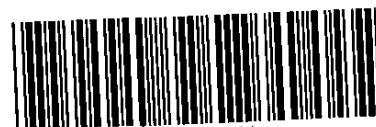


REGISTERED NUMBER: 07541643 (England and Wales)

NATURAL ASSETS INVESTMENTS LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

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NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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NATURAL ASSETS INVESTMENTS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS:

T Dennis
F M Douglas

REGISTERED OFFICE:

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

REGISTERED NUMBER:

07541643 (England and Wales)

AUDITORS:

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

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report of the company and the group for the year ended 31 December 2019.

REVIEW OF BUSINESS

Natural Assets Investments Limited is a parent company whose subsidiaries' principle focus is on ownership of holiday lettings properties, land ownership, property development and the provision of associated retail services.

The group operating loss before interest, tax, depreciation, amortisation and one-off gains of losses on disposals of assets for the reported period is £3.5m and has increased by 49% versus year ended 31 December 2018.

A significant proportion of this operating loss arose from the conclusion that the future development of land owned by the North York Moors Limited subsidiary was unlikely to be economically viable and so the investment in this entity has been written down to a nil valuation resulting in a £1.7m loss. Subsequent to the year end this entity has entered into an agreement with the landlord to terminate the lease over the land.

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

- The group has continued to sell holiday homes at its Trehiddle, Llyn Peninsular and Yorkshire Dales locations where there is strong demand for holiday home sales.
- There have been no loan repayments made during the year to the principle shareholder. Interest is accrued on these loans with £2.6m charged during the year (£3.4m charged in 2018).
- Total assets less current liabilities (TALCL) have decreased by £2.8m. The most material movements on the statement of financial position contributing to this are as follows:
 - Increase in value of investment property - £470k increase to TALCL
 - Impairment of development property - £1.6m decrease to TALCL
 - Goodwill amortisation - £844k decrease to TALCL
 - Depreciation - £201k decrease to TALCL
- Cash at bank and in hand decreased by £160k.

Strategy

The strategy of the group is to continue to generate and grow sustainable profitability and shareholder return through effective application of the business model, whilst remaining flexible and responsive to opportunities providing added value potential.

The principle strategic objectives of the group are:

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

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

PRINCIPAL RISKS AND UNCERTAINTIES

The group finances its operations through shareholders' loans and, where necessary to fund improvement activities and capital expenditure programmes, through bank and other borrowings.

The management's financial risk management objectives are to:

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

The directors have assessed the main risks facing the group as being:

- Interest rate movements
- Competitive pressures
- Payment default by customers/guests
- Controlling and managing construction costs
- Falling property values
- Maintaining shareholder funding
- Shift in the popularity of areas for UK Holidays which may have a direct impact on areas where development projects are planned
- Change in the nature and complexity of the building process

Interest rate movements are monitored frequently. Exposure to fluctuations in interest rates affecting long terms borrowings is largely eliminated by entering into fixed rate loans where this is possible and economically viable.

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

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

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

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

KEY PERFORMANCE INDICATORS

The group operates and monitors a range of KPIs covering all the key aspects of its operations including the following:

- Activity level - measured by turnover growth, occupancy levels and ADR's
- Turnover, decline year on year is 8.6%
- Gross Profit, decrease year on year is 1.4%
- Profitability - measured by Gross Profit as a percentage of turnover increased from 33.9% in 2018 to 36.9% in 2019
- Overall Group Operating Loss has increased 51% year on year, principally driven by the write down in North York Moors Limited.
- The group maintained a positive cash balance and did not require an overdraft
- Average cost of long term debt was 10% during the year.

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

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

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

FUTURE DEVELOPMENTS

The directors feel the company is well placed for the future having used bank funding to develop a total of 25 additional units for rental and sale at its Llyn Peninsular site in Wales (completed in July 2019). As a result the group expects to benefit from increased rental yields and future property sales income.

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

COVID-19

Since the year end the global Covid-19 pandemic has developed rapidly in 2020 and at the time of writing this report, both the UK and World are still facing huge challenges fighting the pandemic and the economic uncertainty that has been created.

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

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

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

ON BEHALF OF THE BOARD:



T Dennis - Director

Date:

18th December 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

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

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

T Dennis
F M Douglas

Other changes in directors holding office are as follows:

U M Aziz - resigned 12 June 2019
D M Gorton - resigned 12 June 2019

E J Kearney, M D Spence and A Wild ceased to be directors after 31 December 2019 but prior to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
T Dennis - Director

Date: 18th December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATURAL ASSETS INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Natural Assets Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATURAL ASSETS INVESTMENTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

Date: 18 December 2020

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 Continuing £	2019 Discontinued £	2019 Total £
REVENUE	3	1,992,974	-	1,992,974
Cost of sales		<u>(1,258,333)</u>	-	<u>(1,258,333)</u>
GROSS PROFIT		734,641	-	734,641
Administrative expenses		<u>(4,342,413)</u>	-	<u>(4,342,413)</u>
		<u>(3,607,772)</u>	-	<u>(3,607,772)</u>
Other operating income		94,848	-	94,848
		<u> </u>	<u> </u>	<u> </u>
GROUP OPERATING LOSS	5	(3,512,924)	-	(3,512,924)
Share of operating loss in joint ventures		(6,488)	-	(6,488)
Profit/(loss) on disposal of operations	6	<u>(5,052)</u>	-	<u>(5,052)</u>
		<u>(3,524,464)</u>	-	<u>(3,524,464)</u>
Loss on sale of investment properties	7	(95,097)	-	(95,097)
Interest payable and similar expenses	8	<u>(2,564,805)</u>	-	<u>(2,564,805)</u>
LOSS BEFORE TAXATION		<u>(6,184,366)</u>	-	<u>(6,184,366)</u>
Tax on loss	9	-	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(6,184,366)</u>	-	<u>(6,184,366)</u>
Loss attributable to:				
Owners of the parent				(6,165,032)
Non-controlling interests				<u>(19,334)</u>
				<u>(6,184,366)</u>

The notes form part of these financial statements

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2018 Continuing £	2018 Discontinued £	2018 Total £
REVENUE	3	2,197,854	3,487,348	5,685,202
Cost of sales		<u>(1,452,877)</u>	<u>(2,744,052)</u>	<u>(4,196,929)</u>
GROSS PROFIT		744,977	743,296	1,488,273
Administrative expenses		<u>(3,275,110)</u>	<u>(1,326,347)</u>	<u>(4,601,457)</u>
		(2,530,133)	(583,051)	(3,113,184)
Other operating income		<u>202,649</u>	<u>2,647</u>	<u>205,296</u>
GROUP OPERATING LOSS	5	(2,327,484)	(580,404)	(2,907,888)
Share of operating loss in Joint ventures		(3,535)	-	(3,535)
Profit/(loss) on disposal of operations	6	<u>836,313</u>	<u>-</u>	<u>836,313</u>
		(1,494,706)	(580,404)	(2,075,110)
Interest receivable and similar income		-	11	11
Loss on sale of investment properties	7	(34,000)	-	(34,000)
Interest payable and similar expenses	8	<u>(3,613,753)</u>	<u>-</u>	<u>(3,613,753)</u>
LOSS BEFORE TAXATION		(5,142,459)	(580,393)	(5,722,852)
Tax on loss	9	<u>-</u>	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(5,142,459)</u>	<u>(580,393)</u>	<u>(5,722,852)</u>
Loss attributable to:				
Owners of the parent				(5,700,678)
Non-controlling interests				<u>(22,174)</u>
				<u>(5,722,852)</u>

The notes form part of these financial statements

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
LOSS FOR THE YEAR		(6,184,366)	(5,722,852)
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(6,184,366)</u>	<u>(5,722,852)</u>
Total comprehensive income attributable to:			
Owners of the parent		(6,165,032)	(5,700,678)
Non-controlling interests		<u>(19,334)</u>	<u>(22,174)</u>
		<u>(6,184,366)</u>	<u>(5,722,852)</u>

The notes form part of these financial statements.

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	11	2,594,895	3,428,561
Property, plant and equipment	12	520,266	2,309,982
Investments	13	30,000	30,000
Share of losses in joint venture	13	(35,145)	(23,605)
Investment property	14	<u>25,758,428</u>	<u>25,288,531</u>
		<u>28,868,444</u>	<u>31,033,469</u>
 CURRENT ASSETS			
Inventories	15	33,401	52,199
Debtors: amounts falling due within one year	16	959,443	1,237,804
Debtors: amounts falling due after more than one year	16	37,500	87,500
Cash at bank and in hand		<u>70,283</u>	<u>230,038</u>
		<u>1,100,627</u>	<u>1,607,541</u>
CREDITORS			
Amounts falling due within one year	17	<u>(13,158,955)</u>	<u>(13,054,875)</u>
NET CURRENT LIABILITIES		<u>(12,058,328)</u>	<u>(11,447,334)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,810,116</u>	<u>19,586,135</u>
 CREDITORS			
Amounts falling due after more than one year	18	<u>(62,946,240)</u>	<u>(59,537,893)</u>
NET LIABILITIES		<u>(46,136,124)</u>	<u>(39,951,758)</u>

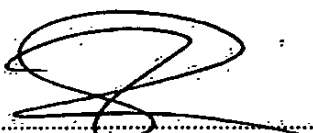
The notes form part of these financial statements

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2019

	Notes	2019 £	2018 £
CAPITAL AND RESERVES			
Called up share capital	22	1,000	1,000
Other reserves	23	149,999	149,999
Fair value reserve	23	2,158,250	2,106,540
Retained earnings	23	<u>(48,085,061)</u>	<u>(41,868,319)</u>
SHAREHOLDERS' FUNDS		(45,775,812)	(39,610,780)
NON-CONTROLLING INTERESTS		<u>(360,312)</u>	<u>(340,978)</u>
TOTAL EQUITY		<u>(46,136,124)</u>	<u>(39,951,758)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 December 2020 and were signed on its behalf by:



 T Dennis - Director

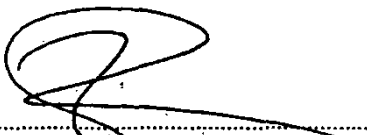
The notes form part of these financial statements.

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	11	-	-
Property, plant and equipment	12	18,891	57,887
Investments	13	230,055	230,056
Investment property	14	-	-
		<u>248,946</u>	<u>287,943</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	16	540,144	441,856
Debtors: amounts falling due after more than one year	16	19,832,022	21,629,496
Cash at bank		<u>48,961</u>	<u>17,345</u>
		20,421,127	22,088,697
CREDITORS			
Amounts falling due within one year	17	<u>(9,331,680)</u>	<u>(9,163,314)</u>
NET CURRENT ASSETS		<u>11,089,447</u>	<u>12,925,383</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,338,393	13,213,326
CREDITORS			
Amounts falling due after more than one year	18	<u>(57,839,061)</u>	<u>(54,552,843)</u>
NET LIABILITIES		<u>(46,500,668)</u>	<u>(41,339,517)</u>
CAPITAL AND RESERVES			
Called up share capital	22	1,000	1,000
Other reserves	23	149,999	149,999
Retained earnings	23	<u>(46,651,667)</u>	<u>(41,490,516)</u>
SHAREHOLDERS' FUNDS		<u>(46,500,668)</u>	<u>(41,339,517)</u>
Company's loss for the financial year		<u>(5,161,151)</u>	<u>(5,696,862)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18th December 2020 and were signed on its behalf by:


T Dennis - Director

The notes form part of these financial statements

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Other reserves £
Balance at 1 January 2018	1,000	(39,736,850)	149,999
Changes in equity			
Total comprehensive income	-	(5,700,678)	-
Transfer	-	3,569,209	-
Balance at 31 December 2018	1,000	(41,868,319)	149,999
Changes in equity			
Total comprehensive income	-	(6,165,032)	-
Transfer	-	(51,710)	-
Balance at 31 December 2019	1,000	(48,085,061)	149,999

	Fair value reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2018	5,675,749	(33,910,102)	(318,804)	(34,228,906)
Changes in equity				
Total comprehensive income	-	(5,700,678)	(22,174)	(5,722,852)
Transfer	(3,569,209)	-	-	-
Balance at 31 December 2018	2,106,540	(39,610,780)	(340,978)	(39,951,758)
Changes in equity				
Total comprehensive income	-	(6,165,032)	(19,334)	(6,184,366)
Transfer	51,710	-	-	-
Balance at 31 December 2019	2,158,250	(45,775,812)	(360,312)	(46,136,124)

The notes form part of these financial statements

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2018	1,000	(35,793,654)	149,999	(35,642,655)
Changes in equity				
Total comprehensive income	-	(5,696,862)	-	(5,696,862)
Balance at 31 December 2018	<u>1,000</u>	<u>(41,490,516)</u>	<u>149,999</u>	<u>(41,339,517)</u>
Changes in equity				
Total comprehensive income	-	(5,161,151)	-	(5,161,151)
Balance at 31 December 2019	<u>1,000</u>	<u>(46,651,667)</u>	<u>149,999</u>	<u>(46,500,668)</u>

The notes form part of these financial statements

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	(747,584)	(857,799)
Interest paid		<u>(485,703)</u>	<u>(194,663)</u>
Net cash from operating activities		<u>(1,233,287)</u>	<u>(1,052,462)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(14,667)	(297,628)
Purchase of investment property		(1,161,210)	(5,091,021)
Sale of tangible fixed assets		-	1,575
Sale of investment property		752,403	1,534,325
Cash on disposal of subsidiary		-	(131,974)
Interest received		<u>-</u>	<u>11</u>
Net cash from investing activities		<u>(423,474)</u>	<u>(3,984,712)</u>
Cash flows from financing activities			
New loans in year		2,035,950	5,344,740
Loan repayments in year		(538,944)	(218,289)
HP repayments in year		<u>-</u>	<u>(29,849)</u>
Net cash from financing activities		<u>1,497,006</u>	<u>5,096,602</u>
(Decrease)/increase in cash and cash equivalents		<u>(159,755)</u>	<u>59,428</u>
Cash and cash equivalents at beginning of year	2	<u>230,038</u>	<u>170,610</u>
Cash and cash equivalents at end of year	2	<u><u>70,283</u></u>	<u><u>230,038</u></u>

The notes form part of these financial statements

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

	2019	2018
	£	£
Loss before taxation	(6,184,366)	(5,722,852)
Depreciation charges	1,034,556	1,408,979
Loss on disposal of fixed assets	95,097	54,193
(Gain)/loss on revaluation of fixed assets	(156,187)	81,714
Impairment losses	1,603,492	-
Share of results of joint venture	11,540	3,535
(Profit)/loss on disposal of subsidiary	-	(836,313)
Finance costs	2,564,805	3,613,753
Finance income	-	(11)
	<u>(1,031,063)</u>	<u>(1,397,002)</u>
Decrease/(increase) in inventories	18,798	(20,826)
Decrease/(increase) in trade and other debtors	207,008	(1,851,374)
Increase in trade and other creditors	<u>57,673</u>	<u>2,411,403</u>
Cash generated from operations	<u>(747,584)</u>	<u>(857,799)</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>70,283</u>	<u>230,038</u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>230,038</u>	<u>170,610</u>

The notes form part of these financial statements

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank and in hand	<u>230,038</u>	<u>(159,755)</u>	<u>70,283</u>
	<u>230,038</u>	<u>(159,755)</u>	<u>70,283</u>
Debt:			
Debts falling due within 1 year	<u>(8,989,122)</u>	<u>(289,890)</u>	<u>(9,279,012)</u>
Debts falling due after 1 year	<u>(3,434,290)</u>	<u>(158,279)</u>	<u>(3,592,569)</u>
	<u>(12,423,412)</u>	<u>(448,169)</u>	<u>(12,871,581)</u>
Total	<u>(12,193,374)</u>	<u>(607,924)</u>	<u>(12,801,298)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

As part of its going concern review the board has prepared detailed financial forecasts and cashflows to December 2021. In drawing up these forecasts the board has made assumptions based upon its view of the current and future economic conditions that will prevail over the forecast period. For the forecasted period, the Board took account of the support of the loan holder, the probability of bank facilities being renewed and an indicative view of trading performance, for their going concern review.

The group is currently in its development phase with the statement of financial position showing net current liabilities of £12,058,328 (2018: £11,447,334) and net liabilities of £46,136,124 (2018: £39,951,758). Certain of the group's properties 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 directors have considered the impact of the global Covid-19 pandemic on the group and recognise that the future cannot be predicted with certainty. However, the directors expect the group to continue trading and believe that the group can manage the risks at these challenging times.

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

Basis of consolidation

The consolidated financial statements incorporate the results of Natural Assets Investments Limited and all of its material subsidiary undertakings as at 31 December 2019 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Critical accounting estimates and judgements

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

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

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

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

Making judgement on the valuation of investment properties.

Making judgement on the classification of properties.

Assessing the appropriateness of the going concern basis.

Estimating the useful economic life of goodwill.

Revenue

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

Revenue from the sale of services is recognised as those services are provided. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on transfer of the goods.

Goodwill

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

Negative goodwill arises when the cost of a business combination is less than the fair value of the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit, ranging from 10 to 20 years.

Property, plant and equipment

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

Improvements to property	- 3% on cost
Plant and machinery	- 33% on cost
Fixtures and fittings	- 33.3% on cost, 25% straight line and 20% straight line

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Government grants

Grants are recognised at the fair value of amounts received. Grants relating to assets are subsequently recognised in income on a straight line basis over the asset's expected useful life.

Investments in associates

In the individual accounts of the company, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interest in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the income statement.

In the accounts of the group, entities in which the group has a long term interest and shares control of under contractual arrangement are classified as interests in joint ventures. Jointly controlled entities are accounted for using the equity method.

Undertakings in which the group has significant influence are classified as associates. The group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method.

Investment property

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

Inventories

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

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

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

Financial instruments

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

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

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase or finance lease are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the income statement in the period to which they relate.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

3. REVENUE

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

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

	2019	2018
	£	£
Rental income	1,316,676	1,562,694
Tourist attraction	-	2,568,599
Sales of goods	676,298	1,553,909
	<u>1,992,974</u>	<u>5,685,202</u>

All rental income relates to continuing operations. All tourist attraction revenue related to discontinued operations.

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	580,290	2,035,567
Social security costs	27,274	91,430
Other pension costs	18,609	28,863
	<u>626,173</u>	<u>2,155,860</u>

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

	2019	2018
Production	20	139
Management	14	14
Administration	7	7
	<u>41</u>	<u>160</u>

	2019	2018
	£	£
Directors' remuneration	<u>88,000</u>	<u>96,000</u>

5. OPERATING LOSS

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

	2019	2018
	£	£
Other operating leases	-	29,133
Depreciation - owned assets	200,891	575,313
Loss on disposal of fixed assets	-	20,193
Goodwill amortisation	844,260	844,260
Negative goodwill amortisation	(10,594)	(10,594)
Auditors' remuneration	26,700	25,650
Foreign exchange differences	-	(163)
Operating leases - land and buildings	92,000	193,000
Fair value (gains)/losses on investment properties	<u>(156,187)</u>	<u>81,714</u>

6. EXCEPTIONAL ITEMS

	2019	2018
	£	£
Profit/(loss) on disposal of operations	<u>(5,052)</u>	<u>836,313</u>

During the current year the group disposed of a joint venture, suffering a loss on disposal of £5,052.

During the prior year the company disposed of a number of subsidiary undertakings with combined total net liabilities of £2,899,257 and suffered bad debts in respect of these entities of £2,062,944 creating an overall gain on disposal of £836,313.

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. PROFIT/LOSS ON SALE OF INVESTMENT PROPERTIES

	2019	2018
	£	£
Loss on sale of investment properties	<u>95,097</u>	<u>34,000</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank loan interest	485,703	194,663
Other loan interest	<u>2,079,102</u>	<u>3,419,090</u>
	<u>2,564,805</u>	<u>3,613,753</u>

9. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Reconciliation of total tax charge included in profit and loss

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

	2019	2018
	£	£
Loss before tax	<u>(6,184,366)</u>	<u>(5,722,852)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(1,175,030)	(1,087,342)
Effects of:		
Income not taxable for tax purposes	793,119	1,170,837
Capital allowances in excess of depreciation	(72,598)	(34,540)
Adjustments to equalise deferred tax and corporation tax rates	(261,400)	(323,547)
Deferred tax not recognised	<u>715,909</u>	<u>274,592</u>
Total tax charge	<u>-</u>	<u>-</u>

Deferred tax is not recognised in respect of losses of £17,630,489 (2018: £15,769,463).

10. INDIVIDUAL INCOME STATEMENT

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

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Negative goodwill £	Totals £
COST			
At 1 January 2019			
and 31 December 2019	<u>9,315,900</u>	<u>(211,883)</u>	<u>9,104,017</u>
AMORTISATION			
At 1 January 2019	5,757,564	(82,108)	5,675,456
Amortisation for year	<u>844,260</u>	<u>(10,594)</u>	<u>833,666</u>
At 31 December 2019	<u>6,601,824</u>	<u>(92,702)</u>	<u>6,509,122</u>
NET BOOK VALUE			
At 31 December 2019	<u>2,714,076</u>	<u>(119,181)</u>	<u>2,594,895</u>
At 31 December 2018	<u>3,558,336</u>	<u>(129,775)</u>	<u>3,428,561</u>

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Development properties £	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 January 2019	1,603,492	259,494	166,248	2,586,150	4,615,384
Additions	-	2,844	-	11,823	14,667
Impairments	<u>(1,603,492)</u>	-	-	-	<u>(1,603,492)</u>
At 31 December 2019	<u>-</u>	<u>262,338</u>	<u>166,248</u>	<u>2,597,973</u>	<u>3,026,559</u>
DEPRECIATION					
At 1 January 2019	-	17,300	152,391	2,135,711	2,305,402
Charge for year	<u>-</u>	<u>8,926</u>	<u>5,339</u>	<u>186,626</u>	<u>200,891</u>
At 31 December 2019	<u>-</u>	<u>26,226</u>	<u>157,730</u>	<u>2,322,337</u>	<u>2,506,293</u>
NET BOOK VALUE					
At 31 December 2019	<u>-</u>	<u>236,112</u>	<u>8,518</u>	<u>275,636</u>	<u>520,266</u>
At 31 December 2018	<u>1,603,492</u>	<u>242,194</u>	<u>13,857</u>	<u>450,439</u>	<u>2,309,982</u>

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2019 and 31 December 2019	<u>166,248</u>	<u>107,676</u>	<u>273,924</u>
DEPRECIATION			
At 1 January 2019	152,391	63,646	216,037
Charge for year	<u>5,339</u>	<u>33,657</u>	<u>38,996</u>
At 31 December 2019	<u>157,730</u>	<u>97,303</u>	<u>255,033</u>
NET BOOK VALUE			
At 31 December 2019	<u>8,518</u>	<u>10,373</u>	<u>18,891</u>
At 31 December 2018	<u>13,857</u>	<u>44,030</u>	<u>57,887</u>

13. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £	Unlisted investments £	Totals £
COST			
At 1 January 2019	(23,605)	30,000	6,395
Disposals	(5,052)	-	(5,052)
Share of profit/(loss)	<u>(6,488)</u>	<u>-</u>	<u>(6,488)</u>
At 31 December 2019	<u>(35,145)</u>	<u>30,000</u>	<u>(5,145)</u>
NET BOOK VALUE			
At 31 December 2019	<u>(35,145)</u>	<u>30,000</u>	<u>(5,145)</u>
At 31 December 2018	<u>(23,605)</u>	<u>30,000</u>	<u>6,395</u>

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 January 2019 and 31 December 2019	<u>200,055</u>	<u>30,000</u>	<u>230,055</u>
NET BOOK VALUE			
At 31 December 2019	<u>200,055</u>	<u>30,000</u>	<u>230,055</u>
At 31 December 2018	<u>200,055</u>	<u>30,000</u>	<u>230,055</u>

Subsidiary undertakings

Name	Registered office	Holding	Nature of business
Trewhiddle Village Limited	Note 1	100% ordinary	Holiday lettings
Natural Land 3 Limited	Note 1	100% ordinary	Holiday lettings
North York Moors Limited	Note 1	100% ordinary	Property development
John O'Groats Highland Limited	Note 1	100% ordinary	Holding company
NA Lews Castle Limited	Note 1	100% ordinary	Holiday lettings
Yorkshire Dales Limited	Note 1	100% ordinary	Holiday lettings
Natural Outfitters Limited	Note 1	100% ordinary	Retail services
Natural Land 1 LLP	Note 1	100% member	Property development

John O'Groats Highland Limited has the following subsidiary:

JOG Highlands LLP	Note 1	86% member	Holiday lettings
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Natural Land 3 has the following subsidiaries

NL3 Cottages Management Limited	Note 1	100% ordinary	Property management
Natural Land 3 Management Limited	Note 1	100% ordinary	Dormant

Trewhiddle Village Limited has the following subsidiary:

TW Management Ltd	Note 1	100% ordinary	Dormant
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Yorkshire Dales Limited has the following subsidiary:

YD Management Ltd	Note 1	100% ordinary	Dormant
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Joint ventures

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

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

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

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

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. INVESTMENT PROPERTY

Group	Total £
FAIR VALUE	
At 1 January 2019	25,288,531
Additions	1,161,210
Disposals	(847,500)
Revaluations	<u>156,187</u>
At 31 December 2019	<u>25,758,428</u>
NET BOOK VALUE	
At 31 December 2019	<u>25,758,428</u>
At 31 December 2018	<u>25,288,531</u>

Investment properties have been valued at open market value by the directors at 31 December 2019. The historic cost of investment properties is £28,008,534 (2018: £26,116,326).

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

15. INVENTORIES

	Group	
	2019	2018
	£	£
Inventories	<u>33,401</u>	<u>52,199</u>

16. DEBTORS

	Group	Company	
	2019	2018	2019
	£	£	£
Amounts falling due within one year:			
Trade debtors	62,002	76,302	43,954
Amounts owed by associates	195,782	454,732	63,549
Other debtors	480,462	400,691	380,478
VAT	47,884	169,238	21,113
Prepayments	<u>173,313</u>	<u>136,841</u>	<u>94,599</u>
	<u>959,443</u>	<u>1,237,804</u>	<u>540,144</u>
			<u>441,856</u>

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

16. DEBTORS - continued

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	19,832,022	21,629,496
Other debtors	37,500	87,500	-	-
	<u>37,500</u>	<u>87,500</u>	<u>19,832,022</u>	<u>21,629,496</u>
Aggregate amounts	<u>996,943</u>	<u>1,325,304</u>	<u>20,372,166</u>	<u>22,071,352</u>

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

Company

An impairment loss of £2,260,771 (2018: £948,599) was recognised during the year against amounts due from group undertakings.

Group

An impairment loss of £161,811 (2018: £1,998,096) was recognised during the year against other debtors.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Bank loans and overdrafts (see note 19)	9,279,012	8,989,122	9,279,012	8,989,122
Trade creditors	607,961	584,062	29,915	32,037
Amounts owed to group undertakings	-	-	-	100,000
Social security and other taxes	6,278	26,482	-	-
Other creditors	3,162,452	3,107,974	6,363	7,552
Accrued expenses	103,252	347,235	16,390	34,603
	<u>13,158,955</u>	<u>13,054,875</u>	<u>9,331,680</u>	<u>9,163,314</u>

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

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Other loans (see note 19)	3,592,569	3,434,290	-	-
Other creditors	57,799,221	54,513,003	57,839,061	54,552,843
Deferred government grants	1,554,450	1,590,600	-	-
	<u>62,946,240</u>	<u>59,537,893</u>	<u>57,839,061</u>	<u>54,552,843</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

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

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>9,279,012</u>	<u>8,989,122</u>	<u>9,279,012</u>	<u>8,989,122</u>
Amounts falling due between two and five years:				
Other loans - 2-5 years	<u>3,592,569</u>	<u>3,434,290</u>	<u>-</u>	<u>-</u>

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	50,000	50,000
Between one and five years	200,000	200,000
In more than five years	<u>470,833</u>	<u>520,833</u>
	<u>720,833</u>	<u>770,833</u>

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2019	2018
	£	£
Bank loans	9,279,012	8,989,122
Other loans	<u>3,592,569</u>	<u>3,434,290</u>
	<u>12,871,581</u>	<u>12,423,412</u>

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

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

Hire purchase liabilities were secured on the assets concerned.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019	2018
			£	£
600	Ordinary A	£1	600	600
400	Ordinary B	£1	<u>400</u>	<u>400</u>
			<u>1,000</u>	<u>1,000</u>

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

23. RESERVES

Group

	Retained earnings	Other reserves	Fair value reserve	Totals
	£	£	£	£
At 1 January 2019	(41,868,319)	149,999	2,106,540	(39,611,780)
Deficit for the year	(6,165,032)			(6,165,032)
Transfer	<u>(51,710)</u>	<u>-</u>	<u>51,710</u>	<u>-</u>
At 31 December 2019	<u>(48,085,061)</u>	<u>149,999</u>	<u>2,158,250</u>	<u>(45,776,812)</u>

NATURAL ASSETS INVESTMENTS LIMITED (REGISTERED NUMBER: 07541643)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

23. RESERVES - continued

Company	Retained earnings £	Other reserves £	Totals £
At 1 January 2019	(41,490,516)	149,999	(41,340,517)
Deficit for the year	<u>(5,161,151)</u>		<u>(5,161,151)</u>
At 31 December 2019	<u>(46,651,667)</u>	<u>149,999</u>	<u>(46,501,668)</u>

24. CONTINGENT LIABILITIES

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

25. OTHER FINANCIAL COMMITMENTS

Natural Assets Investments Limited has entered into a composite company unlimited multilateral guarantee with the following group companies: North York Moors Limited, Trewiddle Village Limited, Yorkshire Dales Limited, Natural Land 1 LLP, Jog Highlands LLP, John O'Groats Highlands Limited, Natural Land 3 Limited, NA Lews Castle Limited and Natural Outfitters Limited. At 31 December 2018 the total borrowings covered by the guarantee amounted to £9,279,012 (2018: £9,026,955).

26. RELATED PARTY DISCLOSURES

Natural Assets Investments Limited has given a guarantee under section 479C of the Companies act 2006. The following subsidiaries included in these consolidated accounts, are therefore, exempt from the requirements of this Act relating to the audit of individual accounts by virtue of Section 479A: Natural Land 1 LLP and JOG 2 Limited.

UK Great Travel Company Limited

	2019 £	2018 £
Sales	1,143,983	1,439,633
Purchases	738,125	1,713,615
Amount due from related party	44,661	70,570
Amount due to related party	<u>160,183</u>	<u>105,121</u>

Entities that provide key management personnel services to the entity

	2019 £	2018 £
Sales	1,164	1,468
Purchases	88,000	96,000
Amount due from related party	88,583	48,583
Amount due to related party	<u>-</u>	<u>9,600</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

26. RELATED PARTY DISCLOSURES - continued

Other related parties

D Gorton

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

Included within creditors falling due within one year is an amount of £3,100,000 (2018: £3,100,000) loaned to Natural Land 3 Limited from D Gorton. This loan is unsecured, interest free and repayable on demand.

Included within creditors falling due after one year is an amount of £3,592,569 (2018: £3,434,290) loaned to JOG Highlands LLP from D Gorton. This loan is secured by way of debenture over the assets of the LLP and interest is charged at 4.5% above LIBOR. The amount is repayable in full on 11 June 2022.

Included within creditors due after one year is an amount of £55,759,959 (2018: £54,552,843) loaned to Natural Assets Investments Limited from D Gorton. This loan is unsecured and interest is charged at various rates between 0% and 10%. The loan has an indeterminate repayment date, with a minimum of 12 months notice required for repayment.

During the year interest amounting to £2,237,381 (2018: £3,419,090) was charged by D Gorton.

Key management personnel compensation is equal to directors' remuneration.

27. POST BALANCE SHEET EVENTS

Post year end saw the outbreak of Covid-19 which has become a global pandemic. The directors have considered the impact of the pandemic on the company and recognise that the future cannot be predicted with any certainty. The company, however, has remained operational and the directors are satisfied that no adjustments are required to the financial statements as a result of this post balance sheet event.

28. ULTIMATE CONTROLLING PARTY

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