

**Report of the Directors and  
Financial Statements for the Year Ended 31 December 2021  
for  
THE SACRED GROVES C.I.C**

**Contents of the Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Page</b>
<b>Company Information</b>	1
<b>Report of the Directors</b>	2
<b>Report of the Independent Auditors</b>	4
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	7
<b>Statement of Financial Position</b>	8
<b>Statement of Changes in Equity</b>	9
<b>Statement of Cash Flows</b>	10
<b>Notes to the Statement of Cash Flows</b>	11
<b>Notes to the Financial Statements</b>	12

**THE SACRED GROVES C.I.C**

**Company Information  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS:** Mr Vikram Krishna  
Mrs Monisha Krishna  
Mr Achipra Sreedharan Sudhir

**REGISTERED OFFICE:** 124 City Road  
London  
EC1V 2NX

**REGISTERED NUMBER:** 12481036 (England and Wales)

**AUDITORS:** Ashdown Hurrey Auditors Limited  
20 Havelock Road  
Hastings  
East Sussex  
TN34 1BP

## **THE SACRED GROVES C.I.C**

### **Report of the Directors FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is to provide a platform for environmentally sensitive individuals and institutions to participate in the protection, conservation and restoration of natural habitats all over the world. Using the latest technology and management practices, the company intends to create a unique experience that inspires meaningful action in the global effort to combat climate change.

#### **REVIEW OF BUSINESS**

A lot can happen in a year if you set your heart and mind to achieve it! For The Sacred Groves, this was our first year of operations. Incorporated on the 25th of February, 2020 in the midst of the pandemic, we were able to launch our proposition to public within 18 months. Given the complexity and scale of our aspirations, we are incredibly grateful and proud of what we have been able to achieve as a team in 2021.

The Year 2021 marked many milestones for The Sacred Groves:

- We started the year with protecting two ancient oak woodlands in Wales, United Kingdom - Gigrin Prsyg, 25th February and Coed Rhyal, 1st April.
- We joined the prestigious Microsoft for Startups, Middle East program on 7th June and are being supported with Microsoft Azure credits for our cloud computing. Our list of partners continues to expand and is a major source of strength and inspiration for us.
- We successfully filed our Audited Financial Statements for 2020 with Companies House, UK on 11th June.
- Post the launch of our website [www.sacredgroves.earth](http://www.sacredgroves.earth) on 1st August, we have received over 30,000 visits!
- Our Apps went live on the Apple AppStore and Google Play store in September with 5\* ratings on both the platforms till date. The launch of Gifting in September was a joy for us and for many of our Guardians who started gifting Sacred Groves Clusters on Birthdays, Anniversaries, festivals and more.
- We started receiving Media Coverage with leading publications such as The Economic Times, The Hindu and others covering our efforts. Over the course of the year we also published over fifty blog posts written by journalists from all over the world, featuring inspiring examples of Climate Heroes and communities that are making a difference.
- The Sacred Groves Trademark logo was duly accepted and registered in the European Union on 23rd November.
- The Founders enhanced the share capital from £150,000 to £400,000 on 2nd December to further strengthen the financial standing of the company.
- On 13th December, we appointed our Advisory Board comprising experts from Forestry, Technology, Legal, Analytics and Communication who shall mentor Sacred Groves into its next phase of development!
- We wrapped up the year by expanding our habitat portfolio with the addition of Ocean Sanctuary on 17th December. It's a unique and captivating 83.25 acre habitat located in West Port L'Hebert in south-western Nova Scotia, Canada. This is the third natural habitat that we are privileged to protect.

In sum, we have strong foundations for growth in 2022 and are very excited to scale up our efforts in protecting more natural habitats all over the world with the support of our rapidly expanding Guardian community. We are inspired by the words of Margaret Mead: "Never doubt that a small group of thoughtful, committed, citizens can change the world. Indeed, it is the only thing that ever has."

## **THE SACRED GROVES C.I.C**

### **Report of the Directors FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mr Vikram Krishna  
Mrs Monisha Krishna  
Mr Achipra Sreedharan Sudhir

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

#### **AUDITORS**

The auditors, Ashdown Hurrey Auditors Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

#### **ON BEHALF OF THE BOARD:**

Mr Vikram Krishna - Director

27 June 2022

## **Report of the Independent Auditors to the Members of The Sacred Groves C.I.C**

### **Opinion**

We have audited the financial statements of The Sacred Groves C.I.C (the 'company') for the year ended 31 December 2021 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

## **Report of the Independent Auditors to the Members of The Sacred Groves C.I.C**

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of directors**

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

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

## **Report of the Independent Auditors to the Members of The Sacred Groves C.I.C**

### **Auditors' responsibilities for the audit of the financial statements**

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

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

During the planning stage of this audit we considered the likelihood of irregularities around laws and regulations relevant to the company, including enquiry of management and those charged with governance. These were also discussed during the audit planning meeting held by the team. We reviewed the company's systems and controls in place, and formed an assessment as to their operational effectiveness.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to:

- The financial reporting standard; IFRS

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

During the course of this audit the team discussed this area with senior members of the company's staff, including directors, and also carried out a review of legal expenses for evidence of any issues.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach.

We are therefore of the opinion that given the risk level identified, our procedures planned and undertaken, are adequate for detecting irregularities.

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

### **Use of our report**

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

Stuart Rosling FCCA (Statutory Auditor)  
for and on behalf of Ashdown Hurrey Auditors Limited  
20 Havelock Road  
Hastings  
East Sussex  
TN34 1BP

27 June 2022



**THE SACRED GROVES C.I.C****Statement of Profit or Loss and Other Comprehensive Income  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Year ended 31.12.21 £	Period 25.2.20 to 31.12.20 £
<b>CONTINUING OPERATIONS</b>			
Revenue		28,812	-
Cost of sales		(799)	-
<b>GROSS PROFIT</b>		<b>28,013</b>	-
Administrative expenses		(167,059)	(97,863)
<b>OPERATING LOSS</b>		<b>(139,046)</b>	(97,863)
<b>LOSS BEFORE INCOME TAX</b>	4	<b>(139,046)</b>	(97,863)
Income tax	5	26,411	18,594
<b>LOSS FOR THE YEAR</b>		<b>(112,635)</b>	(79,269)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(112,635)</b>	<b>(79,269)</b>

The notes form part of these financial statements

**THE SACRED GROVES C.I.C (REGISTERED NUMBER: 12481036)****Statement of Financial Position  
31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	6	<b>105,469</b>	10,653
Property, plant and equipment	7	<b>135,301</b>	-
Deferred tax	14	<b>45,005</b>	18,594
		<u><b>285,775</b></u>	<u>29,247</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	<b>5,826</b>	36,412
Cash and cash equivalents	9	<b>20,591</b>	37,204
		<u><b>26,417</b></u>	<u>73,616</u>
<b>TOTAL ASSETS</b>		<u><b>312,192</b></u>	<u>102,863</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	10	<b>400,000</b>	150,000
Retained earnings	11	<b>(191,904)</b>	(79,269)
<b>TOTAL EQUITY</b>		<u><b>208,096</b></u>	<u>70,731</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	<b>104,096</b>	32,132
<b>TOTAL LIABILITIES</b>		<u><b>104,096</b></u>	<u>32,132</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>312,192</b></u>	<u>102,863</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2022 and were signed on its behalf by:

Mr Vikram Krishna - Director

Mrs Monisha Krishna - Director

Mr Achipra Sreedharan Sudhir - Director

The notes form part of these financial statements

**THE SACRED GROVES C.I.C**

**Statement of Changes in Equity  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Changes in equity</b>			
Issue of share capital	150,000	-	150,000
Total comprehensive income	-	(79,269)	(79,269)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2020</b>	150,000	(79,269)	70,731
	<hr/>	<hr/>	<hr/>
<b>Changes in equity</b>			
Issue of share capital	250,000	-	250,000
Total comprehensive income	-	(112,635)	(112,635)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2021</b>	400,000	(191,904)	208,096
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

**THE SACRED GROVES C.I.C**

**Statement of Cash Flows  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Year ended 31.12.21 £	Period 25.2.20 to 31.12.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(63,547)</u>	<u>(90,550)</u>
Net cash from operating activities		<u>(63,547)</u>	<u>(90,550)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(119,245)	(45,399)
Purchase of tangible fixed assets		<u>(135,453)</u>	<u>-</u>
Net cash from investing activities		<u>(254,698)</u>	<u>(45,399)</u>
<b>Cash flows from financing activities</b>			
Amount introduced by directors		301,632	23,153
Amount withdrawn by directors		<u>(250,000)</u>	<u>-</u>
Share issue		<u>250,000</u>	<u>150,000</u>
Net cash from financing activities		<u>301,632</u>	<u>173,153</u>
<b>(Decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year	2	<u>37,204</u>	<u>-</u>
Cash and cash equivalents at end of year	2	<u><u>20,591</u></u>	<u><u>37,204</u></u>

The notes form part of these financial statements

**THE SACRED GROVES C.I.C**

**Notes to the Statement of Cash Flows  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	<b>Year ended 31.12.21 £</b>	Period 25.2.20 to 31.12.20 £
Loss before income tax	<b>(139,046)</b>	(97,863)
Depreciation charges	<b>24,581</b>	1,184
	<b>(114,465)</b>	(96,679)
Decrease/(increase) in trade and other receivables	<b>30,586</b>	(2,640)
Increase in trade and other payables	<b>20,332</b>	8,769
<b>Cash generated from operations</b>	<b>(63,547)</b>	(90,550)

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 31 December 2021**

	<b>31.12.21 £</b>	<b>1.1.21 £</b>
Cash and cash equivalents	<b>20,591</b>	<b>37,204</b>

**Period ended 31 December 2020**

	31.12.20 £	25.2.20 £
Cash and cash equivalents	37,204	-

**Notes to the Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. STATUTORY INFORMATION**

The Sacred Groves C.I.C is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Pounds Sterling (£), this being the presentation currency for The Sacred Groves CIC. The functional currency of The Sacred Groves CIC is US Dollars (\$).

**Going concern**

In preparing the financial statements, the directors are required to make an assessment of the ability of the company to continue as a going concern. The directors have prepared a cash flow forecast for the company which covers the 12 month period from the date of signing these financial statements. Against the backdrop of the COVID-19 Pandemic a "reverse stress" test has been applied to the forecasts, seeking to establish the level of liquidity headroom the company is expected to have during this 12 month going concern period.

On the basis of these forecasts and the fact that the company has substantial net current assets and net assets, the directors are confident that the company has adequate resources to continue in operational existence and to meet its liabilities as they fall due for the foreseeable future. In reaching this conclusion they are satisfied that no material uncertainty exists. As a result of the above, the directors have concluded that it remains appropriate to adopt a going concern basis of preparation in these financial statements and that no material uncertainty exists in reaching this conclusion.

**Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

**Critical Accounting Estimates and Assumptions**

Management makes estimates and assumptions concerning the future. The resulting accounting estimates 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 outlined below.

**a) Income taxes**

The company is subject to corporation taxes in the UK. Significant estimates are sometimes required in determining the provision for income tax. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

**Critical Judgements in Applying the Company's Accounting Policies**

The company did not make any critical accounting judgements in the year.

Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

**Revenue recognition**

Revenue is recognised within the technology platform at the date and time the customer makes a commitment to purchase a Sacred Groves Cluster.

**Cash and cash equivalents**

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

The technology platform development costs are being amortised evenly over their estimated useful life of five years.

**Land, property, plant and equipment**

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

Computer equipment - 25% on reducing balance

Land is not depreciated.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

In the year ended 31 December 2021, there is no corporation tax liability.

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

The deferred tax asset disclosed in the accounts is based on 19% of the total unused losses carried forward.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2021 nor for the period ended 31 December 2020.

The average number of employees during the year was NIL (2020 - NIL).

	Year ended 31.12.21 £	Period 25.2.20 to 31.12.20 £
Directors' remuneration	-	-

**THE SACRED GROVES C.I.C**

**Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging/(crediting):

	<b>Year ended 31.12.21 £</b>	Period 25.2.20 to 31.12.20 £
Depreciation - owned assets	<b>152</b>	-
Patents and licences amortisation	<b>1,788</b>	1,184
Technology Platform amortisation	<b>22,641</b>	-
Foreign exchange differences	<b>(483)</b>	2,804
	<u><u>          </u></u>	<u><u>          </u></u>

**5. INCOME TAX**

**Analysis of tax income**

	<b>Year ended 31.12.21 £</b>	Period 25.2.20 to 31.12.20 £
Deferred tax	<b>(26,411)</b>	(18,594)
Total tax income in statement of profit or loss and other comprehensive income	<b>(26,411)</b>	(18,594)
	<u><u>          </u></u>	<u><u>          </u></u>

**6. INTANGIBLE ASSETS**

	<b>Patents and licences £</b>	<b>Technology Platform £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2021	<b>11,837</b>	-	<b>11,837</b>
Additions	<b>6,042</b>	<b>113,203</b>	<b>119,245</b>
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2021	<b>17,879</b>	<b>113,203</b>	<b>131,082</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>AMORTISATION</b>			
At 1 January 2021	<b>1,184</b>	-	<b>1,184</b>
Amortisation for year	<b>1,788</b>	<b>22,641</b>	<b>24,429</b>
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2021	<b>2,972</b>	<b>22,641</b>	<b>25,613</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<b>14,907</b>	<b>90,562</b>	<b>105,469</b>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
At 31 December 2020	<b>10,653</b>	-	<b>10,653</b>
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>



**THE SACRED GROVES C.I.C**

**Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. PROPERTY, PLANT AND EQUIPMENT**

	Land Purchased £	Computer equipment £	Totals £
<b>COST</b>			
Additions	134,844	609	135,453
At 31 December 2021	<u>134,844</u>	<u>609</u>	<u>135,453</u>
<b>DEPRECIATION</b>			
Charge for year	-	152	152
At 31 December 2021	<u>-</u>	<u>152</u>	<u>152</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>134,844</u>	<u>457</u>	<u>135,301</u>

**8. TRADE AND OTHER RECEIVABLES**

	2021 £	2020 £
Current:		
Other debtors	5,826	2,640
Prepayments	-	33,772
	<u>5,826</u>	<u>36,412</u>

**9. CASH AND CASH EQUIVALENTS**

These include cash in hand and deposits held at call with banks and bank overdrafts.

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2021 £	2020 £
Number:	Class:	Nominal value:		
400,000	Ordinary	£1	<u>400,000</u>	<u>150,000</u>

250,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

**11. RESERVES**

	Retained earnings £
At 1 January 2021	(79,269)
Deficit for the year	<u>(112,635)</u>
At 31 December 2021	<u>(191,904)</u>

## THE SACRED GROVES C.I.C

### Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12. TRADE AND OTHER PAYABLES

	2021 £	2020 £
Current:		
Trade creditors	13,394	1,963
Accrued expenses	15,917	7,016
Directors' current accounts	74,785	23,153
	<u>104,096</u>	<u>32,132</u>

#### 13. FINANCIAL INSTRUMENTS

##### a) Financial assets

The company's financial assets consist of Trade and other receivables, prepayments, cash and cash equivalents. They are recognised initially at fair value and subsequently measured at amortised cost less provisions for impairment as appropriate. These assets arise principally from the staged payment for asset additions, not yet completed. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

##### b) Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less the directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

#### 14. DEFERRED TAX

	2021 £	2020 £
Balance at 1 January	(18,594)	-
Deferred Tax on Loss	(26,419)	(18,594)
Deferred Tax on Assets	8	-
	<u>(45,005)</u>	<u>(18,594)</u>

#### 15. CAPITAL COMMITMENTS

	2021 £	2020 £
Contracted but not provided for in the financial statements	-	31,912

**Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**16. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

At the year end, Mr Vikram Krishna and Mr Achipra Sreedharan Sudhir, who are directors were owed £52,680.16 and £22,105.35 respectively by the company. There are no terms attached to these loans.

**Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**17. FINANCIAL RISK MANAGEMENT**

Financial risk factors

The risk management function within the company is carried out in respect of financial risks which are risks arising from financial instruments to which the company is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then to ensure that exposure to risks stays within these limits.

Risk management is carried out by the directors.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

The company is not materially exposed to foreign exchange risk because all major transactions are denominated in its functional currency, being USD.

(ii) Price risk

The company is not significantly exposed to price risk as it remains within its initial set up stage. The company is not exposed to price risk with respect of financial instruments as it does not hold any equity securities.

(iii) Cash flow and fair value interest rate risk

As the company's interest bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the company's income.

The company's interest rate risk principally arises from long term borrowings. Borrowings issued at variable rates expose the company to cash flow interest risk. The company does not have borrowings at variable rates and therefore has no significant exposure to fair value interest rate risk.

The company's cash flow and fair value interest rate risk is periodically monitored by the company's management. Trade and other receivables and payables are interest free and have settlement dates within one year.

(b) Credit risk

The company is exposed to relatively low credit risk, which is a risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company contracts with high quality suppliers and reputable banks.

(c) Liquidity risk

Liquidity risk is the risk that either assets cannot be traded quickly enough to prevent a loss (market liquidity risk) or that liabilities cannot be met as they fall due (funding liquidity risk).

The nature of the company's future assets (Being forest across the world) means that the market liquidity risk is low. These assets are held for long term conservation and protection with no intention of sale, but if required due to liquidation or any other legal requirement then any sale would be carefully planned for the optimum timetable over a period of time.

Prudent funding liquidity risk management implies maintaining sufficient cash to meet liabilities and the availability of funding from its directors, should the need arise, reduces this.

Capital risk management

## **THE SACRED GROVES C.I.C**

### **Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2021**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may obtain funding from its directors or others, or repay such funding.

The company's liquidity position is monitored on a monthly basis by the Board of Directors.