Company Registration No. 07740692

MIROVA NATURAL CAPITAL LIMITED

Annual Report and Audited Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Raphael Lance
Anne-Laurence Roucher
Philippe Zaouati
Karen Massicot (Appointed 27 May 2020, resigned 1 September 2021)
Vincent Evariste Jean-Louis Gradt (Appointed 12 June 2020)
Christian del Valle (Resigned 16 June 2020)
Sylvain Goupille (Resigned 3 July 2020)

Registered Number: 07740692

Registered Office

18 St. Swithin's Lane
London
EC4N 8AD

Independent Auditors

PricewaterhouseCoopers LLP
7 More London
Riverside
London
SE1 2RT

STRATEGIC REPORT

The Directors present their strategic report on the affairs of Mirova Natural Capital Limited (the "Company") and its subsidiaries (collectively, the "Group") together with the audited annual company and consolidated financial statements for the year ended 31 December 2020.

INCORPORATION

The Company was incorporated in England and Wales on 15 August 2011 as a private company limited by shares and has its registered address at 18 St. Swithin's Lane, London, EC4N 8AD.

PRINCIPAL ACTIVITIES

The main activity of the Company is to act as an investment advisor to environmental funds. The Company advises on investment in real assets in the natural capital arena, notably carbon capture and sustainable uses of the world's oceans. This is becoming an increasing focus of the global economy as decarbonisation and preservation of the natural environment move increasingly towards the centre stage in global economic models.

REVIEW OF BUSINESS

2020 has been a year of challenges, not least due to the continuing global pandemic. Whilst the business has been resilient and has not suffered from a loss of its operational capacity, the majority of the projects for which the Company provides investment advice are located in areas that have been badly affected by COVID-19. This has caused some delay in investment, notably in the Amazon region, where travel to visit projects has been severely curtailed. This has not proved unsurmountable and the use of technology to remain in touch has improved, and the effect has been substantially mitigated.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Company and its subsidiaries are managed by the Directors at each entity level. The significant risks to the Company are:

i) *Operational risk*
The Company has continued to operate throughout the pandemic; its IT systems have been upgraded to a group supported environment that is both more robust and more secure. Staff have continued to be able to work from home seamlessly and there has been no need for staff to have been furloughed as a result of the global pandemic.

ii) *Market risk*
The funds which the Company advises are closed ended and illiquid long-term funds that are open to professional investors only, and which are not sensitive to short term market fluctuations. Thus, the risk of loss to investors is low.

iii) *Credit risk*
The Company maintains close and regular contact with the projects for which it advises funds to invest. Risk analysis is conducted on a quarterly basis and, where necessary, corrective action is taken to mitigate this risk.

iv) *Liquidity risk*
The Company regularly reviews its cash position to ensure that it has sufficient resources to meet its liabilities as they fall due. Furthermore, the Company may, if required, call upon the resources of its parent company, Mirova S.A..

v) *Legal and regulatory non-compliance risk*
The Company employs a compliance officer and has access to group general counsel and compliance specialists via an inter-company outsourcing agreement. Compliance with laws and regulations is also assessed regularly via a third-party specialist firm.

The Company's financial risk management objectives and policies are set out in note 7(b).

STRATEGIC REPORT (CONTINUED)

DIVIDENDS

As at 31 December 2020, no dividend payment (2019: £nil) had been made to the Company's shareholders and no shares had been repurchased.

FUTURE DEVELOPMENTS

A decision has been made by the Directors of the Company to close the French branch in 2020. Final approval of closure was approved in France on 16 September 2021.

KEY PERFORMANCE INDICATORS

Some of the key indicators are the ability of the Group to be well capitalised, to be solvent and to be able to meet its current *obligations as they fall due as measured below.*

Key performance indicators for the Group are:	**2020**	**2019**
	£	**£**
Total assets value of the Group	4,078,649	14,504,484
Net (liability)/assets value of the Group	(1,289,172)	10,176,190
Net current liabilities of the Group	(1,742,941)	(47,472)
Operating loss	(11,566,744)	(749,779)

As at the year ended 31 December 2020 the Group was in a net liabilities position. Please see the 'Events after the reporting date' section of the 'Report of the Directors' for more information about how this capital shortfall was managed.

STRATEGIC REPORT (CONTINUED)

STATEMENT BY THE DIRECTORS RELATING TO THEIR STATUTORY DUTIES UNDER SECTION 172(1) OF THE COMPANIES ACT 2006

The Directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term;
- Interests of the Group's employees;
- Need to foster the Group's business relationships with suppliers, customers and others;
- Impact of the Group's operations on the community and the environment;
- Desirability of the Group maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the Group.

The Directors' regard to these matters is embedded in their decision-making process, through the Group's business strategy, culture, governance framework, management information flows and stakeholder engagement processes.

The Group's business strategy is focused on achieving success for the Group in the long-term. In setting this strategy, the Board *takes into account the impact of relevant factors and stakeholder interests on the Group's performance. The Board also identifies* principal risks facing the business and sets risk management objectives.

The Board promotes a culture of upholding the highest standards of business conduct and regulatory conduct. The Board ensures these core values are communicated to the Group's employees and embedded in the Group's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

The Board recognises that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate a sustainable business.

The Directors are supported in the discharge of their duties by:

- A director training programme to further their understanding of their duties and obligations under applicable law and regulation;

- Processes which ensure the provision of timely management information and escalation through reporting lines to the Board from the Group's business areas, its risk and control functions, support teams and committees of the Board; and

- Agenda planning for Board and Committee meetings to provide sufficient time for the consideration and discussion of key matters.

Stakeholders

The Board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the Group.

The Board regularly discusses issues concerning employees, clients, suppliers, community and environment, regulators and its shareholder, which it considers in its discussions and in its decision-making process.

STRATEGIC REPORT (CONTINUED)

STATEMENT BY THE DIRECTORS RELATING TO THEIR STATUTORY DUTIES UNDER SECTION 172(1) OF THE COMPANIES ACT 2006 - (CONTINUED)

Stakeholders (continued)

The below summarises the key stakeholders and how we engage with each:

Stakeholder	Engagement
Employees	Our employees contribute to a positive working culture and healthy working environment. Employees are key to the success of our business. In addition to aiming to be a responsible employer in our approach to pay and benefits, we continue to engage with our team to ascertain which training and development opportunities should be made available to improve our team's productivity and our individual employees' potential within the business.
Clients	Clients are at the centre of our business. Our client service and sales teams build lasting relationships with current and potential clients to understand their objectives and requirements. We are in regular contact with clients in order to meet their defined reporting and service requirements. This includes attending monthly and quarterly update calls, face to face meetings (quarterly/bi-annually/annually) depending on clients' preferences.
Suppliers	As a global business, we work with a wide range of suppliers both in the UK and globally. We remain committed to being fair and transparent in our dealings with all of our suppliers. The Group has systems and processes in place to ensure suppliers are paid in a timely manner.
Regulators	We work with our regulators and the government in an open and proactive manner to help develop regulations that meet the needs of all our stakeholders. The Board's intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards and good governance expected of a regulated business like ours. In doing so, we believe we will achieve our long-term business strategy and further develop our reputation in our sector.
Community and Environment	The Board's approach to social responsibility, diversity and the community is of high importance. Corporate social responsibility principles are part of our culture and decision-making process. We take a consultative approach focused on building long-term relationships and solving business problems.
Shareholders	The Board also seeks to behave in a responsible manner towards our one shareholder. The Board communicates information relevant to its shareholder, such as its financial reporting.

Signed for and on behalf of the Board

Director: Vincent Evariste Jean-Louis Gradt

Date: 27 October 2021

REPORT OF THE DIRECTORS

The Directors of Mirova Natural Capital Limited present their audited annual company and consolidated financial statements for the year ended 31 December 2020.

FUTURE DEVELOPMENTS

The future developments of the Company are presented in the Strategic Report on page 4.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company during the year and at the date of approval of these financial statements are noted on page 2.

GOING CONCERN

The Directors have made enquiries and having considered the current economic climate at the time of approving these financial statements, as well as the expected ongoing support that the Group will receive from its shareholder Mirova S.A. (the "Parent") for the coming year, they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The Company continuously increased its revenue base in 2020 as it acquired new clients. It managed to reach critical size by advising a large spectrum of clients and maintaining leadership in the natural capital space. However, the Company did not manage to reach profitability yet given its ambition and parallel increase in administrative cost. Given the lack of certainty on future revenue streams, the Company, whilst performing its annual test for impairment of goodwill on 31 December 2020 concluded that, in accordance with IAS 36, the existing level of goodwill needed to be fully impaired. This impairment led to a material impact on the audited annual company and consolidated financial statements for the year ended 31 December 2020.

POLITICAL DONATIONS

The Group and Company made no political donations during the year (2019: £nil).

EXISTENCE OF BRANCHES OUTSIDE OF THE UNITED KINGDOM

The Company has a branch in Paris, France.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties are considered in the Strategic Report.

EVENTS AFTER THE REPORTING DATE

In 2021 the Company reviewed its regulatory capital position, this identified a shortfall in its regulatory capital. As a consequence, a capital injection of £4,200,000 has been agreed with the Parent to correct the position as required by regulation in the United Kingdom.

INDEPENDENT AUDITORS

The Board recommends that the incumbent auditors, PricewaterhouseCoopers LLP are reappointed for a future term. PricewaterhouseCoopers LLP have expressed their willingness to continue in the office as the Group's appointed auditors and a resolution to reappoint them will be proposed at the forthcoming board meeting.

Each of the Directors at the date of the signing report confirms that, so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware. Each Director has taken all reasonable steps that he or she ought to have taken as a director in order to make him or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

REPORT OF THE DIRECTORS (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Report of the Directors confirm that:

- so far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Relevant audit information is defined as information needed by the Group's and Company's auditors in connection with preparing their report.

Signed for and on behalf of the Board

Director: Vincent Evariste Jean-Louis Gradt

Date: 27 October 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, 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 company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

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

Signed for and on behalf of the Board

Director: Vincent Evariste Jean-Louis Gradt

Date: 27 October 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIROVA NATURAL CAPITAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Mirova Natural Capital Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's loss, the company's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2020; the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, and the Consolidated and Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIROVA NATURAL CAPITAL LIMITED (CONTINUED)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the 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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIROVA NATURAL CAPITAL LIMITED (CONTINUED)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue of the company, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Reading key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Discussions with the Board, management, senior management involved in Risk and Compliance functions and the company's legal advisors/function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Board of Directors; and
- Identifying and testing journal entries, in particular any journal entries posted that were of large values, that were unusual account combinations, that were unusual amounts and contained unusual descriptions.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Lauren Cooper (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28/10/2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Assets			
Goodwill	13	-	9,441,766
Other intangible assets	13	496,241	1,488,721
Property, plant and equipment	14	301,096	20,758
Other financial assets	15	244,516	190,272
Non-current assets		1,041,853	11,141,517
Trade and other receivables	16	413,659	2,627,815
Prepayments		69,430	59,224
Cash and cash equivalents	17	2,553,707	675,928
Current assets		3,036,796	3,362,967
Total assets		**4,078,649**	**14,504,484**
Equity			
Share capital	18	12,810,851	12,810,851
Translation reserve		17,722	15,435
Accumulated losses		(14,117,745)	(2,650,096)
Total shareholder's (deficit)/fund		(1,289,172)	10,176,190
Liabilities			
Loans and borrowings	19	470,398	634,998
Long-term lease liabilities	21	23,400	-
Deferred tax liabilities	12	94,286	282,857
Non-current liabilities		588,084	917,855
Trade and other payables	20	4,522,594	3,410,439
Short-term lease liabilities	21	257,143	-
Current liabilities		4,779,737	3,410,439
Total liabilities		5,367,821	4,328,294
Total liabilities and equity		**4,078,649**	**14,504,484**

Company Registration No. 07740692 (England and Wales)

The consolidated financial statements on pages 14 to 53 were approved and authorised by the Directors of the Group on ....27 October........ 2021 and were signed on its behalf by:

Director: Vincent Evariste Jean-Louis Gradt

The notes on pages 21 to 53 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Assets			
Property, plant and equipment	14	300,978	20,758
Other financial assets	15	1,106,027	12,219,716
Non-current assets		1,407,005	12,240,474
Trade and other receivables	16	868,019	2,810,381
Prepayments		57,946	59,224
Cash and cash equivalents	17	2,443,361	616,868
Current assets		3,369,326	3,486,473
Total assets		**4,776,331**	**15,726,947**
Equity			
Share capital	18	12,810,851	12,810,851
Accumulated losses		(13,218,555)	(823,693)
Total shareholder's (deficit)/fund		(407,704)	11,987,158
Liabilities			
Loans and borrowings	19	470,398	635,318
Long-term lease liabilities	21	23,400	-
Non-current liabilities		493,798	635,318
Trade and other payables	20	4,433,094	3,104,471
Short-term lease liabilities	21	257,143	-
Current liabilities		4,690,237	3,104,471
Total liabilities		5,184,035	3,739,789
Total liabilities and equity		**4,776,331**	**15,726,947**

Company Registration No. 07740692 (England and Wales)

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Director: Vincent Evariste Jean-Louis Gradt

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Revenue	8	5,558,093	5,110,519
Gross profit		5,558,093	5,110,519
Administrative expenses	9	(7,622,392)	(5,714,887)
Loss on revaluation of investment	15	(60,679)	(145,411)
Impairment of goodwill	13	(9,441,766)	-
Operating loss		(11,566,744)	(749,779)
Net foreign exchange loss		(80,758)	(53,485)
Finance costs		(26,449)	(19,792)
Finance income		2,217	3,818
Net finance costs	10	(104,990)	(69,459)
Loss on ordinary activities before taxation		(11,671,734)	(819,238)
Tax credit	12	219,612	99,165
Tax expense	12	(15,527)	-
Loss for the financial year		(11,467,649)	(720,073)
Other comprehensive income / (loss)			
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Currency translation differences		2,287	(11,159)
Other comprehensive income / (loss) for the year		2,287	(11,159)
Total comprehensive loss for the year		(11,465,362)	(731,232)

The notes on pages 21 to 53 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Translation Reserve	Accumulated Losses	Total equity
	£	£	£	£
Balance as at 1 January 2019	12,780,851	26,594	(1,930,023)	10,877,422
Total comprehensive loss for the year				
Loss for the year	-	-	(720,073)	(720,073)
Other comprehensive loss for the year	-	(11,159)	-	(11,159)
Transactions with owners of the Company				
Issue of share capital	30,000	-	-	30,000
Balance as at 31 December 2019	12,810,851	15,435	(2,650,096)	10,176,190
Balance as at 1 January 2020	12,810,851	15,435	(2,650,096)	10,176,190
Total comprehensive (loss) / income for the year				
Loss for the year	-	-	(11,467,649)	(11,467,649)
Other comprehensive income for the year	-	2,287	-	2,287
Balance as at 31 December 2020	12,810,851	17,722	(14,117,745)	(1,289,172)

The notes on pages 21 to 53 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Accumulated Losses £	Total equity £
Balance as at 1 January 2019	12,780,851	(900,555)	11,880,296
Profit for the year	-	76,862	76,862
Issue of share capital	30,000	-	30,000
Balance as at 31 December 2019	12,810,851	(823,693)	11,987,158
Balance as at 1 January 2020	12,810,851	(823,693)	11,987,158
Loss for the year	-	(12,351,403)	(12,351,403)
Other comprehensive loss for the year	-	(43,459)	(43,459)
Balance as at 31 December 2020	12,810,851	(13,218,555)	(407,704)

The notes on pages 21 to 53 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Operating activites			
Loss for the year		(11,467,649)	(720,073)
Adjustment for:			
Tax	12	(204,085)	(99,165)
Interest receivable and similar income		(8,993)	(57,087)
Interest payable and similar charges		33,068	31,955
Amortisation of intangible assets	13	992,480	992,480
Impairment of goodwill	13	9,441,766	-
Depreciation of tangible assets	14	6,566	7,243
Depreciation of right of use assets	14	21,813	-
Other expenses - change in FVTPL	15	60,679	145,411
Decrease/(increase) in prepayments		1,254	(29,710)
Decrease/(increase) in trade and other receivables		3,730,369	(3,916,498)
(Decrease)/increase in trade and other payables		(331,633)	2,802,493
Net cash flows generated from/(used in) in operating activities		**2,275,635**	**(842,951)**
Investing activites			
Purchases of financial assets		(151,343)	(61,300)
Purchases of tangible assets		(3,329)	(11,363)
Interest received		8,994	37,481
Net cash flows used in investing activities		**(145,678)**	**(35,182)**
Financing activites			
Issue of ordinary share capital		-	30,000
(Repayment)/Issue of shareholders' loan		(63,054)	1,365,955
Loan repayment		(197,616)	(822,612)
Payment of lease liabilities	21	(25,200)	-
Interest paid		(32,712)	(26,885)
Net cash flows (used in)/generated from financing activities		**(318,582)**	**546,458**
Net increase/(decrease) in cash and cash equivalents		1,811,375	(331,675)
Cash and cash equivalents at beginning of year		675,928	1,051,726
Exchange gain/(loss) on cash and cash equivalents		66,404	(44,123)
Cash and cash equivalents at the end of year		**2,553,707**	**675,928**

The notes on pages 21 to 53 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Operating activites			
(Loss)/Profit for the year		(12,351,403)	76,862
Adjustment for:			
Tax		(31,041)	31,041
Interest receivable and similar income		(8,993)	(25,387)
Interest payable and similar charges		26,411	19,243
Depreciation of tangible assets	14	6,543	7,243
Depreciation of right of use assets	14	21,813	-
Other expenses - change in FVTPL	15	60,679	145,411
Impairment of investments in subsidiaries	15	11,167,933	-
Decrease/(increase) in prepayments		1,279	(29,710)
Decrease/(increase) in trade and other receivables		1,973,517	(2,168,866)
Increase in trade and other payables		1,420,035	1,234,557
Net cash flows generated from/(used in) operating activities		**2,286,773**	**(709,606)**
Investing activites			
Purchases of financial assets		(151,343)	(61,299)
Purchases of tangible assets		(3,188)	(11,363)
Interest received		8,994	25,388
Net cash flows used in investing activities		**(145,537)**	**(47,274)**
Financing activites			
Issue of ordinary share capital		-	30,000
(Repayment)/Issue of shareholders' loan		(63,054)	1,365,955
Loan repayment		(203,001)	(730,663)
Payment of lease liabilities	21	(25,200)	-
Interest paid		(26,057)	(19,243)
Net cash flows (used in)/generated from financing activities		**(317,312)**	**646,049**
Net increase/(decrease) in cash and cash equivalents		1,823,924	(110,831)
Cash and cash equivalents at beginning of year		616,868	741,030
Exchange gain/(loss) on cash and cash equivalents		2,569	(13,331)
Cash and cash equivalents at the end of year		**2,443,361**	**616,868**

The notes on pages 21 to 53 form an integral part of these consolidated financial statements.

NOTES TO THE COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Mirova Natural Capital Limited (the "Company"), and its subsidiaries (together, the "Group"), is a private company, limited by shares and incorporated on 15 August 2011 in England & Wales under registration number 07740692. The Company is domiciled in the United Kingdom.

The Company's registered office is 18 St. Swithin's Lane, London, EC4N 8AD.

The Company is authorised by the Financial Conduct Authority, under Alternative Investment Fund Managers Directive ("AIFMD"), as a Collective Portfolio Management Investment ("CPMI") firm.

As at the reporting date, the shareholders of the Company with their respective percentage of voting shareholdings are set out below:

Name of entities	Percentage of ownership	Country of incorporation
Mirova S.A.	100%	France

As at the reporting date, the Company has the following subsidiaries:

Name of entities	Also known	Percentage of the ownership	Country of incorporation
Althelia Climate Fund GP S.à r.l.	ACF GP	100%	Luxembourg
Sustainable Ocean Fund GP S.à r.l.	SOF GP	100%	Luxembourg
Mirova Natural Capital Brazil Consultoria E Assessoria Ltda	MNC Brazil	100%	Brazil

These consolidated financial statements have been prepared for the year to 31 December 2020.

2. BASIS OF ACCOUNTING

a. Statement of compliance

These financial statements have been prepared in accordance with international accounting standards, in conformity with the requirements of the Companies Act 2006, applicable to Companies reporting under International Financial Reporting Standards ("IFRS").

b. Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. The preparation of these consolidated financial statements in conformity with IFRS requires the use of accounting estimates and exercise of judgement by the management while applying the Group's accounting policies. These estimates are based on the management's best knowledge of the events which existed at the Consolidated Statement of Financial Position date; however, the actual results may differ from these estimates.

The financial statements are presented in Sterling (£).

In preparing the Company financial statements together with the Group financial statements, the Company has taken advantage of the exemption in Section 408 of the Companies Act 2006 not to present individual statement of comprehensive income and related notes as part of these approved financial statements.

The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings drawn up to 31 December each year.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies set out below have been applied consistently in these consolidated financial statements unless otherwise indicated.

a. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in the consolidated Statement of Comprehensive Income (SOCI). Any interests retained in the former subsidiary is measured at fair value when control is lost.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Foreign Currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency differences are generally recognised in the consolidated SOCI.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into GBP at exchange rates at the reporting date. The income and expenses of foreign operations are translated into GBP at the exchange rates at the dates of transactions.

Foreign currency differences are recognised in Other Comprehensive Income (OCI) and accumulated in the translation reserve.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

c. Revenue

Rendering of services

As per IFRS 15, revenue is measured based on the consideration in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Types of services

Management fees are charged quarterly in advance to clients based on the Investment Advisory Agreements. Revenue is recognised over time as the services are provided and is mainly based as a percentage of aggregate commitments or invested capital for the period.

Consultancy and advisory fees are invoiced upfront or partially upfront based on customer contracts. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on the deliverables performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on the cost-to-cost method. The related costs are recognised in the consolidated SOCI when they are incurred. Advances received are included in contract liabilities.

Costs recharges are invoiced to clients in arrears on an incurred basis and revenue thereon is recognised to the extent that they are recoverable.

d. Administrative expenses

Administrative expenses are accounted for on an accruals basis. Administrative expenses comprise normal business administration expenditure for bookkeeping and other administrative filings. These costs are expensed immediately as incurred.

e. Employee benefits

i. Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

The obligations are presented as current liabilities in the Company & Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

f. Finance income and finance costs

The Group's finance income and finance costs include:
- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Interest and penalties related to income taxes, including uncertain tax treatments, are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improve.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that is has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted to substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

h. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the consolidated SOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Property, plant and equipment (continued)

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in consolidated SOCI.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:
- Furniture and equipment: 5 years
- Plant and machinery: 5 years
- Right of use: 14 months

Depreciation methods, useful lives and residuals values are reviewed at each reporting date and adjusted if appropriate.

i. Intangible assets and goodwill

i. Recognition and measurement

Goodwill arising on acquisitions, being excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is capitalised in the Consolidated Statement of Financial Position. The carrying value of all goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Impairment is assessed by reference to the higher value in use and fair value less costs to sell by applying discounted cash flows.

Other intangible asset, which comprises of a contract for management fees receivables acquired by the Group and having a finite useful lives, is measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Amortisation

Amortisation is calculated to write off the cost of intangible asset less its estimated residual values using the straight-line method over its estimated useful life, and is generally recognised in profit or loss.

The estimated useful life of the intangible asset is 3.75 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Amortisation is included in administrative expenses.

j. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

k. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group and Company becomes a party to the contractual provisions of the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Financial instruments (continued)

i. Recognition and initial measurement (continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group and Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group and Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group and Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group and Company's management;
– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets - Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group and Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group and Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses and expected credit losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Financial instruments (continued)

iii. Derecognition

Financial assets

The Group and Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group and Company enters into transactions whereby it transfers assets recognised in its Company and consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

l. Share Capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

m. Impairment

i. Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses ("ECLs") on:
– financial assets measured at amortised cost;
– debt investments measured at FVOCI; and
– contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– debt securities that are determined to have low credit risk at the reporting date; and
– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Impairment (continued)

i. Non-derivative financial assets (continued)

Financial instruments and contract assets (continued)

The Group considers a financial asset to be in default when:
– the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
– the financial asset is more than 180 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or being more than 180 days past due;
– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Impairment (continued)

ii. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease, i.e. whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term within operating leases and then the application of IFRS16 for the lease agreement commencing from December 2020 until the end of January 2022.

Group as lessee

(i) At initial recognition
The Group acting as a lessee recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The right-of-use asset is measured at its cost which includes the amount of the initial measurement of the lease liability, any lease payment made at or before the commencement date (less any incentives received), any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lease liability is measured at the present value of the lease payments that are not paid at the date of the consolidated Statement of Financial Position. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. These are used to maximise operational flexibility in terms of managing the properties used in the Group's operating activity.

The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Leases (continued)

(ii) Subsequent measurement
Right of use assets linked to owner occupied properties are measured applying the cost model relevant to that specific class of property, plant and equipment as described in note 1(h)(iii).

The lease liability is measured as follows:
a) Increasing the carrying amount to reflect interest on the lease liability;
b) Reducing the carrying amount to reflect the lease payments made; and
c) Remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments due within the next 12 month are recognised within current liabilities and those due after 12 months are recognised as non current liabilities.

o. Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

p. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Going concern

The Group meets its capital requirements through its share capital and the issuance of unsecured loans. The directors are confident from historic transactions that funds will be available to meet the Group's liabilities as they fall due. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

The Group meets its capital requirements through its share capital and the issuance of unsecured loans. The directors are confident from the Company's shareholder engagement and the secured 2021 revenues that funds will be available to meet the Group's liabilities as they fall due. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Given the dynamic nature of COVID-19 spread and its inherent uncertainties, it is not practical to provide a reasonable quantitative estimate on any future impact. The length and severity of the impact remains unclear but the Directors would not expect these to adversely change the underlying medium to long-term prospects of the business. The Company will continue to monitor the COVID-19 and its impacts on the financial projections.

r. Investment in subsidiaries undertaking by the Company

Investments in subsidiaries by the Company are shown at cost less impairment.

The Group determines at each reporting date whether there is any objective evidence that the investments in subsidiaries are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the subsidiaries and their carrying value and recognises the amount in the Consolidated Statement of Comprehensive Income.

4. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards adopted by the Group

The following standards and amendments have been applied by the Group for the first time for the financial year beginning on 1 January 2020:

- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business - Amendments to IFRS 3;
- Definition of Material - Amendments to IAS 1 and IAS 8;
- Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7;
- COVID-19-Related Rent Concessions (early adopted) - Amendment to IFRS 16.

The adoption of the new standards and other amendments listed above did not have any impact on the amounts recognised in prior or current periods, and are not expected to significantly affect future periods.

ii. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5. CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to safeguard their ability to continue as a going concern, to sustain future development of the business and to maintain an optimal capital structure. Management monitors the capital structure by reviewing and adjusting the issue of new shares, debt levels and deciding on dividend distribution, if any.

The Group monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the consolidated statement of financial position) less cash and cash equivalents. Equity comprises share capital, translation reserve and accumulated losses.

The Group's net debt to equity ratio is as follows.

	2020	2019
	£	£
Total liabilities	5,367,821	4,328,294
less: Cash and cash equivalents	(2,553,707)	(675,928)
Net debt	2,814,114	3,652,366
Total equity	(1,289,172)	10,176,190
Net debt to equity ratio	(2.18)	0.36

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year is included in the following notes:

- Note 13 - impairment test of intangible asset and goodwill: key assumptions underlying recoverable amounts, including the recoverability of the contract for management fees receivable and useful life.
- Note 15 - valuation of investments including subsidiaries.

7. FINANCIAL INSTRUMENTS

a. Accounting classifications and fair values

The tables below and on the following page show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Group

		Carrying amount and fair values - 2019		
	Note	Mandatorily at FVTPL - others £	Financial assets at amortised cost £	Other financial liabilities £
Financial assets measured at fair value				
Equity securities (Fair Value Level 3)	15	190,272	-	-
Financial assets not measured at fair value				
Trade and other receivables	16	-	2,627,815	-
Cash and cash equivalents	17	-	675,928	-
Financial liabilities not measured at fair value				
Loans	19	-	-	(634,998)
Trade and other payables	20	-	-	(3,410,439)
31 December 2019		190,272	3,303,743	(4,045,437)

7. **FINANCIAL INSTRUMENTS (CONTINUED)**

a. Accounting classifications and fair values (continued)

Group (continued)

		Carrying amount and fair values - 2020		
		Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities
	Note	£	£	£
Financial assets measured at fair value				
Equity securities (Fair Value Level 3)	15	244,516	-	-
Financial assets not measured at fair value				
Trade and other receivables	16	-	413,659	-
Cash and cash equivalents	17	-	2,553,707	-
Financial liabilities not measured at fair value				
Loans	19	-	-	(470,398)
Lease liabilities	21	-	-	(280,543)
Trade and other payables	20	-	-	(4,522,594)
31 December 2020		244,516	2,967,366	(5,273,535)

Company

		Carrying amount and fair values - 2019		
		Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities
	Note	£	£	£
Financial assets measured at fair value				
Equity securities (Fair Value Level 3)	15	190,272	-	-
Financial assets not measured at fair value				
Trade and other receivables	16	-	2,810,381	-
Cash and cash equivalents	17	-	616,868	-
Financial liabilities not measured at fair value				
Investments in subsidiaries	15	12,029,444		
Loans	19	-	-	(635,318)
Trade and other payables	20	-	-	(3,104,471)
31 December 2019		12,219,716	3,427,249	(3,739,789)

		Carrying amount and fair values - 2020		
		Mandatorily at FVTPL - others	Financial assets at amortised cost	Other financial liabilities
	Note	£	£	£
Financial assets measured at fair value				
Equity securities (Fair Value Level 3)	15	244,516	-	-
Financial assets not measured at fair value				
Trade and other receivables	16	-	868,019	-
Cash and cash equivalents	17	-	2,443,361	-
Financial liabilities not measured at fair value				
Investments in subsidiaries	15	861,511		
Loans	19	-	-	(470,398)
Lease liabilities	21	-	-	(280,543)
Trade and other payables	20	-	-	(4,433,094)
31 December 2020		1,106,027	3,311,380	(5,184,035)

7. **FINANCIAL INSTRUMENTS (CONTINUED)**

b. Financial risk management

The Group has exposure to market risk, credit risk and foreign currency risks arising from financial instruments. The Group's risk management is carried out by the Directors of the Company and each of the Company's subsidiaries. The risk management policies employed by the Company and each of its subsidiaries to manage these risks are discussed below.

i. Market Risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has decided to abide by a policy of low risk tolerance. Consequently, the Group does not have positions on or off balance sheet that might be affected by fair value risk relating to foreign exchange rates, interest rates and equity prices.

1. Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Euro (EUR) and Pound Sterling (GBP). The currencies in which these transactions are primarily denominated are EUR, GBP and US dollars (USD).

Exposure

The Group's and Company's exposure to currency risk as reported to the management of the Group is as follows:

Group

	GBP	EUR	USD	BRL
	£	£	£	£
Property, plant and equipment	20,758	-	-	-
Other Financial Assets	-	190,272	-	-
Cash and cash equivalents	635,318	(9,180)	49,790	-
Trade and other receivables	230,501	1,973,277	-	424,037
Prepayments	59,224	-	-	-
Loans and borrowings	(463,473)	-	(171,525)	-
Trade and other payables	(2,659,766)	(740,071)	(10,602)	-
31 December 2019	(2,177,438)	1,414,298	(132,337)	424,037

	GBP	EUR	USD	BRL
	£	£	£	£
Property, plant and equipment	300,978	-	-	118
Other financial assets	-	7,480	205,344	31,692
Cash and cash equivalents	801,142	166,982	1,586,094	(511)
Trade and other receivables	385,109	28,546	-	4
Prepayments	4,006	59,024	-	6,400
Loans and borrowings	(470,398)	-	-	-
Lease liabilities	(280,543)	-	-	-
Trade and other payables	(3,308,480)	(703,252)	(494,528)	(16,334)
31 December 2020	(2,568,186)	(441,220)	1,296,910	21,369

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management (continued)

i. Market Risk (continued)

1. Currency risk (continued)

Exposure (continued)

Company

	GBP	EUR	USD	BRL
	£	£	£	£
Property, plant and equipment	20,758	-	-	-
Other Financial Assets	-	12,219,697	-	19
Cash and cash equivalents	635,119	(32,300)	14,049	-
Trade and other receivables	225,768	520,655	1,657,689	406,269
Prepayments	59,224	-	-	-
Loans and borrowings	(463,473)	(171,845)	-	-
Trade and other payables	(2,802,119)	(302,352)	-	-
31 December 2019	(2,324,723)	12,233,855	1,671,738	406,288

	GBP	EUR	USD	BRL
	£	£	£	£
Property, plant and equipment	300,978	-	-	-
Other Financial Assets	-	868,974	205,342	31,711
Cash and cash equivalents	800,943	130,850	1,511,568	-
Trade and other receivables	406,967	461,052	-	-
Prepayments	4,006	53,940	-	-
Loans and borrowings	(470,398)	-	-	-
Lease liabilities	(280,543)	-	-	-
Trade and other payables	(3,308,480)	(630,067)	(494,528)	(19)
31 December 2020	(2,546,527)	884,749	1,222,382	31,692

The following significant exchange rates have been applied.

	Average rate		Year-end spot rate	
GBP	**2020**	**2019**	**2020**	**2019**
EUR 1	0.8749	0.8727	0.8990	0.8508
USD 1	0.7450	0.7693	0.7326	0.7573
BRL 1	0.1712	0.1948	0.1411	0.1884

Sensitivity

As shown in the previous table, the Group is exposed to foreign currency risk through a number of different asset and liability types held in currencies other than GBP. The risk is between GBP and other foreign currencies.

Should the net asset value subject to currency risk be subject to a 10% increase/decrease, the impact on the Statement of Financial Position and Statement of Comprehensive Income would be an increase/decrease in the value of £87,706 (2019: £181,649) for the Group and £213,882 (2019: £144,218) for the Company.

7. **FINANCIAL INSTRUMENTS (CONTINUED)**

b. Financial risk management (continued)

i. Market Risk (continued)

2. Interest rate risk

The Group is exposed to interest rate risk on loan payables and borrowings.

As the Group's exposure to interest rates is fixed, the Group does not manage its cash flow interest rate risk as it does not deem its other exposures to interest rate risk to be significant.

ii. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Impairment losses on trade receivables arising from contracts with customers recognised in profit or loss during the year were £nil (2019: £nil).

Trade debtors and other receivables

The Group exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default associated with the industry in which customers operate.

More than 90% of the Group's customers are within the Mirova group and none of these customers' balances have been written off or credit-impaired at the reporting date.

The Group does not require collateral in respect of trade and other receivables. The Group does not have trade receivable for which no loss allowance is recognised because of collateral.

Exposure to credit risk for trade receivables by type of counterparties:

	2020	2019
	£	£
Fund	172,573	2,446,084
Corporate	135,073	35,362
Banks	-	55,750
Total gross carrying value	307,646	2,537,196
Loss allowance	-	-
	307,646	2,537,196

The Group uses an allowance matrix to measure ECLs of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - industry and type of services.

There were no credit impaired debt at 31 December 2020 (2019: £nil).

Cash and cash equivalents

The Group held cash and cash equivalents of £2,553,707 at 31 December 2020 (2019: £675,928). Of these, £1,988,504 (2019: £113,476) are held with banks and financial institution counterparties which are rated A1 to A2 based on Moody's ratings while £575,477 (2019: £573,004) are held with a bank that source funds through what is known as the retail market and hence where a credit rating is not necessary.

No cash and cash equivalents impairment is considered necessary.

7. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Directors monitor cash availability and current liabilities to mitigate and manage liquidity risk.

The table overleaf summarises the maturity profile of the Groups' financial assets and liabilities based on contractual undiscounted payments:

	3 months or less	From 3 to 12 months	From 1 to 2 years	From 2 to 5 years
	£	£	£	£
Other financial assets	190,272	-	-	-
Trade and other receivables	2,627,815	-	-	-
Cash and cash equivalents	675,928	-	-	-
Loans and borrowings	-	-	-	(634,998)
Trade and other payables	(3,410,439)	-	-	-
2019 carrying amounts	83,576	-	-	(634,998)

	3 months or less	From 3 to 12 months	From 1 to 2 years	From 2 to 5 years
	£	£	£	£
Other financial assets	244,516	-	-	-
Trade and other receivables	413,659	-	-	-
Cash and cash equivalents	2,553,707	-	-	-
Loans and borrowings	-	-	(470,398)	-
Lease liabilities	(71,147)	(185,996)	(23,400)	-
Trade and other payables	(4,522,594)	-	-	-
2020 carrying amounts	(1,381,859)	(185,996)	(493,798)	-

8. REVENUE

The Directors examine the Group's revenue from a product perspective and have identified two main reportable segments of the business:

	2020	2019
Group	£	£
Management Fees	4,749,567	4,085,790
Consultancy and Advisory Fees	665,123	285,265
Other	143,403	739,464
	5,558,093	5,110,519

	2020	2019
Company	£	£
Management Fees	4,352,680	1,657,318
Consultancy and Advisory Fees	665,123	2,365,895
Other	143,403	739,464
	5,161,206	4,762,677

NOTES TO THE COMPANY & CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. ADMINISTRATIVE EXPENSES

Expenses by nature	2020	2019
Group	£	£
Accountancy fees	(192,335)	(186,145)
Consultancy fees	(810,697)	(489,220)
Legal fees	(219,016)	(221,270)
Audit fees	(48,500)	(35,700)
Operating lease payments	(433,426)	(237,696)
Business rates	(2,561)	(15,323)
Other professional fees	(65,946)	(64,392)
Staff costs	(4,017,012)	(2,566,302)
Bank charges	(5,945)	(5,367)
Office expenses	(175,659)	(249,547)
Travel expenses	(129,377)	(419,257)
Other expenses	(501,059)	(224,945)
Depreciation of tangible assets	(6,566)	(7,243)
Depreciation of right of use assets	(21,813)	-
Amortisation intangible assets	(992,480)	(992,480)
Total	(7,622,392)	(5,714,887)

Expenses by nature	2020	2019
Company	£	£
Accountancy fees	(92,395)	(79,333)
Consultancy fees	(795,265)	(489,220)
Legal fees	(112,896)	(61,018)
Audit fees	(48,500)	(35,700)
Operating lease payments	(433,426)	(237,696)
Business rates	(2,561)	(15,323)
Other professional fees	(30,830)	(53,563)
Staff costs	(3,883,330)	(2,566,302)
Bank charges	(3,191)	(3,596)
Office expenses	(170,124)	(249,547)
Travel expenses	(127,545)	(419,257)
Other expenses	(500,022)	(244,167)
Depreciation of tangible assets	(6,543)	(7,243)
Depreciation of right of use assets	(21,813)	-
Gain/loss on revaluation of investment	(60,679)	(145,411)
Total	(6,289,120)	(4,607,376)

10. NET FINANCE COSTS

	2020	2019
Group	£	£
Interest income	2,217	3,818
Finance income	2,217	3,818
Financial liabilities measured at amortised cost - interest expense	(26,449)	(19,792)
Net foreign exchange loss	(80,758)	(53,485)
Finance costs	(107,207)	(73,277)
Net finance costs recognised in profit or loss	(104,990)	(69,459)

	2020	2019
Company	£	£
Interest income	8,994	25,387
Finance income	8,994	25,387
Financial liabilities measured at amortised cost - interest expense	(26,411)	(19,243)
Net foreign exchange loss	(69,180)	(53,542)
Finance costs	(95,591)	(72,785)
Net finance costs recognised in profit or loss	(86,597)	(47,398)

11. EMPLOYEE BENEFITS

Group

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Directors	1	2
Staff	16	14
Total	17	16

Employee benefit expenses	2020 £	2019 £
Wages and salaries	2,926,748	2,118,465
Social security costs	943,776	360,999
Contributions to defined benefit pension funds	68,723	64,925
Other staff costs	77,765	21,913
Total	4,017,012	2,566,302

Company

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Directors	1	2
Staff	16	14
Total	17	16

Employee benefit expenses	2020 £	2019 £
Wages and salaries	2,830,952	2,118,465
Social security costs	905,890	360,999
Contributions to defined benefit pension funds	68,723	64,925
Other staff costs	77,765	21,913
Total	3,883,330	2,566,302

Directors' remuneration

Directors' compensation for the Group and the Company are disclosed in notes 22(b) and 22(d).

12. TAX CREDIT

Group

a. Analysis of tax credit for the year

	2020 £	2019 £
Current tax:		
- UK Corporation tax on loss for the year	-	(31,041)
- Foreign corporation tax on losses for the year	(15,527)	(8,743)
- Adjustment in respect of prior periods	31,041	-
Total current tax	15,514	(39,784)
Deferred tax:		
- Origination and reversal of timing differences	188,571	138,949
Total deferred tax	188,571	138,949
Tax credit for the year	204,085	99,165

12. TAX CREDIT (CONTINUED)

b. Reconciliation of the tax credit

	2020	2019
	£	£
Loss on ordinary activities before taxation	(11,671,734)	(819,238)
Loss on ordinary activities before taxation multiplied by effective rate in the UK of 19% (2019: 19%)	(2,217,629)	(155,655)
Effects of:		
Loss carried forward	2,180,186	26,340
Deferred tax	188,571	138,949
Expenses not deductible for tax purposes	21,917	89,531
Adjustment in respect of prior period	31,041	-
Total tax credit	204,085	99,165

c. Deferred tax liabilities

Deferred tax liabilities during the year relate to the intangible assets acquired in the acquisition of ACF GP.

	2020	2019
	£	£
Opening balance	282,857	421,806
less: Amortisation	(188,571)	(138,949)
Closing balance	94,286	282,857

	2020	2019
Settled:	£	£
No more than twelve months after the reporting year	94,286	198,491
More than twelve months after the reporting year	-	84,366
	94,286	282,857

13. GOODWILL AND OTHER INTANGIBLE ASSET

i. Goodwill

On 29 September 2017 the Company acquired Althelia Climate Fund GP S.à r.l. ("ACF GP") for the total consideration of £12,018,734. As part of this acquisition through business combination, goodwill of £9,441,766 was recognised.

The following table summarises the consideration paid by the Group, the fair value of assets acquired and liabilities assumed at the acquisition date.

Consideration as at 29 September 2017	£
Equity consideration	12,018,734

Recognised amounts of identifiable assets acquired and liabilities assumed

	Fair value
	£
Net liabilities value of ACF GP	(512,127)
Other intangible asset (see note 13 (ii))	3,721,801
Deferred tax liability	(632,706)
Total identifiable net assets	2,576,968
Goodwill	9,441,766

13. **GOODWILL AND OTHER INTANGIBLE ASSET (CONTINUED)**

i. Goodwill (continued)

Impairment of Goodwill

See the below table for analysis of the change of goodwill recognised:

	Goodwill
Cost	**£**
At 1 January 2019	9,441,766
At 31 December 2019	9,441,766
Accumulated impairment	
At 1 January 2019	-
Charge for the year	-
At 31 December 2019	-
Carrying amounts	
At 31 December 2019	9,441,766
Cost	**£**
At 1 January 2020	9,441,766
At 31 December 2020	9,441,766
Accumulated impairment	
At 1 January 2020	-
Charge for the year	9,441,766
At 31 December 2020	9,441,766
Carrying amounts	
At 31 December 2020	-

The Group performed its annual test for impairment on 31 December 2020. In all cases, the 2020 budget and the approved Group plan for the ten years following the current financial year form the basis for the cash flow projections for a CGU or group of CGUs.

The Group had not managed to reach profitability at the end of 2020 as forecasted in previous cash flow projections. Due to the lack of certainty on future revenue streams, the Group, whilst performing its annual test for impairment of goodwill on 31 December 2020, concluded that, in accordance with IAS 36, the existing level of goodwill needed to be fully impaired.

ii. Other intangible assets

On 29 September 2017, the Company acquired ACF GP. As part of this business combination, an intangible asset of £3,721,801 was acquired. The intangible asset relates to management fees receivable up to 11 June 2021.

The intangible assets are amortised over the life of the management contract (01 October 2017 to 11 June 2021).

The annual amortisation charge is £992,480 (2019: £992,480).

Presented in the table on the following page is an analysis of Other Intangible Asset as at 31 December 2020.

13. GOODWILL AND OTHER INTANGIBLE ASSET (CONTINUED)

ii. Other intangible assets (continued)

	Other intangible asset
Cost	**£**
At 1 January 2019	3,721,801
At 31 December 2019	3,721,801
Accumulated amortisation	
At 1 January 2019	1,240,600
Charge for the year	992,480
At 31 December 2019	2,233,080
Carrying amounts	
At 31 December 2019	1,488,721
Cost	**£**
At 1 January 2020	3,721,801
At 31 December 2020	3,721,801
Accumulated amortisation	
At 1 January 2020	2,233,080
Charge for the year	992,480
At 31 December 2020	3,225,560
Carrying amounts	
At 31 December 2020	496,241

The Group reviewed and tested whether other intangible asset has suffered any impairment on an annual basis. As at 31 December 2020 it was assessed that there were no indicators of impairment to other intangible assets, no impairment was necessary (2019: £nil).

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Right of use asset	Plant and Machinery	Total
Cost	**£**	**£**	**£**
At 1 January 2019	-	52,826	52,826
Additions	-	11,363	11,363
At 31 December 2019	-	64,189	64,189
Accumulated depreciation			
At 1 January 2019	-	36,188	36,188
Charge for the year	-	7,243	7,243
At 31 December 2019	-	43,431	43,431
Net book value			
At 31 December 2019	-	20,758	20,758

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)

	Right of use asset	Plant and Machinery	Total
Cost	£	£	£
At 1 January 2020	-	64,189	64,189
Additions	305,388	3,329	308,717
At 31 December 2020	305,388	67,518	372,906
Accumulated depreciation			
At 1 January 2020	-	43,431	43,431
Charge for the year	21,813	6,566	28,379
At 31 December 2020	21,813	49,997	71,810
Net book value			
At 31 December 2020	283,575	17,521	301,096

There were no impairment losses during the year (2019: £nil) for tangible assets.

Company

	Right of use asset	Plant and Machinery	Total
Cost	£	£	£
At 1 January 2019	-	52,826	52,826
Additions	-	11,363	11,363
At 31 December 2019	-	64,189	64,189
Accumulated depreciation			
At 1 January 2019	-	36,188	36,188
Charge for the year	-	7,243	7,243
At 31 December 2019	-	43,431	43,431
Net book value			
At 31 December 2019	-	20,758	20,758

	Right of use asset	Plant and Machinery	Total
Cost	£	£	£
At 1 January 2020	-	64,189	64,189
Additions	305,388	3,188	308,576
At 31 December 2020	305,388	67,377	372,765
Accumulated depreciation			
At 1 January 2020	-	43,431	43,431
Charge for the year	21,813	6,543	28,356
At 31 December 2020	21,813	49,974	71,787
Net book value			
At 31 December 2020	283,575	17,403	300,978

There were no impairment losses on tangibles assets during the year (2019: £nil).

15. OTHER FINANCIAL ASSETS

Group

	Equity securities designated at FVTPL 2020	Equity securities designated at FVTPL 2019
Non-current investments	£	£
At 1 January	190,272	278,622
Additions	123,700	57,061
Transfer	(8,777)	-
Change in Fair Value through Profit or Loss	(60,679)	(145,411)
At 31 December	244,516	190,272

Company

	Investments in subsidiaries 2019	Equity securities designated at FVTPL 2019	Total 2019
Non-current investments	£	£	£
At 1 January 2019	12,029,428	278,622	12,308,050
Additions	16	57,061	57,077
Disposals	-	-	-
Transfer	-	-	-
Change in Fair Value through Profit or Loss	-	(145,411)	(145,411)
At 31 December 2019	12,029,444	190,272	12,219,716

	Investments in subsidiaries 2020	Equity securities designated at FVTPL 2020	Total 2020
Non-current investments	£	£	£
At 1 January 2020	12,029,444	190,272	12,219,716
Additions	-	123,700	123,700
Disposals	-	-	-
Transfer	-	(8,777)	(8,777)
Change in Fair Value through Profit or Loss	-	(60,679)	(60,679)
Impairment of investments in subsidiaries	(11,167,933)	-	(11,167,933)
At 31 December 2020	861,511	244,516	1,106,027

15. OTHER FINANCIAL ASSETS (CONTINUED)

Group and Company

i. Equity securities designated at FVTPL

The equity securities have been designated as at FVTPL because they are managed on a fair value basis and their performance is actively managed.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its other financial assets into the three levels prescribed under the accounting standards:

	Level 1	Level 2	Level 3
	£	£	£
Equity securities designated at FVTPL	-	-	244,516
At 31 December 2020	-	-	244,516

	Level 1	Level 2	Level 3
	£	£	£
Equity securities designated at FVTPL	-	-	190,272
At 31 December 2019	-	-	190,272

An explanation of the different levels are below:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (such as over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on equity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

There were no transfers between levels during the year (2019: none).

a. Valuation techniques and significant unobservable inputs - Level 3

Valuation technique	*Significant unobservable inputs*	*Inter-relationship between significant*
Unadjusted net asset value	Performance of investments in projects Recoverability of financing provided	The net asset value would increase (decrease) if performance of projects and recoverability of financing improved (deteriorated)

15. OTHER FINANCIAL ASSETS (CONTINUED)

Group and Company (continued)

i. Equity securities designated at FVTPL (continued)

b. Quantitative information of significant unobservable inputs - Level 3

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements (see (i.a) above for the valuation techniques adopted)

	2020 £	Valuation technique	Significant unobservable inputs
ACF Fund*	51,396	Unadjusted net asset value	Performance of investments in projects.
ASOF Fund**	153,946		
ABF Fund***	31,692		Recoverability of financing provided.
AGRI3 Fund****	7,482		
	244,516		

	2019 £	Valuation technique	Significant unobservable inputs
ACF Fund*	97,834	Unadjusted net asset value	Performance of investments in projects.
ASOF Fund**	71,745		
ABF Fund***	20,693		Recoverability of financing provided.
AGRI3 Fund****	-		
	190,272		

*Althelia Climate Fund S.C.A SICAV-SIF
** Althelia Sustainable Ocean Fund S.C.A SICAV-SIF
*** Althelia Biodiversity Fund Brazil Fundo De Investimento Em Participacoes Multiestrategia
**** Stichting AGRI3

c. Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy

2020

		Effect on fair value			
Input	**Sensitivity**	**ACF Fund** **£**	**ASOF Fund** **£**	**ABF Fund** **£**	**AGRI3 Fund** **£**
Increase in performance of investments in projects and recoverability of financing provided	+5%	2,570	7,697	1,585	374
Decrease in performance of investments in projects and recoverability of financing provided	-5%	(2,570)	(7,697)	(1,585)	(374)

15. OTHER FINANCIAL ASSETS (CONTINUED)

Group and Company (continued)

i. Equity securities designated at FVTPL (continued)

c. Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy (continued)

2019

		Effect on fair value			
Input	**Sensitivity**	**ACF Fund**	**ASOF Fund**	**ABF Fund**	**AGRI3 Fund**
		£	**£**	**£**	**£**
Increase in performance of investments in projects and recoverability of financing provided	+5%	4,892	3,587	1,035	N/A
Decrease in performance of investments in projects and recoverability of financing provided	-5%	(4,892)	(3,587)	(1,035)	N/A

The funds which the Company advises are closed ended and illiquid long-term funds that are open to professional investors only, and which are not sensitive to short term market fluctuations. Thus, the risk of loss to investors is low, it was therefore deemed to be prudent to use +/- 5% for the sensitivity analysis.

Company only

ii. Investment in subsidiaries

Investments in subsidiaries are recognised at costs less impairment. See the below table for the list of subsidiaries:

	2020	**2019**
Subsidiary name	**£**	**£**
Althelia Climate Fund GP S.à r.l.	850,761	12,018,694
SOF GP S.à r.l.	10,734	10,734
Mirova Natural Capital Brazil Consultoria E Assessoria Ltda	16	16
	861,511	12,029,444

As at 31 December 2020 it was deemed that the carrying amount of Althelia Climate Fund GP S.à r.l. exceeded its recoverable amount, an impairment of £11,167,933 was therefore recognised, see the below table for the calculation of the recoverable amount of Althelia Climate Fund GP S.à r.l..

a. Calculation of recoverable amount of Althelia Climate Fund GP S.à r.l.

	2020
Component	**£**
Net asset value of Althelia Climate Fund GP S.à r.l.	448,806
Carry amount of other intangible assets (see note 13.ii)	496,241
Deferred tax liabilities on other intangible assets (see note 12.c)	(94,286)
	850,761

Impairments were not recognised for the investments in SOF GP S.à r.l and Mirova Natural Capital Brazil Consultoria E Assessoria Ltda. Details of the investments of subsidiaries can be found in note 22.

16. TRADE AND OTHER RECEIVABLES

	2020	2019
Group	**£**	**£**
Trade debtors	307,646	2,537,196
Rent deposit	34,200	40,146
Other debtors	71,813	50,473
	413,659	2,627,815

	2020	2019
Company	**£**	**£**
Loan to group undertakings	461,052	429,896
Trade debtors	312,084	2,300,395
Rent deposit	34,200	39,480
Other debtors	60,683	40,610
	868,019	2,810,381

Based on the amount and nature of the Trade and Other Receivables, the Group's and Company's exposure to credit and market risk are minimum. Refer to note 7(c) for the loss allowance.

17. CASH AND CASH EQUIVALENTS

	2020	2019
Group	**£**	**£**
Cash at bank and in hand	2,553,707	675,928
	2,553,707	675,928

	2020	2019
Company	**£**	**£**
Cash at bank and in hand	2,443,361	616,868
	2,443,361	616,868

Restricted cash

The cash and cash equivalents disclosed above and in the statement of cash flows are all available on demand; there are no restricted cash amounts.

18. SHARE CAPITAL

	2020	2019
Group and Company	**£**	**£**
Authorised, allotted and fully paid:		
1,281,085,100 (2019: 1,281,085,100) Ordinary shares of £0.01 each	12,810,851	12,810,851
	12,810,851	12,810,851

19. LOANS AND BORROWINGS

	2020	2019
Group	**£**	**£**
Non-current liabilities		
Loan	-	171,525
Shareholders' loan	470,398	463,473
	470,398	634,998

a. Loan

The loan from Conservation International Fund for $300,000 bearing 3% interest per annum was part of the net assets taken over upon the acquisition of ACF GP on 29 September 2017. The reimbursement of the loan is conditional upon the launch of Althelia Sustainable Ocean Fund S.C.A.. During the year, the loan outstanding of £172,629 (2019: £146,873) and accrued interest of £28,975 (2019: £24,652) were fully repaid.

b. Shareholders' loans

During 2020, no additional shareholder loans were provided (2019: £231,784 and £230,000) to the Company. The loans bear interest of 1.5% per annum and are repayable on 30 June 2022. At 31 December 2020, the loans outstanding were £461,784 (2019: £461,784) and the accrued interest thereon were £8,614 (2019: £1,689).

19. LOANS AND BORROWINGS (CONTINUED)

	2020	2019
Company	**£**	**£**
Non-current liabilities		
Amounts owed to group undertakings	470,398	635,318
	470,398	635,318

During 2020, the parent provided loans of £461,784 (2019: £461,784) to the Company repayable on 30 June 2022 at an interest rate of 1.5% per annum. The accrued interest thereon at 31 December 2020 was £8,614 (2019: £1,689).

In June 2018, the Company took over a loan of $300,000 and accrued interest thereon of $15,880 from Ecosphere Capital Partners payable to ACF GP. The loan bears interest at 3.25% per annum and repayment was conditional on the launch of Althelia Sustainable Ocean Fund S.C.A.. In 2019, $106,068 was repaid. During the year, the loan outstanding of $193,932 (2019: $193,932) and the accrued interest of £23,166 (2019: £23,166) were repaid.

20. TRADE AND OTHER PAYABLES

	2020	2019
Group	**£**	**£**
Loans and borrowings	1,275,331	1,252,797
Trade payables	181,904	347,657
Other creditors	9,676	262,372
Taxation and social security	326,083	261,573
Accruals and deferred income	2,729,600	1,286,040
	4,522,594	3,410,439

	2020	2019
Company	**£**	**£**
Loans and borrowings	1,275,331	1,252,797
Trade payables	130,466	63,835
Other creditors	8,368	261,153
Taxation and social security	296,959	252,891
Accruals and deferred income	2,721,970	1,273,795
	4,433,094	3,104,471

In September 2018, the Company received a loan of $183,085 from Kennedy Financement Luxembourg at a rate of 1 month Euribor +20.5 bps on a rolling basis. During the year, an additional $203,047 was drawn down from this facility. At 31 December 2020, the loan outstanding was $437,411 (2019: $234,364) and the accrued interest was $11,981 (2019: $8,131).

In March 2018, the Company received a loan of £102,000 from its parent, Mirova SA (see note 22 for further details). During 2020, the loan outstanding of £102,000 (2019: £102,000) and accrued interest of £2,716 (2019: £2,716) were repaid.

During 2019, the Company received loans of £127,500, £220,500 and £549,258 from its parent, Mirova SA. The loans bear interest at 1.5% and are all repayable on 31 December 2020. At 31 December 2019 the loans outstanding were £897,258 and the accrued interest was £48,849.

NOTES TO THE COMPANY & CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21. LEASES

a. Group and Company - Leases as lessee (IFRS 16)

The Group/Company has entered into a property lease until January 2022. The lease has varying terms and renewal rights. On renewal, the terms of the lease are renegotiated.

The Group/Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The Group/Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term within operating leases and then the application of IFRS16 for the lease agreement commencing from December 2020 until the end of January 2022.

b. Right-of-use assets

The carrying amount of the Group's/Company's right-of-use assets and the movements during the year are disclosed in note 14 to the financial statements. The Group/Company has entered into a property lease until Janaury 2022. The lease is reflected in the consolidated Statement of Financial Position as a right-of-use asset and lease liabilities.

c. Lease liabilities

	2020	2019
	£	£
Current	257,143	-
Non current	23,400	-
	280,543	-

d. Amounts recognised in profit or loss

	2020	2019
	£	£
Depreciation of right of use assets	21,813	-
Lease liabilities interest expense	355	-

e. Reconciliation of lease liabilities

	2020	2019
	£	£
New lease	305,388	-
Accretion of interest recognised during the year	355	-
Payments	(25,200)	-
Carrying amount at 31 December	280,543	-

f. Amounts recognised in consolidated statement of cash flows

	2020	2019
	£	£
Total cash outflow for leases	25,200	-

22. RELATED PARTIES

a. Subsidiaries

The Company's principal subsidiaries as at 31 December 2020 are set out below:

Name of entity	Address of registered office	Ownership	Principal activities
Althelia Climate Fund GP S.à r.l.	15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg	100%	General Partner of funds
SOF GP S.à r.l.	15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg	100%	General Partner of funds
Mirova Natural Capital Brazil Consultoria E Assessoria Ltda	Rua Fradique Coutinho, No. 1267, Pinheiros, Andar T, CX Q074, CEP 05416-011, Sao Paulo, Brazil	100%	Provision of financial investments advisory services

Group

b. Transactions with key management personnel

i. Key management personnel compensation comprised the following

	2020	2019
	£	£
Short term employee benefits	506,484	380,415
Social security costs	128,264	131,449
Defined benefits contributions	25,697	35,014
	660,445	546,878

c. *Other related party transactions*

	2020		2019	
	Revenue	Balance outstanding from	Revenue	Balance outstanding from
	£	£	£	£
Parent	129,850	27,611	93,301	35,008
Affiliate	88,923	88,923	77,260	-
Funds of General Partners	4,034,889	57,134	4,014,188	1,993,021

In March 2018, the Company received a loan of £102,000 from its parent, Mirova SA (see note 22 for further details). During the year, the loan outstanding of £102,000 (2019: £102,000) and accrued interest of £2,716 (2019: £2,716) were repaid.

During 2019, the Company received loans of £127,500, £220,500 and £549,258 from its parent, Mirova SA. The loans bear interest at 1.5% and are all repayable on 31 December 2020. At 31 December 2019 the loans outstanding were £897,258 and the accrued interest was £3,693.

Company

d. Transactions with key management personnel

i. Key management personnel compensation comprised the following

	2020	2019
	£	£
Short term employee benefits	506,484	380,415
Social security costs	128,264	131,449
Defined benefits contributions	25,697	35,014
	660,445	546,878

NOTES TO THE COMPANY & CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22. RELATED PARTIES (CONTINUED)

Company (continued)

e. Other related party transactions

	2020		2019	
	Revenue	Balance outstanding from	Revenue	Balance outstanding from
	£	£	£	£
Parent	129,850	27,611	93,301	35,008
Affiliate	88,923	88,923	77,260	-
Funds of General Partners	1,312,916	39,714	3,648,456	1,801,462

In March 2018, the Company received a loan of £102,000 from its parent, Mirova SA (see note 22 for further details). During the year, the loan outstanding of £102,000 (2019: £102,000) and accrued interest of £2,716 (2019: £2,716) were repaid.

During 2019, the Company received loans of £127,500, £220,500 and £549,258 from its parent, Mirova S.A.. The loans bear interest at 1.5% and are all repayable on 31 December 2020. At 31 December 2019 the loans outstanding were £897,258 and the accrued interest was £3,693.

23. SUBSEQUENT EVENTS

Subsequent events have been evaluated up to the date on which the financial statements were approved and authorised for issue by the Directors.

The United Kingdom (UK) has eventually left the European Union (EU) at the end of the year, following the end of the transition period. As a consequence, the Company has to withdraw from one of its Services Agreement at the beginning of the year, as it was in capacity to provide directly any advisory services to a Dutch Fund, the UK being now considered as a third country and the Company a third country firm.

In 2021 the Company reviewed its regulatory capital position and identified a shortfall in its regulatory capital. As a consequence, a capital injection of £4,200,000 has been agreed with the Parent to correct the position as required by regulation in the United Kingdom.

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

24. ULTIMATE HOLDING COMPANY

The controlling party and immediate parent of the Group is Mirova S.A. who owns 100% of the voting rights over the Company's operations. The ultimate controlling party is Natixis, the registered office of which is at 30 Avenue Pierre Mendes-France, 75013 Paris, France.