 Mar 12 £
Bank interest receivable	-	155

7 INTEREST PAYABLE AND SIMILAR CHARGES

	For the year ended 31 March 13 £	Period from 24 Feb 11 to 31 Mar 12 £
On bank loans and overdrafts	246,546	295,383
On other loans	1,951,051	646,939
	<u>2,197,597</u>	<u>942,322</u>

8 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £2,145,189 (2012 loss £14,828,947)

9 INTANGIBLE FIXED ASSETS

Group	Development costs £	Negative goodwill £	Goodwill on consolidation £	Total £
Cost				
At 31 March 2012	-	(313,372)	11,849,790	11,536,418
Additions	67,783	-	-	67,783
Impairment	-	-	(2,533,890)	(2,533,890)
At 31 March 2013	<u>67,783</u>	<u>(313,372)</u>	<u>9,315,900</u>	<u>9,070,311</u>
Amortisation				
At 31 March 2012	-	(15,669)	314,078	298,409
Charge for the year	2,711	(15,669)	592,489	579,531
At 31 March 2013	<u>2,711</u>	<u>(31,338)</u>	<u>906,567</u>	<u>877,940</u>
Net book value				
At 31 March 2013	<u>65,072</u>	<u>(282,034)</u>	<u>8,409,333</u>	<u>8,192,371</u>
At 31 March 2012	<u>-</u>	<u>(297,703)</u>	<u>11,535,712</u>	<u>11,238,009</u>

Natural Assets Investments Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

10 TANGIBLE FIXED ASSETS

Group	Development property £	Investment properties £	Fixtures & fittings £	Other assets £	Total £
Cost or valuation					
At 1 April 2012	4,591,199	16,754,928	339,673	8,708	21,694,508
Additions	3,723,321	626,164	927,281	125,127	5,401,893
Disposals	-	(1,888,484)	-	-	(1,888,484)
Revaluation	-	725,336	-	-	725,336
Impairment	-	(622,271)	-	-	(622,271)
Reclassification	(2,820,000)	2,820,000	-	-	-
At 31 March 2013	<u>5,494,520</u>	<u>18,415,673</u>	<u>1,266,954</u>	<u>133,835</u>	<u>25,310,982</u>
Depreciation					
At 1 April 2012	-	-	96,990	882	97,872
Charge for the year	-	-	200,342	6,966	207,308
At 31 March 2013	-	-	<u>297,332</u>	<u>7,848</u>	<u>305,180</u>
Net book value					
At 31 March 2013	<u>5,494,520</u>	<u>18,415,673</u>	<u>969,622</u>	<u>125,987</u>	<u>25,005,802</u>
At 31 March 2012	<u>4,591,199</u>	<u>16,754,928</u>	<u>242,683</u>	<u>7,826</u>	<u>21,596,636</u>

The cost or valuation of investment properties is represented by -

	2013 £	2012 £
Valuation in 2013	<u>18,415,673</u>	<u>16,754,928</u>

The investment properties were valued during the period on an open market existing use basis at 31 March 2013 by Savills Chartered Surveyors and Edmond Symmons LLP, independent surveyors registered with the RICS. No depreciation is provided in respect of investment properties or land.

Company	Equipment £	Plant & machinery £	Total £
Cost or valuation			
At 1 April 2012	-	21,360	21,360
Additions	5,955	-	5,955
At 31 March 2013	<u>5,955</u>	<u>21,360</u>	<u>27,315</u>
Depreciation			
At 1 April 2012	-	-	-
Charge for year	-	3,606	3,606
At 31 March 2013	-	<u>3,606</u>	<u>3,606</u>
Net book value			
At 31 March 2013	<u>5,955</u>	<u>17,754</u>	<u>23,709</u>
At 31 March 2012	-	<u>21,360</u>	<u>21,360</u>

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

11 INVESTMENTS

Group	Other investments £		
Cost	-		
Additions	33,165		
At 31 March 2013	33,165		
Net book value			
At 31 March 2013	33,165		
At 31 March 2012	-		
Company	Other investments £	Investment in subsidiary undertakings £	Total £
Cost			
At 1 April 2012	-	200,061	200,061
Additions	33,165	1	33,166
At 31 March 2013	33,165	200,062	233,227
Net book value			
At 31 March 2013	33,165	200,062	233,227
At 31 March 2012	-	200,061	200,061

During the period, the company acquired a 33% shareholding in Gibbon Lawson McKee Limited. Whilst the shareholding would represent an associated undertaking, the financial statements do not include the appropriate share of the results and reserves of this undertaking as it is not considered material to these consolidated financial statements and would be of no value to its members.

SUBSIDIARY UNDERTAKINGS

All held by the company

Name	Country of incorporation	Holding	Nature of business
Pentire Fistril Beach Limited	England	100%	Holiday lettings
Trewhiddle Village Limited	England	100%	Holiday lettings
Natural Land 3 Limited	England	100%	Holiday lettings
North York Moors Limited	England	100%	Property development
DOL Park Limited	England	100%	Holding company
John O'Groats Highland Limited	England	100%	Holding company
Snowdonia Land Limited	England	100%	Land ownership
Yorkshire Dales Limited	England	100%	Holiday lettings
Natural Outfitters Limited	England	100%	Retail and guiding services
Mini Gems Limited	England	100%	Design and development of camping pods
DOL Park Limited has the following subsidiary			
Natural Land 1 LLP	England	100%	Property development

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

11 INVESTMENTS *(continued)*

John O'Groats Highland Limited has the following subsidiary
JOG Highlands LLP

England

91 4% Property development

Other participating interests held by the company

Jog 2 Limited

England

50% Land ownership

Jog 3 LLP

England

50% Land ownership

Gibbon Lawson McKee Limited

England

33% Surveying & architecture

On 1st January 2013, the company disposed of its 100% shareholding in the following US subsidiary undertakings

Name	Country of incorporation	Holding	Nature of business
NR South Fork Holdings LLC	USA	100%	Holding company
NA-VHS #1 Trailview Cottage LLC	USA	100%	Holiday letting
Natural Outfitters LLC	USA	100%	Retail & guidance services

The disposal was performed at nil value with the assets and obligations of the US subsidiaries transferring to the new acquiring entities. Due to the losses incurred by the subsidiary undertakings up to the date of disposal, the transfer generated a profit on disposal of £266,882, being the difference between the consideration and the net liabilities transferred to the new acquiring entities.

The investments in the US subsidiary undertakings were carried in the parent company accounts at nil value.

12 DEBTORS

	2013		2012	
	Group £	Company £	Group £	Company £
Trade debtors	58,496	21,006	9,534	2,430
Amounts owed by group undertakings	-	15,626,715	-	11,178,662
Amounts owed by associated undertakings	528,138	522,067	-	-
Other debtors	854,271	316,923	865,967	56,152
	<u>1,440,905</u>	<u>16,486,711</u>	<u>875,501</u>	<u>11,237,244</u>

The debtors above include the following amounts falling due after more than one year

	2013		2012	
	Group £	Company £	Group £	Company £
Other debtors	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

13 CREDITORS amounts falling due within one year

	2013		2012	
	Group £	Company £	Group £	Company £
Bank overdraft	31	-	111,508	-
Bank loan	3,000,000	-	5,500,000	-
Trade creditors	698,121	3,331	764,920	27,917
Amounts owed to group undertakings	-	-	-	32,815
Other tax and social security	7,990	-	30,756	-
Other creditors	644,644	-	508,371	-
Accruals and deferred income	-	52,743	-	17,350
	<u>4,350,786</u>	<u>56,074</u>	<u>6,915,555</u>	<u>78,082</u>

The following liabilities disclosed under creditors falling due within one year are secured by the group on certain properties

	2013		2012	
	Group £	Company £	Group £	Company £
Bank loan	<u>3,000,000</u>	<u>-</u>	<u>5,500,000</u>	<u>-</u>

14 CREDITORS amounts falling due after more than one year

	2013		2012	
	Group £	Company £	Group £	Company £
Other creditors	<u>38,575,636</u>	<u>33,594,495</u>	<u>29,316,568</u>	<u>26,216,568</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the group on certain properties

	2013		2012	
	Group £	Company £	Group £	Company £
Other creditors	<u>1,881,141</u>	<u>-</u>	<u>-</u>	<u>-</u>

This other creditor figure is a loan secured by a debenture over the assets of the company. The loan is repayable in full on 11 June 2022 with quarterly payments commencing two years from the date of issue of the loan.

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

15 GOVERNMENT GRANTS

	Group £
Received and receivable	
At 1 April 2012	439,162
Receivable during year	1,035,811
At 31 March 2013	<u>1,474,973</u>
Amortisation	
At 31 March 2013	<u>-</u>
Net balance at 31 March 2013	1,474,973
Net balance at 31 March 2012	<u>439,162</u>

During the period ended 31 March 2012 JOG Highlands LLP signed an agreement to receive a development grant from Highlands and Islands Enterprise of up to £1,807,500 or 30% of eligible costs of development at John O'Groats, Scotland. The grant is repayable up until 10 years from the date of the last payment of this grant and is therefore included as a liability until that point in time.

16 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	2013		2012	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	-	-	-	-
Within 2 to 5 years	-	-	-	-
After more than 5 years	38,750	-	58,750	-
	<u>38,750</u>	<u>-</u>	<u>58,750</u>	<u>-</u>

The company had no operating lease commitments

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

17 RELATED PARTY TRANSACTIONS

GROUP

During the period interest amounting to £1,869,910 (2012 £792,312) was payable to D Gorton, the ultimate controlling party of the group

Long term creditors include loans amounting to £36,694,495 (2012 £29,316,568) owing to D Gorton at various interest rates with an indeterminate repayment date

EJ Kearney, MD Spence and A Wild are members of K2 Equity Partners LLP

During the period the group received services to the value of £86,498 (2012 £99,996) from K2 Equity Partners LLP

Natural Assets Investments Limited owns 50% of the issued share capital of a company, JOG 2 Limited, for which the group paid expenses amounting to £206,638 (2012 £10,000) during the period At 31 March 2013 the group was owed £222,659 (2012 £9,950) by JOG 2 Limited, of which £8,817 (2012 £9,950) has been provided

The company also owns 50% of Jog 3 LLP At 31 March 2013, JOG 3 LLP owed the company £314,296 (2012 £66,666), of which £nil (2012 £66,666) has been provided

During the year ended 31 March 2013 the group paid rent of £58,283 to Natural Retreats Limited, a company controlled by D Gorton

In accordance with the exemptions conferred by Financial Reporting Standard No 8, details of transactions with entities 100% of whose voting rights are controlled within the group have not been disclosed

COMPANY

During the period interest amounting to £1,869,910 (2012 £792,312) was payable to D Gorton, the ultimate controlling party of the company

Long term creditors include loans amounting to £33,594,495 (2012 £26,216,568) owing to D Gorton at various interest rates with an indeterminate repayment date

EJ Kearney, MD Spence and A Wild are members of K2 Equity Partners LLP

During the period the company received services to the value of £86,498 (2012 £99,996) from K2 Equity Partners LLP

Natural Assets Investments Limited owns 50% of the issued share capital of a company, JOG 2 Limited, for which the company paid expenses amounting to £206,638 (2012 £10,000) during the period At 31 March 2013 the company was owed £216,588 (2012 £9,950) by JOG 2 Limited, of which £8,817 (2012 £9,950) has been provided

The company also owns 50% of Jog 3 LLP At 31 March 2013, JOG 3 LLP owed the company £314,296 (2012 £66,666), of which £nil (2012 £66,666) has been provided

During the year ended 31 March 2013 the company paid rent of £58,283 (2012 £nil) to Natural Retreats Limited, a company controlled by D Gorton

Natural Assets Investments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

18 SHARE CAPITAL

	31 Mar 13	31 Mar 12
	£	£
Allotted and called up		
600 Ordinary A shares of £1 each	600	600
400 Ordinary B shares of £1 each	400	400
	<u>1,000</u>	<u>1,000</u>

The A ordinary shares and B ordinary shares rank pari passu

19 RESERVES

Group	Merger reserve £	Investment Property Revaluation reserve £	Profit and loss account £
Balance brought forward	149,999	(533,757)	(2,503,791)
Loss for the period	-	-	(7,618,920)
Revaluation of fixed assets	-	725,336	-
Transfer on realisation	-	587,419	(587,419)
Balance carried forward	<u>149,999</u>	<u>778,998</u>	<u>(10,710,130)</u>

Company	Merger reserve £	Profit and loss account £
Balance brought forward	149,999	(14,828,957)
Loss for the year	-	(2,145,189)
Balance carried forward	<u>149,999</u>	<u>(16,974,146)</u>

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	31 Mar 13 £	31 Mar 12 £
Loss for the financial period	(7,618,920)	(2,503,791)
New ordinary share capital subscribed	-	1,000
Premium arising on the issue of shares	-	149,999
Revaluation of fixed assets	725,336	(533,757)
Net increase in shareholders' deficit	(6,893,584)	(2,886,549)
Opening shareholders' deficit	(2,886,549)	-
Closing shareholders' deficit	<u>(9,780,133)</u>	<u>(2,886,549)</u>

21 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £nil (2012 £3,339,531)

22 POST BALANCE SHEET EVENT

On 27 June 2013, the group sold the development site at Ty Mawr, Abergeirw for £625,000

23 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr D Gorton