

Natural Assets Investments Limited

Report and Consolidated Financial Statements

for the period ended

31 December 2015



Natural Assets Investments Limited

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Natural Assets Investments Limited

Officers and Professional Advisors

Directors

Timothy Dennis

Ewan James Kearney

Matthew Dawson Spence

Anthony Wild

Umar Mark Aziz

Fraser Macdonald Douglas

David Michael Gorton

Appointed 18 January 2016

Appointed 18 January 2016

Appointed 18 January 2016

Registered Office

1st Floor Whitecroft House

51 Water Lane

Wilmslow

Cheshire

England

SK95BQ

Auditor

RSM UK Audit LLP

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

Natural Assets Investments Limited

Directors' Report

The Directors submit their annual report and the financial accounts for the 9 months ended 31 December 2015. The comparative year end was 12 months ended 31 March 2015.

Principal Activities

The principal activity of the company during the period was that of holding company.

The principal activities of the subsidiary entities are holiday lettings, land ownership, property development, the provision of retail and guiding services and the provision of all year round tourist attraction providing mountain railway experiences, retail, catering and winter recreational activities.

During the period the company changed its accounting reference date from March to December.

Going Concern

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

The group is currently in its development phase with the balance sheet showing net current liabilities of £5,556,915 (31 March 2015 - £825,086) and net liabilities of £22,831,678 (31 March 2015 - £17,764,403). Certain of the group's properties are still currently under development and so the group is reliant on support to cover its working capital requirements.

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

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

Results and Dividends

The loss for the period amounted to £5,034,275 (year ended 31 March 2015 - £5,781,453). The directors have not recommended a dividend.

Directors

The Directors who served during the period are as follows:

Timothy Dennis

Ewan James Kearney

Matthew Dawson Spence

Anthony Wild

Umar Mark Aziz

Fraser Macdonald Douglas

David Michael Gorton

Appointed 18 January 2016

Appointed 18 January 2016

Appointed 18 January 2016

Statement as to Disclosure of Information to Auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Strategic Report

A review of the business, analysis of risks and key performance indicators, all revised by schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included within the separate Strategic Report in accordance with Section 414C(11) of the Companies Act 2008.

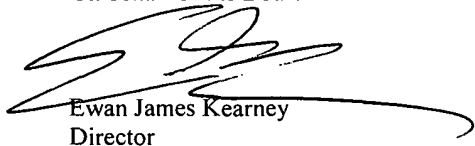
Natural Assets Investments Limited

Directors' Report (continued)

Auditor

A resolution to reappoint RSM UK Audit LLP as auditor will be put to the members at the AGM and RSM UK Audit LLP has indicated a willingness to continue in office.

On behalf of the Board



Ewan James Kearney
Director

Date: 10-02-17

Natural Assets Investments Limited

Strategic Report

Business review

Natural Assets Investments Limited is a parent company whose subsidiaries principle focus is on holiday lettings, land ownership, property development, the provision of retail and the provision of an all year round tourist attraction providing mountain railway experience, retail, catering and winter recreational activities.

The group LBITDA increased by 147% versus year ended 31 March 2015. Major factors for this were controlling costs.

Strategy

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

The principle strategic objectives of the Group are:

- To drive sustainable profitability and shareholder return on all activities.
- To spread risk through diversification of activities whilst maintaining focus on core skills.
- To selectively pursue strategic land and property investment opportunities that meet the Group's investment criteria for risk and return.
- To deliver outstanding products and services that anticipate the market and exceed the expectations of guests and clients.

Risks and uncertainties / financial risk management

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

The management's financial risk management objectives are to:

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

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

- Interest rate movements;
- Competitive pressures; and
- Payment default by customers/guests

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

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

Where appropriate the group uses forward contracts to mitigate foreign exchange risk.

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

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

Natural Assets Investments Limited

Strategic Report (continued)

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

Key Performance Indicators

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

- Activity level – measured by turnover growth, occupancy levels, visitor numbers and rental income.
- Profitability – measured by profit before interest, tax and depreciation.
- Debt service cover – measured by net rental surplus over interest payable and cost of amortisation.
- Cash flow.
- Average cost of long term debt.

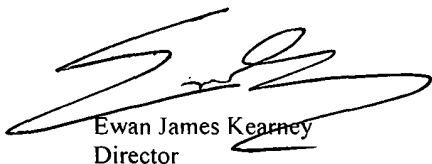
The directors monitor performance through the use of detailed annual budgets and forecasts that cover all the trading divisions in the group and the monitoring of actual performance against these budgets.

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

Future developments

The directors' feel of the company is well placed for the future, following a period of consolidation and growth.

On behalf of the Board



Ewan James Kearney
Director

Date: 10-02-17

Natural Assets Investments Limited

Directors' Responsibilities in the Preparation of Financial Statements

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

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

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

In preparing those financial statements, the directors are required to:

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

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

Natural Assets Investments Limited

Independent Auditor's Report to the Members

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 8 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2015 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

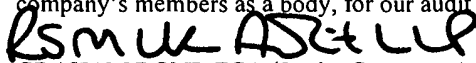
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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


GRAHAM BOND FCA (Senior Statutory Auditor)

For and on behalf of
RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M33HF

Date:

16/2/17

Natural Assets Investments Limited

Consolidated Income Statement

For the period ended 31 December 2015

		Period ended 31 December 2015	Year ended 31 March 2015
	Notes	£	£
Turnover	1		
Continuing operations		3,483,675	5,546,333
Less: share of joint venture turnover		(16,875)	(22,500)
Group turnover		3,466,800	5,523,833
Cost of sales		(3,285,417)	(3,708,783)
Gross profit		181,383	1,815,050
Operating expenses before depreciation, amortisation and impairment		(1,771,451)	(2,528,123)
Depreciation			
Impairment of tangible fixed assets		(632,271)	(463,178)
Amortisation		(650,948)	(592,478)
Impairment of goodwill		(595,092)	(563,696)
Operating expenses		(3,649,762)	(4,147,475)
Other operating income	2	80,187	103,669
Operating loss before depreciation, amortisation and impairment		(1,509,881)	(609,404)
Depreciation, amortisation and impairment		(1,878,311)	(1,619,352)
Operating loss		(3,388,192)	(2,228,756)
Share of operating profit of joint venture		410	858
Loss on disposal of fixed assets		(186,550)	(467,557)
Profit on disposal of minority interest		-	18,487
Fair value gain on investment properties	10	1,115,324	98,668
Interest receivable		97	2,034
Interest payable	6	(2,570,364)	(3,210,187)
Net pension interest	25	(5,000)	5,000
Loss on ordinary activities before taxation	3	(5,034,275)	(5,781,453)
Taxation	7	-	-
Loss on ordinary activities after taxation		(5,034,275)	(5,781,453)
Other comprehensive income			
Actuarial losses on defined benefit plans	25	(33,000)	(205,729)
Total comprehensive expenditure for the period		(5,067,275)	(5,987,182)

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

Natural Assets Investments Limited

Consolidated Income Statement *(continued)*

For the period ended 31 December 2015

	Period ended 31 December 2015 £	Year ended 31 March 2015 £
Loss for the year attributable to:		
Owners of the parent	(5,003,317)	(5,639,036)
Non-controlling interests	(30,958)	(142,417)
Total	(5,034,275)	(5,781,453)

	Period ended 31 December 2015 £	Year ended 31 March 2015 £
Other comprehensive loss for the period attributable to:		
Owners of the parent	(5,003,317)	(5,844,765)
Non-controlling interests	(30,958)	(142,417)
Total	(5,067,275)	(5,987,182)

Natural Assets Investments Limited

Statement of Financial Position

At 31 December 2015

Company Registration No. 07541643

		Group Period ended 31 December 2015 £	Year ended 31 March 2015 £	Company Period ended 31 December 2015 £	Year ended 31 March 2015 £
	Notes				
Fixed assets					
Goodwill	8	6,020,578	7,224,354	-	-
Negative goodwill	8	(440,236)	(470,565)	-	-
		<u>5,580,342</u>	<u>6,753,789</u>	<u>-</u>	<u>-</u>
Development costs	9	-	72,593	-	-
		<u>5,580,342</u>	<u>6,826,382</u>	<u>-</u>	<u>-</u>
Intangible assets					
Tangible assets	10	24,395,027	23,837,284	70,332	91,022
Investments	11	73,165	73,165	504,466	504,466
Share of losses in joint venture		(18,154)	(18,564)	-	-
		<u>30,030,380</u>	<u>30,718,267</u>	<u>574,798</u>	<u>595,488</u>
Current assets					
Stock		182,485	198,991	-	-
Debtors	12	2,504,848	2,007,676	21,658,269	22,693,338
Cash at bank and in hand		974,098	2,028,347	317,785	666,017
		<u>3,661,431</u>	<u>4,235,014</u>	<u>21,976,054</u>	<u>23,359,355</u>
Creditors					
Amounts falling due within one year	13	(9,218,346)	(5,060,100)	(4,495,156)	(5,033,223)
Net current (liabilities)/assets		<u>(5,556,915)</u>	<u>(825,086)</u>	<u>17,480,898</u>	<u>18,326,132</u>
Total assets less current liabilities		<u>24,473,465</u>	<u>29,893,181</u>	<u>18,055,696</u>	<u>18,921,620</u>
Creditors					
Amounts falling due after more than one year	14	(45,219,624)	(45,703,085)	(42,139,121)	(39,637,530)
Government grants	16	(1,807,499)	(1,807,499)	-	-
Provisions	17	(99,020)	-	-	-
Pension liability	25	(179,000)	(147,000)	-	-
		<u>(47,305,143)</u>	<u>(47,657,584)</u>	<u>(42,139,121)</u>	<u>(39,637,530)</u>
Net liabilities		<u>(22,831,678)</u>	<u>(17,764,403)</u>	<u>(24,083,425)</u>	<u>(20,715,910)</u>
Capital and reserves					
Share capital	19	1,000	1,000	1,000	1,000
Merger reserve	20	149,999	149,999	149,999	149,999
Fair value reserve	20	4,519,999	3,895,212	-	-
Profit and loss account	20	(27,234,121)	(21,573,017)	(24,234,424)	(20,866,909)
		<u>(22,563,123)</u>	<u>(17,526,806)</u>	<u>(24,083,425)</u>	<u>(20,715,910)</u>
Non-controlling interest		(268,555)	(237,597)	-	-
Total equity		<u>(22,831,678)</u>	<u>(17,764,403)</u>	<u>(24,083,425)</u>	<u>(20,715,910)</u>

These financial statements on pages 8 to 41 were approved by the directors, authorised for issue and are signed on their behalf by:


Ewan James Kearney

Date: 10-02-17

Natural Assets Investments Limited

Consolidated Statement of Changes in Equity

At 31 December 2015

	Share Capital £	Merger Reserve £	Fair Value Reserve £	NCI £	Profit & Loss £	Total £
Balance at 1 April 2014	1,000	149,999	3,387,388	215,314	(15,220,428)	(11,466,727)
Loss for the year	-	-	-	(142,417)	(5,639,036)	(5,781,453)
Reclassification of fair value gains on investment properties to fair value reserve	-	-	98,668	-	(98,668)	-
Actuarial losses on defined benefit plans	-	-	-	-	(205,729)	(205,729)
Total comprehensive income for the year	-	-	98,668	(142,417)	(5,943,433)	(5,987,182)
Disposal of shares in subsidiary JOG Highlands LLP to non-controlling interest	-	-	-	(310,494)	-	(310,494)
Transfer on realisation on disposal of investment properties	-	-	409,156	-	(409,156)	-
Total transactions with owners	-	-	409,156	(310,494)	(409,156)	(310,494)
Balance at 31 March 2015	1,000	149,999	3,895,212	(237,597)	(21,573,017)	(17,764,403)
Loss for the period	-	-	-	(30,958)	(5,003,317)	(5,034,275)
Reclassification of fair value gains on investment properties to fair value reserve	-	-	1,115,324	-	(1,115,324)	-
Actuarial losses on defined benefit plans	-	-	-	-	(33,000)	(33,000)
Total comprehensive income for the year	-	-	1,115,324	(30,958)	(6,151,641)	(5,067,275)
Transfer on realisation on disposal of investment properties	-	-	(490,537)	-	490,537	-
Total transactions with owners	-	-	(490,537)	-	490,537	-
Balance at 31 December 2015	1,000	149,999	4,519,999	(268,555)	(27,234,121)	(22,831,678)

Natural Assets Investments Limited

Company Statement of Changes in Equity

At 31 December 2015

	Share Capital £	Merger Reserve £	Profit & Loss £	Total £
Balance at 1 April 2014	1,000	149,999	(14,858,221)	(14,707,222)
Loss for the year	-	-	(6,008,688)	(6,008,688)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(6,008,688)	(6,008,688)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2015	1,000	149,999	(20,866,909)	(20,715,910)
Loss for the period	-	-	(3,367,515)	(3,367,515)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	(3,367,515)	(3,367,515)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	1,000	149,999	(24,234,424)	(24,083,425)
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Natural Assets Investments Limited

Consolidated Statement of Cash Flows

For the period ended 31 December 2015

		Period ended 31 December 2015 £	Year ended 31 March 2015 £
Cash flows from operating activities			
Cash used in operations	21	(595,557)	(1,730,367)
Interest paid		(118,804)	(180,900)
Net cash used in operating activities		<u>(714,361)</u>	<u>(1,911,267)</u>
Investing activities			
Acquisition of subsidiaries (net of cash acquired)		-	60,702
Purchase of tangible fixed assets		(1,429,879)	(806,627)
Proceeds on disposal of tangible fixed assets		1,188,779	3,522,243
Interest received		97	2,034
Net cash (used in)/generated from investing activities		<u>(241,003)</u>	<u>2,778,352</u>
Financing activities			
Proceeds of new bank loans		-	4,700,000
Repayment of borrowings		(90,138)	(3,535,487)
Repayment of finance leases		(8,747)	(83,189)
Net cash (used in)/from financing activities		<u>(98,885)</u>	<u>1,081,324</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,054,249)</u>	<u>1,948,409</u>
Cash and cash equivalents at beginning of the period		2,028,347	79,938
Cash and cash equivalents at end of the period		<u>974,098</u>	<u>2,028,347</u>
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		<u>974,098</u>	<u>2,028,347</u>

Further details are given in note 20.

Natural Assets Investments Limited

Accounting Policies

For the period ended 31 December 2015

General Information

Natural Assets Investments Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and place of business is 51 Water Lane, Wilmslow, Cheshire, SK9 5BQ.

The principal activity of the company during the period was that of holding company.

The principal activities of the subsidiary entities are holiday lettings, land ownership, property development, the provision of retail and guiding services and the provision of all year round tourist attraction providing mountain railway experiences, retail, catering and winter recreational activities.

Basis of Accounting

These financial statements cover a period of 9 months to 31 December 2015, with the comparative period being a full year ended 31 March 2015. The financial statements have been prepared over a shorter period to bring the period end in line with the Natural Retreats Group, a related group with whom significant trade is undertaken.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention. The financial statements of Natural Assets Investments Limited for the year ended 31 March 2015 were prepared in accordance with applicable previous UK GAAP. The date of transition to FRS 102 is 1 April 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS' see note 30.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

Monetary amounts in the financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements in respect of its individual financial statements. These disclosures are given on a consolidated basis;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

Natural Assets Investments Limited

Accounting Policies (continued)

For the period ended 31 December 2015

Company Income Statement

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss and total comprehensive expenditure for the period was £3,367,515 (year ended 31 March 2015 - £6,008,688).

Basis of Consolidation

The consolidated financial statements incorporate those of Natural Assets Investments Limited and all of its material subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2015.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Provisional fair values

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Loss of control

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

Change in interest where control is not obtained or lost

Where an interest in a subsidiary is increased or reduced, but control is not obtained or lost, the difference between the fair value of any consideration paid or received and the change to the non-controlling interest is recognised directly in equity and attributed to owners of the parent.

Going Concern

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

The group is currently in its development phase with the balance sheet showing net current liabilities of £5,556,915 (31 March 2015 - £825,086) and net liabilities of £22,831,678 (31 March 2015 - £17,764,403). Certain of the group's properties are still currently under development and so the group is reliant on support to cover its working capital requirements.

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

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

Natural Assets Investments Limited

Accounting Policies (continued)

For the period ended 31 December 2015

Functional and Presentational Currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Company.

Foreign Currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for lettings and tourist attractions to external customers in the ordinary nature of the business. Turnover is recognised at the point in which the stay/visit has occurred. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Interest Income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Goodwill

Goodwill is capitalised and written off evenly over 20 years, as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to the economics benefits.

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

Development Costs

The Group capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following as:

- a) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.
- b) The technical feasibility of completing the development so the intangible asset will be available for use or sale.
- c) Its intention to complete the development and to use or sell the intangible asset.
- d) Its ability to use or sell the intangible asset.
- e) How the intangible asset will generate probable future economic benefits.
- f) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised development expenditure is amortised on a straight line basis over its useful life, which is 20 years.

All research expenditure and development expenditure that does not meet the above conditions is expensed as incurred.

Natural Assets Investments Limited

Accounting Policies (continued)

For the period ended 31 December 2015

Tangible Fixed Assets and Depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Freehold properties	-	2.5% straight line
Development properties	-	0%
Investment properties	-	0%
Fixtures & Fittings	-	20% - 33 1/3 % straight line
Plant & Equipment	-	10% - 33 1/3 % straight line and 25% reducing balance

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Development properties are not depreciated. Upon completion they are transferred to investment properties.

Impairment of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants relating to assets are classified as deferred income and recognised in income over the expected useful life of the asset to which they relate.

Government grants relating to turnover (such as training grants) are recognised as income over the periods when the related costs are incurred.

Investment Properties

Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The directors consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the result for the financial period would have been reduced by depreciation. However the amount of depreciation cannot reasonably be quantified, because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

Natural Assets Investments Limited

Accounting Policies (continued)

For the period ended 31 December 2015

Fixed Asset Investments

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

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

Associates

Undertakings in which the Group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The Group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 31 December.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

All unrealised profit or losses on transactions with the associate are eliminated to the extent of the Group's interest, except where unrealised losses provide evidence of impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the Group.

Dividends received from the associate reduce the carrying amount of the investment.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the Group has an obligation or has made payments on behalf of the associate.

Jointly controlled entities

Entities in which the Group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the equity method, as described in the accounting policy for associates above.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential, i.e. benefits expected from use or sale of the stock.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Natural Assets Investments Limited

Accounting Policies (continued)

For the period ended 31 December 2015

Taxation (continued)

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Finance Lease Agreements

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit and loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Operating Lease Agreements

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The holiday year for Natural Assets Investments Limited ends at the reporting date and employees are not entitled to carry forward unused holiday.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement Benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method.

Natural Assets Investments Limited

Accounting Policies (continued)

For the period ended 31 December 2015

Retirement Benefits (continued)

Asset/Liability

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains or losses recognised in profit or loss:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Financial Instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial Liabilities and Equity

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

Equity Instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade Creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Natural Assets Investments Limited

Accounting Policies (continued)

For the period ended 31 December 2015

Financial instruments (continued)

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates and Assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows.

Recoverability of Trade Debtors

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Critical Areas of Judgement

- a) In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Group.
- b) Management make judgements in respect of realisable value, market value and value in use when performing internal valuations of the investment properties at an open market value.
- c) Management makes judgements on the useful life and carrying value of goodwill, by assessing anticipated cash flows and enhancements to individual properties resulting from a fully built out site..
- d) Management's assessment of the appropriateness of the going concern basis are inherently judgemental.
- e) Deferred tax liability on investment properties of £186,225 (31 March 2015 - £124,937) has been recognised due to the fair value gain as a result of the revaluations. An equivalent deferred tax asset of £186,225 (31 March 2015 - £124,937) has been recognised on the assumption that any gain that would arise on the sale of investment properties could be transferred to another company within the group and the gain relieved in full against brought forward capital losses.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

1. Turnover

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Rental income	1,433,282	1,962,601
Provision of tourism attraction	2,050,393	3,583,732
	<u>3,483,675</u>	<u>5,546,333</u>

All turnover is derived from continuing operations within the United Kingdom.

2. Other Operating Income

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Other operating income	80,187	98,868
Government grants received	-	4,801
	<u>80,187</u>	<u>103,669</u>

3. Loss on Ordinary Activities before Taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Fair value gains on investment properties	(1,115,324)	(98,668)
Depreciation of fixed assets – owned	584,585	420,616
Depreciation of fixed assets – hire purchase contracts	47,686	42,562
Impairment of tangible fixed assets	-	592,478
Amortisation of intangible fixed assets	650,948	563,696
Impairment of goodwill	595,092	-
Loss/(profit) on disposal of fixed assets	186,550	467,557
Operating leases – land and buildings	37,500	70,000
Operating leases - other	5,030	4,401
Stock – amounts expensed to cost of sales	1,367,106	1,688,085
Exchange (gains)/losses	(519)	(13,327)
Auditor's remuneration - audit of the financial statements	<u>59,350</u>	<u>49,000</u>

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

4. Employees

Average number employed including executive directors:

	9 months ended 31 December 2015 No	Year ended 31 March 2015 No
Production	123	120
Management	10	10
Administration	8	9
	<u>141</u>	<u>139</u>

Aggregate payroll costs of the above were:

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Staff costs including directors:		
Wages and salaries	1,208,619	1,828,582
Social security costs	69,853	112,207
Other pension costs	32,548	32,541
	<u>1,311,020</u>	<u>1,973,330</u>

5. Directors' Emoluments

	9 months ended 31 December 2015	Year ended 31 March 2015
Sums paid to third parties for directors' services	72,000	121,000
Directors' remuneration	18,750	114,188
	<u>90,750</u>	<u>235,188</u>

6. Interest Payable

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
On bank loans and overdrafts	113,069	176,682
On other loans	2,451,560	3,029,287
Hire purchase interest	5,735	4,218
	<u>2,570,364</u>	<u>3,210,187</u>

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

7. Taxation

	9 months ended 31 December 2015	Year ended 31 March 2015
Current tax		
UK corporation tax on profits for the current period	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax charge	-	-

Factors affecting future tax charges

The main rate of corporation tax has been reduced from 21% to 20% in 2015/16. This will be further reduced to 19% for financial years starting on 1 April 2017 and then to 17% from 1 April 2020, thus aligning the main company rate and the small company rate. These reductions were substantially enacted on 26 October 2015

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	9 months ended 31 December 2015	Year ended 31 March 2015
Loss before taxation	(5,034,275)	(5,775,453)
Expected tax charge based on a corporation tax rate of 20% (31 March 2015: 21%)	(1,006,855)	(1,121,845)
Tax effect of expenses that are not deductible in determining taxable profit	278,721	633,182
Tax effect of income not taxable in determining taxable profit	(26,982)	(160,382)
Adjustments to equalise deferred tax and corporation tax rates rate	866,830	(22,853)
Fixed asset differences	44,233	94,276
Short term timing differences	-	404,377
Deferred tax not recognised	(155,947)	241,392
Tax expense for the year	-	-

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

8. Goodwill

<i>Group</i>	Negative Goodwill	Goodwill	Total £
Cost			
As at 1 April 2015	(535,327)	9,315,900	8,780,573
As at 31 December 2015	(535,327)	9,315,900	8,780,573
Amortisation			
At 1 April 2015	(64,762)	2,091,546	2,026,784
Charge for the period	(30,329)	608,684	578,355
Impairment	-	595,092	595,092
At 31 December 2015	(95,091)	3,295,322	3,200,231
At 31 December 2015	(440,236)	6,020,578	5,580,342
At 31 March 2015	(470,565)	7,224,354	6,753,789

The amortisation and impairment of goodwill and amounts recognised in profit and loss for the period in respect of negative goodwill are included within operating expenses.

9. Development costs

<i>Group</i>	Development Costs £
Cost	
As at 1 April 2015 and 31 December 2015	83,672
Amortisation	
At 1 April 2015	11,079
Charge for the period	72,593
At 31 December 2015	83,672
At 31 December 2015	-
At 31 March 2015	72,593

The amortisation charge for the period is included within operating expenses.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

10. Tangible Fixed Assets

<i>Group</i>	Freehold Properties	Development Properties	Investment Properties	Fixtures & Fittings	Plant and Machinery	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2015	277,732	1,603,492	20,282,588	1,793,898	917,361	24,875,071
Revaluations	-	-	1,115,324	-	-	1,115,324
Additions	210,212	-	994,662	86,162	158,983	1,450,019
Disposals	-	-	(1,365,715)	(173)	(19,500)	(1,385,388)
At 31 December 2015	<u>487,944</u>	<u>2,195,970</u>	<u>21,026,859</u>	<u>1,879,887</u>	<u>1,056,844</u>	<u>26,055,026</u>
Depreciation						
At 1 April 2015	2,531	-	-	888,909	146,347	1,037,787
Charge for the period	216,971	-	-	240,819	174,481	632,271
Disposals	-	-	-	-	(10,059)	(10,059)
At 31 December 2015	<u>219,502</u>	<u>-</u>	<u>-</u>	<u>1,129,728</u>	<u>310,769</u>	<u>1,659,999</u>
Net book value						
At 31 December 2015	<u>268,442</u>	<u>1,603,492</u>	<u>21,026,859</u>	<u>750,159</u>	<u>746,075</u>	<u>24,395,027</u>
At 31 March 2015	<u>275,201</u>	<u>1,603,492</u>	<u>20,282,588</u>	<u>904,989</u>	<u>771,014</u>	<u>23,837,284</u>

31 December 2015	31 March 2015
£	£

The cost or valuation of investment properties is represented by:-
Valuation

<u>21,026,859</u>	<u>20,282,588</u>
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The investment properties are valued on an open market value basis. The valuations were carried out internally in December 2015. No depreciation is provided in respect of investment properties or land.

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

The historic costs of the investment properties were £24,064,718 (31 March 2015 - £22,271,140).

The net book value of plant and machinery includes £202,828 (31 March 2015 - £228,424) in respect of assets held under hire purchase contracts. The depreciation charge for the period in respect of these assets was £47,686 (year ended 31 March 2015 - £42,562).

The group has pledged land and buildings, having a net book value of £22,898,793 (31 March 2015 - £22,161,281), to secure its bank loans (note 12) by way of a fixed charge.

Investment properties includes an amount of £3,000,000 (31 March 2015 - £3,000,000) for land held for development and resale.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

10. Tangible Fixed Assets *(continued)*

<i>Company</i>	Plant and Machinery £	Total £
Cost		
At 1 April 2015	146,528	146,528
Additions	329	329
	<u>146,857</u>	<u>146,857</u>
At 31 December 2015		
Depreciation		
At 1 April 2015	55,506	55,506
Charge for the period	21,019	21,019
	<u>76,525</u>	<u>76,525</u>
At 31 December 2015		
Net book value		
At 31 December 2015	70,332	70,332
	<u>70,332</u>	<u>70,332</u>
At 31 March 2015	91,022	91,022
	<u>91,022</u>	<u>91,022</u>

11. Investments

<i>Group</i>	Associated Undertakings £	Other Investments £	Total £
Cost			
As at 1 April 2015	43,165	30,000	73,165
	<u>43,165</u>	<u>30,000</u>	<u>73,165</u>
As at 31 December 2015			
	<u>43,165</u>	<u>30,000</u>	<u>73,165</u>
Net book value as at 31 December 2015	43,165	30,000	73,165
	<u>43,165</u>	<u>30,000</u>	<u>73,165</u>
Net book value as at 31 March 2015	43,165	30,000	73,165
	<u>43,165</u>	<u>30,000</u>	<u>73,165</u>

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

11. Investments (continued)

<i>Company</i>	Associated Undertakings £	Investment in Subsidiary Undertaking £	Other Investments £	Total £
Cost				
As at 1 April 2015 and 31 December 2015	<u>43,165</u>	<u>431,301</u>	<u>30,000</u>	<u>504,466</u>
Net book value				
At 31 December 2015	<u>43,165</u>	<u>431,301</u>	<u>30,000</u>	<u>504,466</u>
At 31 March 2015	<u>43,165</u>	<u>431,301</u>	<u>30,000</u>	<u>504,466</u>

Subsidiary Undertakings

Name	Country of incorporation	Holding	Nature of business
Pentire Fistril Beach Limited	England & Wales	100% ordinary	Holiday lettings
Trewhiddle Village Limited	England & Wales	100% ordinary	Holiday lettings
Natural Land 3 Limited	England & Wales	100% ordinary	Holiday lettings
North York Moors Limited	England & Wales	100% ordinary	Property development
DOL Park Limited *	England & Wales	100% ordinary	Holding company
John O'Groats Highland Limited	England & Wales	100% ordinary	Holding company
NA Lews Castle Limited *	England & Wales	100% ordinary	Land ownership
Yorkshire Dales Limited	England & Wales	100% ordinary	Holiday lettings
Natural Outfitters Limited	England & Wales	100% ordinary	Retail and guiding services
Mini Gems Limited *	England & Wales	100% ordinary	Design and development of camping pods
CairnGorm Mountain Ltd.	Scotland	100% ordinary	Tourist attraction provision
DOL Park Limited has the following subsidiary:			
Natural Land 1 LLP *	England & Wales	100% ordinary	Property development
John O'Groats Highland Limited has the following subsidiary:			
JOG Highlands LLP	England & Wales	86% ordinary	Property development
Pentire Fistril Beach Limited has the following subsidiary:			
Pentire Management Limited	England & Wales	100% ordinary	Property management
Natural Land 3 Limited has the following subsidiaries:			
NL3 Cottages Management Limited	England & Wales	100% ordinary	Property management
Natural Land 3 Management Limited	England & Wales	100% ordinary	Dormant

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

11. Investments (continued)

Joint Ventures:

Jog 2 Limited	England & Wales	50% ordinary	Land ownership
Jog 3 LLP	England & Wales	50% ordinary	Land ownership
End to End Limited			Leisure and events
	England & Wales	50% ordinary	company

Other Participating Interests Held by the Company:

Gibbon Lawson McKee Limited	England & Wales	33% ordinary	Surveying & architecture
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Entities Not Consolidated

During the year ended 31 March 2013, the company acquired a 33% shareholding in Gibbon Lawson McKee Limited. Whilst the shareholding would represent an associated undertaking, the financial statements do not include the appropriate share of the results and reserves of this undertaking as it is not considered material to these consolidated financial statements and would be of no value to its members.

The following subsidiary undertakings are not consolidated within these financial statements on the grounds of materiality:- Pentire Management Limited, NL3 Cottages Limited and Natural Land 3 Management Limited.

Audit Exemption

* The subsidiary companies have taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirements in the Act for their individual accounts to be audited. The guarantee given by the Company under section 479A of the Act is disclosed in note 28.

12. Debtors

	Group 31 December 2015 £	31 March 2015 £	Company 31 December 2015 £	31 March 2015 £
Trade debtors	567,272	162,339	96,051	-
Amounts owed by group undertakings	-	-	20,854,001	22,008,588
Amounts owed by associated undertakings	474,575	467,025	-	-
Other debtors	852,804	1,176,876	575,189	680,270
Prepayments	610,197	161,436	133,028	4,480
	<u>2,504,848</u>	<u>2,007,676</u>	<u>21,658,269</u>	<u>22,693,338</u>

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

	Group 31 December 2015 £	31 March 2015 £	Company 31 December 2015 £	31 March 2015 £
Amounts owed by group undertakings	-	-	20,854,001	22,008,588
Other debtors	100,000	100,000	-	-
	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

13. Creditors: Amounts Falling Due within One Year

	Group 31 December 2015 £	31 March 2015 £	Company 31 December 2015 £	31 March 2015 £
Bank loan	3,774,375	3,864,513	3,774,375	3,864,513
Net obligations under hire purchase contracts	64,305	67,890	-	-
Trade creditors	1,184,800	545,751	39,944	26,876
Amounts owed to group undertakings	-	-	612,126	1,104,752
Other tax and social security	29,671	36,092	-	194
Other creditors	4,165,195	545,854	68,711	36,888
	<u>9,218,346</u>	<u>5,060,100</u>	<u>4,495,156</u>	<u>5,033,223</u>

£79,487 (31 March 2015 - £79,487) of bank set-up costs are included in bank loans due within one year.

Other creditors includes £3,100,000 (31 March 2015 - £nil) owed to the controlling party D Gorton. The amount is not subject to interest.

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

	Group 31 December 2015 £	31 March 2015 £	Company 31 December 2015 £	31 March 2015 £
Bank loan	3,853,862	3,944,000	3,823,862	3,944,000
Net obligations under hire purchase contracts	64,305	67,890	-	-
	<u>3,918,167</u>	<u>4,011,890</u>	<u>3,823,862</u>	<u>3,944,000</u>

Net obligations under hire purchase contracts are secured on the relevant assets. The bank holds a debenture for any borrowings, which includes a fixed charge over all present freehold and leasehold property; a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and a first floating charge over all assets and undertaking both present and future.

14. Creditors: Amounts Falling Due after more than One Year

	Group 31 December 2015 £	31 March 2015 £	Company 31 December 2015 £	31 March 2015 £
Net obligations under hire purchase contracts	81,451	66,473	-	-
Other creditors	45,138,173	45,636,612	42,139,121	39,637,530
	<u>45,219,624</u>	<u>45,703,085</u>	<u>42,139,121</u>	<u>39,637,530</u>

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

14. Creditors: Amounts Falling Due after more than One Year (continued)

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

	Group 31 December 2015 £	31 March 2015 £	Company 31 December 2015 £	31 March 2015 £
Other creditors	2,999,052	2,899,082	-	-
Net obligations under hire purchase contracts	81,451	66,473	-	-
	<u>3,080,503</u>	<u>2,965,555</u>	<u>-</u>	<u>-</u>

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 9. Other creditors are secured by a debenture over the assets of a subsidiary company.

The loan is repayable in full on 11 June 2022.

Other creditors' is made up of a loan due to D Gorton and companies ultimately controlled by D Gorton, a majority shareholder of the Company. The loan is subject to interest of 5%. A minimum of 12 months notice is required for repayment.

Commitments under hire purchase contracts are made up as follows:

	Group 31 December 2015 £	31 March 2015 £	Company 31 December 2015 £	31 March 2015 £
Amounts payable within 1 year	64,305	67,890	-	-
Amounts payable between 1 and 5 years	81,451	66,473	-	-
	<u>145,756</u>	<u>134,363</u>	<u>-</u>	<u>-</u>

Hire purchase creditors are secured over their related identifiable assets and bear interest charges ranging from 5.6% to 7.7% per annum (March 2015 – 5.6% to 7.7%).

Finance lease payments represent rentals payable by the Group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years (March 2015 – 2 years). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

15. Financial Instruments

	Group 31 December 2015 £	Group 31 March 2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,894,651	1,780,710
Carrying amount of financial liabilities		
Measured at amortised cost	54,023,065	50,662,753

16. Government Grants

	Group £
Received and receivable: At 1 April 2015 and 31 December 2015	1,807,499
Amortisation: At 1 April 2015 and 31 December 2015	-
Net balance at 31 December 2015	1,807,499
Net balance at 31 March 2015	1,807,499

During the year ended 31 March 2012 JOG Highlands LLP signed an agreement to receive a development grant from Highlands and Islands Enterprise of up to £1,807,499 or 30% of eligible costs of development at John O'Groats, Scotland. The grant is repayable up until 10 years from the date of the last payment of this grant and is therefore included as a liability until that point in time.

17. Provisions

<i>Group</i>	Maintenance Provision £
As at 31 March 2015	-
Additions	114,035
Released in the period	(15,015)
As at 31 December 2015	99,020

The amount provided is in respect of a maintenance provision.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

18. Deferred Tax

	Group 31 December 2015 £	Group 31 March 2015 £
Deferred tax liability on fair value of investment properties	186,225	124,937
Deferred tax asset capital losses	(186,225)	(124,937)
	<u>-</u>	<u>-</u>

The deferred tax liability of £186,225 (March 2015 - £124,937) is not expected to reverse within the next 12 months and relates to gains on the valuation of investment properties. The deferred tax asset of £186,225 (March 2015 - £124,937) relates to the utilisation of tax losses against future expected gains from the sale investment properties within the same period.

Deferred tax is not recognised in respect of trading losses of £19,071,466 (March 2015 - £16,811,035) as it is not probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Company

Deferred tax is not recognised in respect of losses of £2,569,437 (March 2015 - £2,569,347) as it is not probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

19. Share Capital

	31 December 2015 £	31 March 2015 £
Allotted, issued and fully paid:		
600 Ordinary A shares of £1 each	600	600
400 Ordinary B shares of £1 each	400	400
	<u>1,000</u>	<u>1,000</u>

The A ordinary shares and B ordinary shares rank pari passu.

20. Reserves

Reserves of the Group represent the following:

Merger reserve

Consideration given in excess of the nominal value of the ordinary shares issued in an acquisition of the subsidiary companies made by the issue of shares.

Fair value reserve

The cumulative revaluation gains and losses in respect of investment properties.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

21. Notes to Statement of Cash Flows

Reconciliation of profit after tax to net cash generated from/ (used in) operations

	31 December 2015 £	31 March 2015 £
Loss on ordinary activities after taxation	(5,034,275)	(5,781,453)
Interest payable	2,570,364	3,210,187
Interest receivable	(97)	(2,034)
Profit on disposal of non-controlling interest	-	(310,494)
Profit on disposal of intangible assets	-	(86,266)
Loss on disposal of fixed assets	186,550	467,557
Loss on disposal of associate	-	10,289
Fair value (gains) and losses on investment properties	(1,115,324)	(98,668)
Amortisation and impairment of intangible asset	1,246,040	563,696
Depreciation and impairment of tangible asset	632,271	1,433,929
Pension scheme non-cash movement	(1,000)	(58,729)
Share of results of associates and joint ventures	(410)	(858)
Movement in provision	99,020	-
Operating cash flows before movements in working capital	(1,416,861)	(652,844)
Decrease / (increase) in stock	16,506	(114,470)
Increase in trade and other debtors	(497,172)	(350,988)
Increase / (decrease) in trade and other creditors	1,301,970	(612,065)
Cash used in operations	(595,557)	(1,730,367)
	31 December 2015 £	31 March 2015 £
Cash and cash equivalents represent:		
Cash at bank and in hand	974,098	2,028,347

22. Capital Commitments

There were no capital commitments as at 31 December 2015 or 31 March 2015.

23. Other Financial Commitments

Natural Assets Investments Limited has entered into a composite company unlimited multilateral guarantee dated 22 December 2014 with the following group and related companies: North York Moors Limited, Pentire Fistril Beach, Trewiddle Village Limited, Yorkshire Dales Limited, Natural Land 1 LLP, Jog Highlands LLP, K2 Equity Partners LLP, John O'Groats Highlands Limited, Natural Land 3 Limited, Mini Gems Limited, NA Lews Castle Limited, Natural Outfitters Limited and Dol Park Limited (see note 26).

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

24. Commitments under Operating Leases

At 31 December 2015 the total future minimum lease payments under non-cancellable operating leases as follows:

Group	31 December 2015		31 March 2015	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Amounts due:				
Within 1 year	50,000	6,706	50,000	6,706
Within 2 to 5 years	200,000	9,779	200,000	14,914
After more than 5 years	658,333	-	708,333	-
	<u>908,333</u>	<u>16,485</u>	<u>958,333</u>	<u>21,620</u>

25. Retirement Benefits

Pension costs charge for the period was as follows:

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Defined contribution scheme:	19,548	18,536
Defined benefit scheme	13,000	20,000
	<u>32,548</u>	<u>38,536</u>

Defined contribution scheme

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £19,548 (31 March 2015- £18,536). Contributions totalling £Nil (March 15 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit scheme

A subsidiary company, CairnGorm Mountain Ltd. operates a defined benefit pension scheme, which is funded.

The pension cost and provision for the year ending 31 December 2015 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 1 November 2013.

The pension cost and provision for the year ending 31 December 2015 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 1 November 2013. Following a review by the actuary at 31 December 2015 the scheme is showing a deficit at that date of £179,000 (March 2015 - £147,000). The deficit has been recognised in the balance sheet. A surplus is only recognised to the extent that the excess can be recovered by the Company.

The contribution made for the period ended 31 December 2015 was £19,000 (31 March 2015 - £20,000). The agreed contribution rate for future years is 15%.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

25. Retirement Benefits *(continued)*

The principal assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation include:

	Group 31 December 2015 %	Group 31 March 2015 %
Discount rate	3.5	3.6
Retail price inflation	3.2	3.3
Salary growth	3.8	3.9
Increases in deferment	3.2	3.3
Increases in payment		
- pension in earned before 6/4/97	0.0	0.0
- pension earned after 5/4/97	3.2	3.3

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	Group 31 December 2015 Years	Group 31 March 2015 Years
Male	21.1	21.3
Female	23.0	23.3

The average life expectancy for an employee retiring at 65 that is aged 45 at the reporting date is:

	Group 31 December 2015 Years	Group 31 March 2015 Years
Male	22.3	22.6
Female	24.5	24.8

Amounts recognised in profit or loss in respect of the defined benefit schemes are as follows:

	Group 31 December 2015 £	Group 31 March 2015 £
Current service cost	13,000	20,000
Net interest cost/ (income) on the net defined benefit pension liability	5,000	(5,000)
	<u>18,000</u>	<u>15,000</u>

Changes in the present value of the defined benefit obligation:

	Group 31 December 2015 £
Liabilities as at 1 April 2015	1,139,000
Current service cost	13,000
Contributions by employees	3,000
Actuarial gains and losses	1,000
Interest cost	41,000
At 31 December 2015	<u>1,197,000</u>

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

25. Retirement Benefits *(continued)*

Movements in the fair value of plan assets:	Group 31 December 2015 £
Fair value of assets as at April 2015	992,000
Interest income	36,000
Return on plan assets	(32,000)
Contributions by employees	3,000
Contributions by employer	19,000
At 31 December 2015	<u>1,018,000</u>
Net balance At 31 December 2015	<u>179,000</u>

The actual return on plan assets was £4,000 (31 March 2015: £140,000).

The analysis of the fair value of scheme assets at the reporting date is as follows:

	Group 31 December 2015 £	Group 31 March 2015 £
Equity instruments	254,500	248,000
Property	20,360	19,840
Corporate bonds	91,620	89,280
Gilts	620,980	605,120
Cash and other	30,540	29,760
	<u>1,018,000</u>	<u>992,000</u>

26. Related Party Transactions

Group

In addition to the related party transactions with the company disclosed below, there were the following transactions with other group entities.

D Gorton

D Gorton is a shareholder and ultimate controlling party of the parent company Natural Assets Investments Limited. At 31 December 2015 other creditors includes £3,100,000 (March 2015 - £3,100,000) due to D Gorton. No interest is provided on this amount.

D Gorton is also the controller of Nexus Partners LP. At 31 December 2015 other creditors includes £2,999,052 (March 2015 - £2,899,082) due to Nexus Partners LP with interest of 4.5% above 3 month LIBOR and is repayable in full on 11 June 2022.

Long term creditors include loans amounting to £42,139,121 (31 March 2015 - £39,637,530) owing to D Gorton at various interest rates with an indeterminate repayment date.

During the year interest amounting to £2,351,590 (31 March 2015 - £2,901,728) was payable to D Gorton.

The company's directors EJ Kearney, MD Spence and A Wild together with the controlling party D Gorton have interests in Natural Retreats Management LLC, a company incorporated in the USA. Natural Retreats UK Limited, Natural Retreats Ireland Limited and Natural Retreats US Inc are subsidiaries of Natural Retreats Management LLC.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

26. Related Party Transactions (continued)

Natural Retreats UK Limited

The company's directors, E J Kearney, M D Spence and A Wild, together with the controlling party D Gorton, have an interest in Natural Retreats UK Limited. During the year ended 31 December 2015 the group was charged expenses amounting to £2,100,474 (31 March 2015 - £2,220,468) to Natural Retreats UK Limited. At 31 December 2015 the company owed £404,998 (31 March 2015 - £139,936) to Natural Retreats UK Limited which is included in trade creditors. During the year ended 31 December 2015 the group recharged services to Natural Retreats UK Limited amounting to £1,481,160 (March 2015 - £1,152,998). At 31 December 2015 the group was owed £409,949 (March 2015 - £70,329) by Natural Retreats UK Limited which is included in trade debtors.

Natural Retreats Limited Partnership

The company's directors EJ Kearney, MD Spence and A Wild together with the controlling party D Gorton have an interest in Natural Retreats Limited Partnership. At 31 December 2015 trade creditors includes £500 (March 2015 - £500) owing to Natural Retreats Limited Partnership.

The directors EJ Kearney, MD Spence and A Wild by virtue of their interest in K2 Equity Partners LLP together with the controlling party D Gorton have an interest in a number of entities; details of transactions with the group are as follows:

Expenses recharged by the group during the year:

NA Bundoran Farm LLC - £nil (year ended 31 March 2015 - £nil)
NA Greystone Inn LLC - £nil (year ended 31 March 2015 - £3,332)
Natural Outfitters LLC - £nil (year ended 31 March 2015 - £1,678)
NA Tsaina Lodge LLC - £nil (year ended 31 March 2015 - £3,296)
Natural Retreats Teton Springs - £nil (year ended 31 March 2015 - £875)
Natural Retreats US LLC £nil (year ended 31 March 2015 - £495)

Trade debtors include the following amounts due from the entities:

NA Bundoran Farm LLC - £nil (31 March 2015 - £1,136)
NA Greystone Inn LLC - £134 (31 March 2015 - £3,330)
Natural Outfitters LLC - £369 (31 March 2015 - £2,555)
NA Tsaina Lodge LLC - £87 (31 March 2015 - £3,296)
Natural Retreats Teton Springs - £nil (31 March 2015 - £875)
Natural Retreats US LLC £49 (31 March 2015 - £495)

Subsidiaries have entered into a composite unlimited multilateral guarantee dated 22 December 2014 in respect of the bank borrowings of other group companies and K2 Equity Partners LLP. At 31 December 2015 the total borrowings covered by the guarantee amounted to £3,807,864 (31 March 2015 - £4,007,063).

There is a first legal Scottish charge dated 9 December 2014 over John O'Groats House Hotel, John O'Groats, Wick, KW1 4YR.

The company has taken advantage of the exemption under FRS102 section 33.1A from disclosing transactions with group companies which are eliminated on consolidation, where consolidated financial statements are prepared.

Company

D Gorton

During the year interest amounting to £2,351,590 (31 March 2015 - £2,901,728) was payable to D Gorton, the ultimate controlling party of the company.

Long term creditors include loans amounting to £42,139,121 (31 March 2015 - £39,637,530) owing to D Gorton at various interest rates with an indeterminate repayment date.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

26. Related Party Transactions (*continued*)

K2 Equity Partners LLP

EJ Kearney, MD Spence and A Wild are members of K2 Equity Partners LLP. During the period the company received services to the value of £72,000 (year ended 31 March 2015 - £89,332) from K2 Equity Partners LLP. At 31 December 2015 trade creditors includes £19,200 (31 March 2015 - £nil) due to K2 Equity Partners LLP. During the year the company loaned £nil (31 March 2015 - £48,583) to K2 Equity Partners LLP. At 31 December 2015 the company was owed £nil (31 March 2015 - £48,583).

Jog 2 Limited

Natural Assets Investments Limited owns 50% of the issued share capital of a company, Jog 2 Limited, for which the company paid expenses amounting to £20,063 (year ended 31 March 2015 - £14,523) during the year. At 31 December 2015 the company was owed £203,105 (31 March 2015 - £183,042) by Jog 2 Limited, of which £8,817 (31 March 2015 - £8,817) has been provided.

Jog 3 LLP

The company also owns 50% of Jog 3 LLP. At 31 December 2015, Jog 3 LLP owed the company £274,300 (31 March 2015 - £286,800), of which £Nil (31 March 2015 - £Nil) has been provided.

The company's directors EJ Kearney, MD Spence and A Wild together with the controlling party D Gorton have interests in Natural Retreats Management LLC, a company incorporated in the USA. Natural Retreats UK Limited, Natural Retreats Ireland Limited and Natural Retreats US Inc are subsidiaries of Natural Retreats Management LLC.

Natural Retreats UK Limited

During the year ended 31 December 2015 the company paid rent and other expenses amounting to £201,164 (year ended 31 March 2015 - £346,225) to Natural Retreats UK Limited. At 31 December 2015 the company owed £5,082 (31 March 2015 - £14,289) to Natural Retreats UK Limited which is included in trade creditors. During the year the company recharged expenses amounting to £96,296 (year ended 31 March 2015 - £74,160) to Natural Retreats UK Limited. At 31 December 2015 trade debtors includes £29,513 (31 March 2015 - £35,896) owed by Natural Retreats UK Limited.

Natural Retreats Ireland Limited

During the year the company recharged expenses amounting to £145 (year ended 31 March 2015 - £nil) to Natural Retreats Ireland Limited. At 31 December 2015 trade debtors includes £15,017 (31 March 2015 - £14,872) owed by Natural Retreats Ireland Limited. Natural Retreats Ireland Limited also owes the company £37 (31 March 2015 - £37) for a loan made.

Natural Retreats US Inc

During the year the company recharged expenses amounting to £Nil (year ended 31 March 2015 - £3,381) by Natural Retreats US Inc. Trade creditors includes £644 (31 March 2015 - £644) owing to Natural Retreats US Inc. The company also loaned £nil (31 March 2015 - £1,190) to Natural Retreats US Inc. At 31 December 2015 the company was owed £41,316 (31 March 2015 - £41,316) by Natural Retreats US Inc.

Natural Retreats Realty US Inc

The company was also owed £467 (31 March 2015 - £467) from Natural Retreats Realty US Inc, a subsidiary of Natural Retreats US Inc, at 31 December 2015.

The company's directors EJ Kearney, MD Spence and A Wild, together with the controlling party D Gorton have an interest in Natural Assets Investments Inc, Natural Asset Investments LLC, NA Bundoran Farm LLC and NA Homestead reserve LLC.

Natural Assets Investments Inc

During the year the company recharged expenses amounting to £nil (year ended 31 March 2015 - £nil) to Natural Assets Investments Inc. Trade debtors includes £2,848 (31 March 2015 - £2,848) owing by Natural Assets Investments Inc at the year end.

Natural Assets Investments Inc also owes the company £442,260 (31 March 2015 - £437,468) for loans made, which is included in other debtors.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

26. Related Party Transactions *(continued)*

Natural Assets Investments LLC

The company received services amounting to £nil from Natural Assets Investments LLC (year ended 31 March 2015 - £5,936). Trade creditors includes £5,936 (31 March 2015 - £5,936) owing to Natural Assets Investments LLC at the year end.

NA Bundoran Farm LLC

During the year the company recharged expenses amounting to £nil (year ended 31 March 2015 - £1,714) to NA Bundoran Farm LLC. Trade debtors includes £nil (31 March 2015 - £Nil) owing to the company at 31 December 2015.

NA Bundoran Farm LLC also owes the company £1,170 (31 March 2015 - £1,170) for loans made.

NA Homestead Reserve LLC

The company is owed £15,647 (March 2015 - £15,647) from NA Homestead Reserve LLC at the year end for loans made.

DGFO LLP

The company director T Dennis and majority shareholder D Gorton have an interest in DGFO LLP.

During the year the company received services amounting to £18,750 (year ended 31 March 2015 - £25,000) from DGFO LLP. Trade creditors includes £nil (31 March 2015 - £nil) owing to DGFO LLP at the year end.

End to End Limited

Natural Assets Investments Limited has a 50% interest in a company End to End Limited. During the year the company loaned End to End Limited £nil (31 March 2015 - £6,000), £6,000 (31 March 2015 - £6,000) was outstanding at the year end.

27. Remuneration of Key Management Personnel

The total remuneration of the directors and other employees who are considered to be key management personnel was £90,750 (March 2015 - £235,188). This relates to amounts paid to other parties for the services of the directors.

28. Parental Guarantee

Natural Assets Investments Limited has given a guarantee under Section 479C of the Companies Act 2006. The subsidiaries as per note 10, included in these consolidated accounts, are therefore, exempt from the requirements of this Act relating to the audit of individual accounts by virtue of Section 479A.

29. Ultimate Controlling Party

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

30. First time adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Natural Assets Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2015

30. First time adoption of FRS 102 (continued)

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous UK GAAP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources, and financing.

Reconciliations of equity

	Group 31 March 2015 £	Group 31 March 2014 £
Equity as previously reported under previous UK GAAP	(17,764,403)	(11,466,727)
Transition date adjustments	-	-
Equity reported under FRS102	<u>(17,764,403)</u>	<u>(11,466,727)</u>

Reconciliations of profit

	Group 31 March 2015 £
Loss as previously reported under previous UK GAAP	(5,877,121)
1 - Reduction in income on plan assets held in retirement benefit plans	(3,000)
2 - Reallocation of fair value gains investment properties	98,668
Loss reported under FRS102	<u>(5,781,453)</u>

1. Interest income on plan assets

The expected rate of return of £45,000 on plan assets held in retirement benefit plans was recognised in profit or loss under previous UK GAAP for the year ended 31 March 2015. In the same period an actuarial loss of £269,000 between the actual return and the expected return was recognised in other comprehensive income. Under FRS 102, interest income of £42,000 was recognised on the plan assets using the discount rate applied to the defined benefit obligations which is based on market yields for high quality corporate bonds. The amount of actuarial loss recognised in other comprehensive income was £266,000, being the difference between the actual return and the interest income recognised in profit or loss.

2. Fair value gains and losses on investment properties

During the year ended 31 March 2015, fair value gains on investment properties of £99,668 were recognised directly in reserves under previous UK GAAP. Under FRS 102, those fair value gains and losses are recognised in profit or loss.

3. Deferred tax on investment properties at fair value

Under FRS102 a deferred tax liability of £186,225 (31 March 2015 - £124,937) is required to be recognised on transition in relation to valuations gains on investment properties. On crystallisation of the gain it is anticipated that group relief using brought forward capital losses will be applied. Therefore a matching asset has been recognised, resulting in a nil impact on equity.

There were no changes to the company's figures under FRS102.