REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

FOR

THE SACRED GROVES C.I.C.

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

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

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report with the financial statements of the company for the year ended 31 December 2023.

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
Forests cover nearly a third of the Earth's land surface, equivalent to the combined areas of Brazil, Canada, China, and the United States. These 4 billion hectares of forests are not just vast swathes of greenery. They are critical ecosystems, providing habitats for most of the planet's species and livelihoods for nearly one billion people. Healthy forests play a crucial role in mitigating climate change by acting as GHG (greenhouse gases) sinks, absorbing billions of metric tonnes of pollutants annually. However, they are under threat due to deforestation and degradation. New economic models need to emerge that value forests for their ecosystem services.

At Sacred Groves, we are making efforts to come up with new scalable solutions (Conservation Tokens (Sacred Groves Clusters), Conservation Commerce Solutions, Junk to Jungles, etc.) for the democratization of climate actions. Since our incorporation in February 2020 we have protected three forests with the support of Guardians from 29 countries

Here are some of the highlights of 2023:

March
After a successful 28 year long corporate career, Co-Founder Vikram Krishna joined Sacred Groves full time.

April
Audited Financial Results for 2022 filed with Companies House, UK

June
The Sacred Groves was invited by the International Advertising Association to the 'Cannes Lions Festival of Creativity 2023' to present our model as a global example of innovation.

October
Sacred Groves was amongst 37 companies globally selected by Microsoft for the prestigious year-long 'Entrepreneurship for Positive Impact' Accelerator.
Delivered 'Junk to Jungles' with AKI Group - a leading diversified conglomerate in the Middle East.

November
Sacred Groves was featured as a 'Company to Watch' in the prestigious Strategy& PwC 'Net Zero Future50 Middle East' Report.
Signed a strategic MOU with Lumi.Network to launch 'Climate Action Quests' - a unique design thinking led and AI enabled Climate Action program for the youth.

December
The Founders enhanced the company's share capital from £650,000 to £950,000.
Sacred Groves was invited to participate in the inaugural 'Business and Philanthropy Climate Forum' at COP28.
Official Letter received from Environment & Climate Change Canada's Canadian Wildlife Service (CWS) acknowledging that several species at risk listed under Schedule I of the 'Species at Risk Act' have been observed in Sacred Groves Ocean Sanctuary (Nova Scotia, Canada).

As we look forward to 2024, we are inspired by the principles of Intergenerational Equity - it's our responsibility to leave a better world, than the one we received, for the next generation!

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2023 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

15 May 2024

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 2023 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 2023 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.

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.

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
- The Community Interest Company Regulations 2005 and amendment 2009

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. 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

16 May 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
CONTINUING OPERATIONS			
Revenue		**13,525**	35,024
Cost of sales		**(3,407)**	(5,295)
GROSS PROFIT		**10,118**	29,729
Other operating income		**193**	9
Administrative expenses		**(331,577)**	(151,626)
OPERATING LOSS		**(321,266)**	(121,888)
LOSS BEFORE INCOME TAX	4	**(321,266)**	(121,888)
Income tax	5	**-**	(45,005)
LOSS FOR THE YEAR		**(321,266)**	(166,893)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(321,266)**	(166,893)

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Notes	2023 £	2022 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	6	**107,381**	125,010
Property, plant and equipment	7	**135,894**	136,245
		243,275	261,255
CURRENT ASSETS			
Trade and other receivables	8	**5,151**	5,462
Cash and cash equivalents	9	**36,828**	39,888
		41,979	45,350
TOTAL ASSETS		**285,254**	306,605
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	10	**950,000**	650,000
Retained earnings	11	**(680,063)**	(358,797)
TOTAL EQUITY		**269,937**	291,203
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**15,317**	15,402
TOTAL LIABILITIES		**15,317**	15,402
TOTAL EQUITY AND LIABILITIES		**285,254**	306,605

The financial statements were approved by the Board of Directors and authorised for issue on 15 May 2024 and were signed on its behalf by:

Mr Vikram Krishna - Director

Mrs Monisha Krishna - Director

Mr Achipra Sreedharan Sudhir - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2022	400,000	(191,904)	208,096
Changes in equity			
Issue of share capital	250,000	-	250,000
Total comprehensive income	-	(166,893)	(166,893)
Balance at 31 December 2022	650,000	(358,797)	291,203
Changes in equity			
Issue of share capital	300,000	-	300,000
Total comprehensive income	-	(321,266)	(321,266)
Balance at 31 December 2023	950,000	(680,063)	269,937

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**2023**	2022
		£	£
Cash flows from operating activities			
Cash generated from operations	1	**(48,957)**	(29,428)
Net cash from operating activities		**(48,957)**	(29,428)
Cash flows from investing activities			
Purchase of intangible fixed assets		**(22,068)**	(54,823)
Purchase of tangible fixed assets		**-**	(1,412)
Net cash from investing activities		**(22,068)**	(56,235)
Cash flows from financing activities			
Amount introduced by directors		**67,965**	104,960
Net cash from financing activities		**67,965**	104,960
(Decrease)/increase in cash and cash equivalents		**(3,060)**	19,297
Cash and cash equivalents at beginning of year	2	**39,888**	20,591
Cash and cash equivalents at end of year	2	**36,828**	39,888

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023	2022
	£	£
Loss before income tax	(321,266)	(121,888)
Depreciation charges	40,047	35,750
Non-cash expenses	229,791	75,624
	(51,428)	(10,514)
Decrease in trade and other receivables	311	364
Increase/(decrease) in trade and other payables	2,160	(19,278)
Cash generated from operations	**(48,957)**	(29,428)

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 2023

	31.12.23	1.1.23
	£	£
Cash and cash equivalents	36,828	39,888

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	39,888	20,591

3. SUPPLEMENTARY NOTE RELATING TO NON-CASH FINANCING ACTIVITIES

	2023	2022
	£	£
Conversion of debt to equity	300,000	250,000

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 (£) which is the presentation currency for The Sacred Groves C.I.C. and the functional currency of The Sacred Groves C.I.C. 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. 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, 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.

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.

Critical Judgements in Applying the Company's Accounting Policies

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

Revenue recognition
Revenue represents the sale and/or renewal of tenor of a Sacred Grove Clusters (SGC) sold via the technology platform, these being a virtual unit of a natural habitat protected by Sacred Groves.

Revenue is recognised in full at the date and time a purchaser makes a commitment to purchase a SGC as there is no underlying right attributed to the SGCs nor right to repayment during the tenor.

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2. ACCOUNTING POLICIES - continued

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 held at cost and is not depreciated.

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

In the year ended 31 December 2023, there is no corporation tax liability.

Deferred tax has not been recognised in respect of the total unused losses carried forward at 31 December 2023. This is on the basis that the CIC is not currently generating profits to offset the losses against and it is not probable that any offset will occur in the near future.

3. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	**229,167**	75,000

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

	2023	2022
Director	**2**	1

	2023	2022
	£	£
Directors' remuneration	**229,167**	75,000

Information regarding the highest paid director for the year ended 31 December 2023 is as follows:

	2023
	£
Emoluments etc	**125,000**

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4. LOSS BEFORE INCOME TAX

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

	2023 £	2022 £
Depreciation - owned assets	351	467
Patents and licences amortisation	1,898	1,897
Technology Platform amortisation	37,799	33,385
Foreign exchange differences	437	(13)

5. INCOME TAX

Analysis of tax expense

	2023 £	2022 £
Deferred tax	-	45,005
Total tax expense in statement of profit or loss and other comprehensive income	-	45,005

6. INTANGIBLE ASSETS

	Patents and licences £	Technology Platform £	Totals £
COST			
At 1 January 2023	18,978	166,927	185,905
Additions	-	22,068	22,068
At 31 December 2023	18,978	188,995	207,973
AMORTISATION			
At 1 January 2023	4,869	56,026	60,895
Amortisation for year	1,898	37,799	39,697
At 31 December 2023	6,767	93,825	100,592
NET BOOK VALUE			
At 31 December 2023	12,211	95,170	107,381
At 31 December 2022	14,109	110,901	125,010

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7. PROPERTY, PLANT AND EQUIPMENT

	Land Purchased £	Computer equipment £	Totals £
COST			
At 1 January 2023 and 31 December 2023	**134,844**	**2,020**	**136,864**
DEPRECIATION			
At 1 January 2023	**-**	**619**	**619**
Charge for year	**-**	**351**	**351**
At 31 December 2023	**-**	**970**	**970**
NET BOOK VALUE			
At 31 December 2023	**134,844**	**1,050**	**135,894**
At 31 December 2022	134,844	1,401	136,245

8. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Current:		
Other debtors	**5,151**	5,462

9. CASH AND CASH EQUIVALENTS

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

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2023** £	2022 £
950,000	Ordinary	£1	**950,000**	650,000

300,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

Ordinary shares hold full rights regarding voting, distributions and payment of dividends in line with standard CIC restrictions on dividend payments.

11. RESERVES

	Retained earnings £
At 1 January 2023	**(358,797)**
Deficit for the year	**(321,266)**
At 31 December 2023	**(680,063)**

continued...

12. TRADE AND OTHER PAYABLES

	2023 £	2022 £
Current:		
Trade creditors	**1**	532
Accrued expenses	**12,192**	9,501
Directors' current accounts	**3,124**	5,369
	15,317	15,402

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. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the year end, Mr Vikram Krishna and Mr Achipra Sreedharan Sudhir, who are directors were owed £2,418.45 and £706.37 respectively by the company. There are no terms attached to these loans.

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15. 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 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 forests 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 result 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 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.

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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.