

Registered number: 08306319

Oxygen House Group Limited
Annual Report and Audited Financial Statements
For the Year Ended 31 December 2022

Parent Undertaking Consolidated
accounts for Paternoster (Everet)
Limited (Company number 09585219)

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Oxygen House Group Limited

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Oxygen House Group Limited

Company Information

Directors	Mr D B Williamson Mr R B Bedlow Dr M J Dixon Mr G Woodcock
Registered number	08306319
Registered office	Oxygen House Grenadier Road Exeter Business Park Exeter Devon EX1 3LH
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Temple Quay Bristol United Kingdom BS2 0FR

Oxygen House Group Limited

Group Strategic Report For the Year Ended 31 December 2022

The directors present their strategic report on the group for the year ended 31 December 2022.









Fair review of business

Oxygen House Group Limited ("Oxygen House") is the holding company of a portfolio of trading companies and investments. Its principal activity is supporting and scaling the portfolio at speed with the intention of generating long-term positive environmental and social impact alongside financial growth.

The group's activities aim to make the world better by addressing the following urgent goals:

- Achieving a carbon-neutral society, based on megawatts (MWs) of both renewable energies produced, and demand reduction;
- To improve educational outcomes through research-based technologies that empower educators and motivate students;
- To build a legacy of enhanced and sustainable communities and places; and
- To preserve the natural world and grow natural capital.

The group recognises and embraces its role and responsibility, both as an engine for economic growth and employment and as a source of finance, technology, and innovation. The group strives to contribute solutions that substantively address the United Nation Sustainable Development Goals (SDGs) including:

	Climate Action (SDG 13) - Reducing and mitigating CO2 emissions are integral to Oxygen House's commitment to and focus on the global challenge of climate change.
	Quality Education (SDG 4) - Ensuring inclusive and equitable quality education is available to all to ensure lifelong learning opportunities.
	Sustainable cities and communities (SDG 11) - At Oxygen House we promote and support greener lifestyle choices, care for and educate our staff, and work towards creating inclusive, safe, resilient, and sustainable places to live and work.
	Affordable and clean energy (SDG 7) – Oxygen House believes all communities should have access to affordable, reliable, sustainable and modern energy.
	Industry, innovation, and infrastructure (SDG 9) – Oxygen House is building resilient infrastructure, promoting inclusive and sustainable places to work; optimising resources to deliver positive outcomes for now and future generations.
	Good health and wellbeing (SDG 3) - At Oxygen House we believe in looking after our people and ourselves. Understanding the importance of healthy living through exercise, sport and healthy eating is essential.
	Responsible consumption and production (SDG 12) - Everyone at Oxygen House is guided towards sustainable living, making greener choices where possible and striking a balance between hard work, health, and happiness.
	Life on land (SDG 15) – Oxygen House recognises the urgent need to protect, restore and promote the sustainable use of terrestrial ecosystems and waterways. It aims to halt and reverse land degradation and biodiversity loss.

Oxygen House Group Limited

Group Strategic Report (continued) For the Year Ended 31 December 2022

The group's trading assets generate revenue on a long-term basis. The group funds and develops early stage and mature enterprises that meet the group's objectives and its strategy is to hold a portfolio of companies at different stages of development in a range of market sectors. The portfolio is managed to balance impact with risk and financial growth where appropriate to do so, companies in the group decide whether to capitalise research and development expenses and the value of intellectual property on a case-by-case basis, in line with accounting standards.

During the year, the company continued to fund and develop businesses meeting its impact and investment criteria. The Directors reflected on the stark warnings from the UN regarding the climate and biodiversity crises and renewed their commitment to address the twin crises by scaling solutions at speed.

Reviewing the portfolio through that lens, the Directors decided that the built environment projects undertaken by Grenadier Estates did not create sufficient impact soon enough. Accordingly, the decision was made in November 2022 to pivot capital from Grenadier Estates into Oxygen Conservation projects where the directors believe the company can have a more significant impact on the land and energy transitions.

The pivot of capital from Grenadier Estates will be undertaken over the next two years in a controlled and orderly manner. All existing projects will be completed, and commitments met but no new projects will commence. In addition, certain land assets will be sold to raise further capital for conservation.

Key developments in 2022 included the acquisition of 11,926 acres of land across two sites for conservation programmes, regenerative agriculture, building natural capital, biodiversity initiatives and sustainable development. This forms part of the key strategic investment theme of conservation begun in 2021 with the formation of Oxygen Conservation whose objective is to scale conservation and in doing so provide long-term capital appreciation and innovative green revenues. The business provides landscape acquisition and management services and the identification of unique natural capital value. Prioritising positive environmental and social impact, it works in partnership and collaboration with local communities to achieve its mission of scaling conservation by growing natural capital. This results from the need to urgently protect, restore and promote the natural world. In the first eight months of 2023 a further three sites were acquired.

To deliver on the conservation strategy and to ensure a greater impact could be achieved to tackle the climate and biodiversity crisis, the strategic decision was made in November 2022 to transition funding away from Grenadier Estates and into conservation to enable the acquisition of further large-scale sites. As part of this change in strategy, Grenadier Paternoster Ltd was marketed for sale with the sale completing in August 2023. Grenadier is continuing to develop its existing projects, with no new projects planned to commence once these have completed.

A list of the group and company's investments is included in Note 15 of the financial statements. At the 31st December 2022 the carrying value of the group's investments was £19,780,000 (2021: £40,919,000).

The directors review the carrying value of the portfolio during the year. The directors impair the carrying value of certain assets during the year if they do not consider there to be a reasonable likelihood of recovering value in the foreseeable future. The total amount written off investments during the year was £Nil (2021: £461,975).

Section 172(1) statement

The board of directors determines the strategy for the group and makes decisions concerning environmental and social impact objectives, sustainability targets, commercial and financial goals and people related matters. Company boards are responsible for setting and delivering the strategic business plan for the entity, and decision making within the overall framework is set by the group board.

The directors of the group have acted in good faith to promote the success of the group for the benefit of the members, and in doing so have regard (amongst other matters) to the following matters:

(a) The likely consequences of any decision in the long-term

The group strategy is reflected in company business plans and annual budgets, and decisions made by company boards are made within the scope of these plans. In addition, the board of directors of Oxygen House has considered the consequences of decisions in the context of the long-term strategy to deliver environmental and strategic impact alongside financial growth.

Oxygen House Group Limited

Group Strategic Report (continued) For the Year Ended 31 December 2022

Decisions made by the group and company boards take the impact of principal decisions on key stakeholders into consideration. They consider the interests of, and impact on, their stakeholders in decision making and are committed to having a positive impact on society and the environment.

(b) The interests of the group's employees

The group considers the interests of employees in all major decisions. Senior HR managers are involved in all major decisions and employee welfare is a priority for the group.

During the financial year the directors have taken steps to:

- i. Provide employees with information on matters of concern to them as employees;
- ii. Consult employees or their representatives on a regular basis so that the views of employees can be considered in making decisions which are likely to affect their interests; and
- iii. Achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the group.

The directors have engaged with employees regularly throughout the year with a variety of measures including company meetings, events, email newsletters, employee engagement surveys and social media updates.

Oxygen House believes in caring for our people and ourselves, appreciating the importance of making greener lifestyle choices where possible.

(c) The need to foster the group's business relationships with suppliers, customers, and stakeholders

The group places importance on good relationships with suppliers, customers, and other stakeholders. The group supports the local community in all sourcing and purchasing decisions by working with local suppliers that share our sustainability ethos and values. The group meets with key suppliers, customers, and others regularly to discuss ongoing work, progress, and the relationship as a whole. Through this engagement the group promotes its impact and sustainability goals and encourages a similar approach from key stakeholders.

(d) The impact of the group's operations on the community and the environment

The group is committed to having a positive impact on society and the environment and its business model and operations are designed to achieve this. The group promotes sustainability, for example growing its own food for use in the staff restaurant, and aims to achieve a positive impact on local communities and the environment. The group has made a significant contribution to local communities on a not-for-profit basis such as the development of a new sustainable water sports centre in Exmouth.

Two of the group's companies, Oxygen House Limited and Low Carbon Limited, are Certified B Corporations and are legally required to consider the impact of their decisions on their workers, customers, suppliers, community and the environment. During 2023 other group companies have started the process of certifying as B Corporations with the aim of all companies in the group being certified.

(e) The desirability of the group maintaining a reputation for high standards of business conduct

The group promotes high standards of business conduct and ethics and emphasizes good business practice. This is supported by a commitment to good governance and is demonstrated by regular board meetings across the group including the directors and legal and finance specialists.

(f) The need to act fairly as between members of the group

The board has adopted best practice governance incorporating the principle of fairness, accountability and transparency between members. At board meetings and committee meetings the impact of decisions for all members is considered.

During the year, a staged and controlled relaxation of COVID-19 safe working practices was undertaken, with all but normal working conditions returned by December 2022.

Oxygen House Group Limited

Group Strategic Report (continued) For the Year Ended 31 December 2022

Results

The group has prepared consolidated financial statements for the year ended 31 December 2022. The loss for the year after taxation was £19,432,000 (2021: Profit £47,660,000). The loss, whilst significant, was generally anticipated as part of the long-term investment and impact strategy.

Total accumulated losses are £68,042,000 (2021: £53,633,000). The Consolidated Statement of Changes in Equity includes the reconciliation between opening and closing Accumulated losses for the year.

Financial and other key performance indicators

The directors consider the financial and non-financial key performance indicators of the group to be:

- Funds deployed during the year from new capital raised and capital returned from the portfolio; and
- Renewable energy production.
- Land acquired for conservation in acres;
- Active Learners using impactful educational products; and
- Average EPC score of buildings developed and sold.

	2022 £	2021 £
Total funds deployed during the year:		
• To increase carbon neutral energy use	-	-
• To improve educational outcomes	3,500,000	3,043,989
• To enhance communities and places	2,969,932	6,192,258
• To conserve the natural world	24,015,705	287,363
	30,485,637	9,523,610
Renewable energy production (megawatt hours)	103,126	99,834
Land acquired for commercial conservation (acres)	11,948	-
Active Learners (Maths products)	1,800,000	1,800,000
Average EPC score for sold properties	91	84

During the year production from the group assets amounted to 0.8% of total UK solar generation in 2022, enough clean energy to power an estimated 39,376 homes. The group continued to have significant funds invested in renewable energy development and generation however no new capital was deployed from Oxygen House Group Limited following significant investment from Mass Mutual into Low Carbon Limited.

During the year refurbished property conversions were sold with an average Energy Performance Certificate score of 91. This score meets and exceeds the Balanced Net Zero Pathway for buildings set by the Climate Change Committee in the UK 6th Carbon Budget.

Oxygen House Group Limited

Group Strategic Report (continued) For the Year Ended 31 December 2022

Principal risks and uncertainties

The directors consider the group's key exposures to risks and uncertainties to be as follows:

Uncertainty owing to the war in Ukraine

The Russia-Ukraine conflict continues without an end in sight. The group is exposed to the economic ramifications of the war in increases to energy prices, fluctuations in foreign exchange rates and interest rate rises. The directors have considered the risks to supply chains and revenue streams and at this stage no material risks have been identified.

Operational Risks

Given the change in strategy to concentrate capital into Oxygen Conservation projects the principal risk to the Company's operations is the credibility of the voluntary natural capital markets and corresponding impact on return profiles. The negative outlook for the UK housing market combined with persistent inflation and high interest rates is also a risk to withdrawing capital from Grenadier Estates for deployment into Conservation.

Climate change risk

The directors agree with the statement made by the Secretary-General of the UN Security Council that climate change is here, and we have entered the Era of Boiling. But we can stop the worst.

The directors assess climate change risk on a continuous and extensive basis across the operations of the group and strive to minimise the group's own impact on climate change, to maximise opportunities for decarbonisation and to influence others.

The directors evaluate the following risks on a regular basis:

- The risk that the group's activities have an adverse impact on its relationships with shareholders, financing partners, customers, suppliers, employees and other stakeholders;
- The risk that the group is exposed to the effects of climate related legislation or regulation;
- The risk that the group's ability to operate is adversely impacted by the effects of climate change such as extreme weather events;
- The risk that the group's financial performance will be adversely impacted by climate change and adjustments or additional disclosures are required in the financial statements; and
- The risk that the group's activities are disadvantaged due to inadequate consideration of climate change compared with competitors and counterparties.

Government risk

The regulatory environment is evolving, and changes therein may adversely affect the group. The group focuses its investments in the UK where there is a stable political environment.

Laws and regulations Risk

The group and its investments are subject to laws and regulations enacted by national, regional and local governments and institutions.

Certain of the sectors in which the group's investments operate are subject to legal and regulatory controls, and the investee companies must comply with all applicable laws, regulations and regulatory standards which, inter alia, require them to obtain and maintain certain authorisations, licences and approvals for their operations.

Oxygen House Group Limited

Group Strategic Report (continued)
For the Year Ended 31 December 2022

Credit Risk


The group's primary credit risk is the non payment of loans and interest owed by its investee companies. The group manages this risk through appropriate due diligence at the investment stage and appropriate governance and monitoring of its investments. The group's portfolio of investments includes a wide range of market sectors and assets at different stages of development.

Liquidity Risk

The primary liquidity risk for the group is the risk of a reduction or withdrawal of investor support. The directors have confirmed that the principal shareholder will provide financial support to the company and group for at least 12 months from the date of approval of these financial statements and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

In addition, certain of the group's operational assets have access to funding at competitive rates through banks and financial institutions.

This report was approved by the board and signed on its behalf.


David Williamson (Sep 25, 2023 14:53 GMT+1)

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Mr D B Williamson

Director

Date: 25/09/23

Oxygen House Group Limited

Directors' Report For the Year Ended 31 December 2022

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2022.

Directors

The directors who served during the year were:

Mr D B Williamson
Mr R B Bedlow
Dr M J Dixon
Mr G Woodcock

Principal activities

Oxygen House Group Limited's principal activity is investing in a portfolio of trading companies with the intention of generating long term sustainable environmental and positive social impact alongside financial growth. Its primary purpose is to increase carbon neutral energy use with investment in the production, supply and use of sustainable energy sources; to improve educational outcomes through research-based technologies that empower educators and motivate students; and to build a legacy of enhanced and sustainable communities and places.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £14,663,000 (2021 - profit £29,224,000).

No dividends were paid during the year (2021: £Nil).

Principal risks and uncertainties

Refer to Principal and Financial risks and uncertainties within the strategic report for detailed comments.

Future developments

The activities of the company are expected to continue for the foreseeable future.

Going concern

The directors believe that the company is well placed to manage its business risks successfully. The directors have confirmation of funding for the group from the ultimate owner for a period of at least 12 months from the date of approval of the financial statements and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The directors have considered the impact of the COVID-19 pandemic on the business and have included commentary in the principal risks and uncertainties section of the strategic report. The directors have also considered the uncertainty in relation to the war in Ukraine in the Strategic report.

Engagement with employees

Refer to the s172 statement within the strategic report for detailed comments on engagement with employees.

Oxygen House Group Limited

Directors' Report (continued)
For the Year Ended 31 December 2022

Disabled employees

The Group is an equal opportunities employer and seeks to ensure that every applicant and employee is treated equally and fairly. Our policies and procedures fully support our disabled colleagues and we take active measures such as making adjustments and encouraging additional training and development. The Group is responsive to the needs of its employees and as such, should any employee of the Group become disabled during their employment, the policy is to support the employee by making adjustments and to their working environment and retraining if required. It is the policy of the Group that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Qualifying third party indemnity provisions

The directors of the group are indemnified under a directors and officers liability insurance policy for losses or advancement of defence costs as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers of the company. The indemnity was in force during the financial year and at the date of approval of these financial statements.

Oxygen House Group Limited

Directors' Report (continued) For the Year Ended 31 December 2022

Greenhouse gas emissions, energy consumption and energy efficiency action

The energy and carbon report for the group for the year ended 31 December 2022 is set out below.

Energy consumption and related carbon emissions				2022			2021		
Energy consumption				Other	100% Renewable	Total	Other	100% Renewable	Total
Gas	kWh			16,537	-	16,537	11,687	-	11,687
Electricity	kWh			19,662	2,125,204	2,144,866	25,191	1,774,805	1,799,996
Business travel/road	Miles			315,943	-	315,943	225,647	-	225,647
Carbon emissions				Other	100% Renewable	Total	Other	100% Renewable	Total
Scope 1	Gas	CO2e		3,019	-	3,019	2,141	-	2,141
Scope 2	Electricity	CO2e		4,158	-	4,158	5,349	-	5,349
Scope 3	Business travel/road	CO2e		77,230	-	77,230	60,919	-	60,919
Total emissions				84,407	-	84,407	68,408	-	68,408
Total emissions intensity				CO2e/average headcount (tons)		0.49			0.26
On-site generation % of total electricity consumed				Percentage		24%			4%

Methodologies used

The Greenhouse Gas ("GHG") protocol, UK Government environmental reporting guidelines, and UK Government emission factors have been used throughout this report.

Commitment to energy efficiency

The group contributes to solutions to achieve a carbon-neutral society and the group's strategy in this regard is set out in more detail in the strategic report.

The group is committed to reducing its own energy consumption as much as possible as quickly as possible. In certain circumstances where this is not possible the group uses carbon offsetting.

On site solar PV energy generation provides electricity for the group's own use and all purchased electricity is 100% renewable. The group's principal office building is certified as excellent by BREEAM. Air source heat pumps provide energy for all heating and cooling. A solar thermal system on the roof of the building and the air source heat pumps provide hot water. A building management system allows enhanced control of energy usage and the sharing of energy usage data with staff.

Other energy saving measures in use across the group include motion sensor lighting, LED lighting and the use of energy saving assets. Energy efficiency is considered in all asset purchases. GHG emissions are reduced by encouraging green travel, the provision of electric bikes for travel to meetings, an electric-only salary sacrifice car scheme and increasing plant based options in the staff restaurant.

Oxygen House Group Limited

**Directors' Report (continued)
For the Year Ended 31 December 2022**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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


Events since the end of the year

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Sep 25, 2023 and signed on its behalf.


David Williamson, Sep 25, 2023 14:53 GMT+11

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Mr D B Williamson
Director

Oxygen House Group Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2022

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Oxygen House Group Limited

Independent Auditors' Report to the Members of Oxygen House Group Limited

Independent auditors' report to the members of Oxygen House Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Oxygen House Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Consolidated Balance Sheet and Company Balance Sheet as at 31 December 2022; the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Oxygen House Group Limited

Independent Auditors' Report to the Members of Oxygen House Group Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulating the Company's performance profit measures and other key performance indicators to meet targets and expectations. Audit procedures performed by the engagement team included:

Oxygen House Group Limited

Independent Auditors' Report to the Members of Oxygen House Group Limited

- Reviewing board minutes and inquiring with management to understand how the business complies with the legal and regulatory frameworks applicable to the Group and Company, including UK tax legislation;
- Obtaining the Company's assessment of the key fraud risks and the controls and procedures that are in operation to prevent and detect fraud;
- *Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations; and*
- Testing management bias in estimates through review of underlying data and assumptions used to calculate the estimate.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Colin Bates (Senior statutory auditor)

for and on behalf of PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Bristol

Date: 25.09.2023

Oxygen House Group Limited

**Consolidated Profit and Loss Account
For the Year Ended 31 December 2022**

	Note	2022 £000	2021 £000
Turnover	4	28,570	29,941
		28,570	29,941
Change in stock of finished goods and in work in progress		(5,393)	(6,072)
Other operating income	5	5,334	80,945
Staff costs	8	(12,341)	(19,793)
Depreciation and amortisation		(6,621)	(7,462)
Other operating expenses		(9,378)	(20,602)
Fair value movements		(1,352)	(1,000)
Operating (loss)/profit	6	(1,181)	55,957
Share of loss from associates and joint ventures	15	(16,124)	(5,449)
Total operating (loss)/profit		(17,305)	50,508
Interest receivable and similar income	10	623	428
Interest payable and similar expenses	11	(3,631)	(3,780)
(Loss)/profit before tax		(20,313)	47,156
Tax on (loss)/profit	12	881	504
(Loss)/profit for the financial year		(19,432)	47,660
(Loss)/profit for the year attributable to:			
Non-controlling interests		(4,769)	18,436
Owners of the parent		(14,663)	29,224
		(19,432)	47,660

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

The notes on pages 26 to 62 form part of these financial statements.

Oxygen House Group Limited

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2022**

	2022	2021
	£000	£000
(Loss)/profit for the financial year	(19,432)	47,660
	<hr/>	<hr/>
Total comprehensive (expense)/income for the year	(19,432)	47,660
	<hr/>	<hr/>
(Loss)/profit for the year attributable to:		
Non-controlling interest	(4,769)	18,436
Owners of the parent Company	(14,663)	29,224
	<hr/>	<hr/>
	(19,432)	47,660
	<hr/>	<hr/>

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

The notes on pages 26 to 62 form part of these financial statements.

Oxygen House Group Limited
Registered number:08306319


Consolidated Balance Sheet
As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	13	4,842	5,540
Tangible assets	14	97,768	86,047
Investments	15	19,780	40,919
Investment property	16	11,662	6,212
		<u>134,052</u>	<u>138,718</u>
Current assets			
Stocks	17	10,021	12,656
Debtors: amounts falling due within one year	18	15,863	8,709
Cash at bank and in hand	19	19,737	44,883
		<u>45,621</u>	<u>66,248</u>
Creditors: amounts falling due within one year	20	(18,640)	(18,200)
Net current assets		<u>26,981</u>	<u>48,048</u>
Total assets less current liabilities		<u>161,033</u>	<u>186,766</u>
Creditors: amounts falling due after more than one year	21	(70,233)	(78,543)
Provisions for liabilities			
Deferred taxation	23	(1,784)	(1,746)
Other provisions	24	(3,022)	(5,227)
		<u>(4,806)</u>	<u>(6,973)</u>
Net assets		<u>85,994</u>	<u>101,250</u>
Net assets		<u>85,994</u>	<u>101,250</u>
Capital and reserves			
Called up share capital	25	1,317	1,299
Share premium account		133,816	131,389
Merger reserve		8,000	8,000
Profit and loss account		(68,042)	(53,633)
Equity attributable to owners of the parent Company		<u>75,091</u>	<u>87,055</u>
Non-controlling interests		10,903	14,195
Total equity		<u>85,994</u>	<u>101,250</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
25 Sept 2023.

Oxygen House Group Limited
Registered number:08306319

Consolidated Balance Sheet (continued)
As at 31 December 2022


David Williamson 15 Sep 25 17:27:14.93 GMT+1

.....
Mr D B Williamson
Director

The notes on pages 26 to 62 form part of these financial statements.


Oxygen House Group Limited
Registered number:08306319

Company Balance Sheet
As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	15	87,301	84,868
		<u>87,301</u>	<u>84,868</u>
Current assets			
Debtors: amounts falling due within one year	18	49,475	40,042
Cash at bank and in hand	19	3,859	27,371
		<u>53,334</u>	<u>67,413</u>
Creditors: amounts falling due within one year	20	(3,077)	(445)
Net current assets		<u>50,257</u>	<u>66,968</u>
Total assets less current liabilities		<u>137,558</u>	<u>151,836</u>
Creditors: amounts falling due after more than one year	21	(4,078)	(3,698)
Net assets		<u>133,480</u>	<u>148,138</u>
Capital and reserves			
Called up share capital	25	1,317	1,299
Share premium account	25	133,816	131,389
Merger reserve		10,108	10,108
Profit and loss account brought forward		5,342	7,085
Loss for the year		(17,103)	(1,743)
Profit and loss account carried forward		(11,761)	5,342
Total equity		<u>133,480</u>	<u>148,138</u>

The company loss for the year, available for discretionary division among members, was £17,103,160 (2021: Loss £1,743,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

25 Sept 2023

David Williamson Sep 25 2023 14:53 GMT+1

Mr D B Williamson
Director

The notes on pages 26 to 62 form part of these financial statements.

Oxygen House Group Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022

	Called up share capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2022	1,299	131,389	8,000	(53,633)	87,055	14,195	101,250
Comprehensive expense for the year							
Loss for the year	-	-	-	(14,663)	(14,663)	(4,769)	(19,432)
Fair value adjustments	-	-	-	176	176	-	176
Dividends: Equity capital	-	-	-	-	-	(3,873)	(3,873)
Shares issued during the year	18	2,427	-	-	2,445	-	2,445
Other transactions	-	-	-	78	78	-	78
Other transactions with non-controlling interests	-	-	-	-	-	5,350	5,350
Total transactions with owners	18	2,427	-	78	2,523	1,477	4,000
At 31 December 2022	1,317	133,816	8,000	(68,042)	75,091	10,903	85,994

The notes on pages 26 to 62 form part of these financial statements.

Oxygen House Group Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

	Called up share capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2021	1,245	124,110	8,000	(84,353)	49,002	(4,641)	44,361
Comprehensive income for the year							
Profit for the year	-	-	-	29,224	29,224	18,436	47,660
Total comprehensive income for the year	-	-	-	29,224	29,224	18,436	47,660
Contributions by and distributions to owners							
Dividends: Equity capital	-	-	-	-	-	(506)	(506)
Shares issued during the year	54	7,279	-	-	7,333	-	7,333
Other transactions	-	-	-	1,236	1,236	-	1,236
Other transactions with non-controlling interests	-	-	-	260	260	906	1,166
Total transactions with owners	54	7,279	-	1,496	8,829	400	9,229
At 31 December 2021	1,299	131,389	8,000	(53,633)	87,055	14,195	101,250

The notes on pages 26 to 62 form part of these financial statements.

Oxygen House Group Limited

Company Statement of Changes in Equity
For the Year Ended 31 December 2022

At 1 January 2021	Called up share capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Total equity £000
	1,245	124,110	10,108	7,085	142,548
Comprehensive expense for the year					
Loss for the year	-	-	-	(1,743)	(1,743)
Shares issued during the year	54	7,279	-	-	7,333
Total transactions with owners	54	7,279	-	-	7,333
At 31 December 2021	1,299	131,389	10,108	5,342	148,138
Comprehensive expense for the year					
Loss for the year	-	-	-	(17,103)	(17,103)
Shares issued during the year	18	2,427	-	-	2,445
Total transactions with owners	18	2,427	-	-	2,445
At 31 December 2022	1,317	133,816	10,108	(11,761)	133,480

The notes on pages 26 to 62 form part of these financial statements.

Oxygen House Group Limited

**Consolidated Statement of Cash Flows
For the Year Ended 31 December 2022**

	2022	2021
	£000	£000
Cash flows from operating activities		
Operating profit/(loss) excluding fair value movements	171	55,565
Adjustments for:		
Amortisation of intangible assets	896	934
Depreciation of tangible assets	5,721	6,528
Reversal of impairment of fixed assets	-	(931)
Loss on disposal of tangible assets	215	208
Decrease in stocks	2,635	6,332
(Increase) in debtors	(7,154)	(292)
(Decrease) in creditors	(494)	(7,286)
Increase in provisions	-	6
Corporation tax received	821	779
Employment - long term benefit	-	500
Share option charge to P&L	78	189
Gain on loss of control of subsidiary	(5,081)	(58,104)
Other non cash movements	-	80
Net cash generated from/(used in) operating activities	(2,192)	4,508
Cash flows from investing activities		
Purchase of intangible fixed assets	(198)	(1,889)
Purchase of tangible fixed assets	(24,264)	(3,823)
Sale of tangible fixed assets	19	80
Sale of unlisted and other investments	-	3,146
Purchase of trade investments	(283)	(1,355)
Interest received	623	1
Dividends received	-	317
Net cash (used in)/generated from investing activities	(24,103)	(3,523)
Cash flows from financing activities		
Issue of ordinary shares	2,795	7,639
Repayment of loans from related undertakings	4,644	-
Repayment of loans	(4,654)	(7,779)
Shares treated as debt - issued	5,380	575
New loans from group companies	-	18,632
Interest paid	(3,155)	(1,438)
Dividends paid to non-controlling interests	(3,861)	(506)
Net cash generated from financing activities	1,149	17,123

Oxygen House Group Limited

Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 December 2022

	2022	2021
	£000	£000
Net (decrease)/increase in cash and cash equivalents	(25,146)	18,108
Cash and cash equivalents at beginning of year	44,883	26,775
Cash and cash equivalents at the end of year	19,737	44,883
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	19,737	44,883
	19,737	44,883

The notes on pages 26 to 62 form part of these financial statements.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. General information

The company is a private company limited by share capital, incorporated in the United Kingdom.

The address of its registered office and principal place of business is:

Oxygen House
Grenadier Road
Exeter Business Park
Exeter
Devon
EX1 3LH

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.2 Basis of consolidation

The group financial statements consolidate the financial statements of Oxygen House Group Limited and all its subsidiary undertakings drawn up to 31 December each year. The consolidated financial statements incorporate the financial statements of the group and all group undertakings, together with the groups share of the net assets and results of associated undertakings.

The individual financial statements of the subsidiary undertakings can be obtained from Companies House.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.3 Going concern

The directors believe that the company is well placed to manage its business risks successfully. The directors have confirmation of funding for the group from the ultimate owner for a period of at least 12 months from the date of approval of the financial statements and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

The directors have considered the uncertainty in relation to the ongoing war in Ukraine. The Group is exposed to the economic ramifications of the war in increases to energy prices, fluctuations in foreign exchange rates and interest rate rises. The directors have considered the risks to supply chains and revenue streams and at this stage no material risks have been identified.

The directors have recognised that the prevailing economic environment has been marked by a significant increase in inflation rates and a pronounced cost of living crisis. This situation has led to rising operational costs, fluctuations in pricing, and potential challenges in sustaining demand in some markets. The directors have evaluated the potential implications of these economic conditions on the company's financial position and operational viability and no material risks have been identified.

The directors have also considered the impact of the COVID-19 pandemic on the business and at this stage do not anticipate there to be a significant impact on the long-term activities of the group.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Oxygen House Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.5 Revenue recognition

Revenue of the group is recognised as follows:

Revenue from asset management, investment management and investment advisory services is measured at the fair value of consideration received or receivable, and includes estimates of amounts contractually due, but not yet invoiced.

Revenue from developer fees is recognised in relation to the underlying contract with the customer. This generally will result in revenue being recognised at the completion of significant development milestones. Any uninvoiced revenue is accrued in the period in which it has been generated.

Revenue from energy generation is measured as a fair value of the consideration received and receivable. The fair value of the consideration excludes trade discounts, volume rebates and other sales taxes. Revenue is recognised when persuasive evidence of an arrangement exists, electricity has been generated and transmitted to the grid, the price of electricity is fixed or determinable and the recoverability of the resulting receivable is reasonably assured. Any uninvoiced income is accrued in the period in which it has been generated.

Revenue from commercial property rentals is recognised in the period in which the services are provided and related expenditure is incurred, including the recognition of rent free periods.

Revenue from the sale of property stock is recognised when ownership of the stock is transferred to the buyer.

Revenue from educational software subscriptions and consultancy fees are recognised in the period in which the services are provided and the related expenditure incurred.

All revenues are stated net of value added tax.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.6 Changes in stocks of finished goods and work in progress

Changes in stocks of finished goods and work in progress relates to property stock and is recognised in the Profit and Loss Account when stock is transferred to the buyer.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Profit and Loss Account in the same period as the related expenditure.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Profit and Loss Account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years
Goodwill	-	10	years
Trademarks	-	10	years
Computer Software	-	4	years

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.17 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as stated below.

Depreciation is provided on the following basis:

Land and buildings	-	2% Straight line
Building improvements	-	10% Straight line
Long-term leasehold property	-	6% Straight line
Other fixed assets	-	25% Straight line
Solar PV assets	-	4% Straight line
Inverters	-	6% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.18 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.19 Investment property

Investment property is carried at fair value determined by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Profit and Loss Account.

2.20 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.21 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Profit and Loss Account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.22 Stocks and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of the fixed and variable overheads according to the stage of completion.

2.23 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.24 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.25 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.26 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.27 Provisions for liabilities

Decommissioning provision

Liabilities for decommissioning costs are recognised when the Group has an obligation to dismantle and remove the Solar PV equipment and to restore the land on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements. A corresponding tangible item of property, plant and equipment equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure is added to or deducted from the cost of the assets to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

2.28 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.28 Financial instruments (continued)

net basis or to realise the asset and settle the liability simultaneously.

2.29 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting policies and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. These relate to:

Deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. The directors determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Decommissioning provision

The group has recognised a provision for decommissioning obligations associated with its solar parks. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of these costs.

Revenue relating to the accrued income for ROCS

The number of Renewable Obligation Certificates ("ROCS") are calculated each month based on the net number of mega-watts of power exported. The ROC price is fixed for each Compliance Period ("CP") which runs from 1 April to 31 March and is published in advance by Ofgem. The ROC recycle price is subject to market forces and is not published by Ofgem until September following the accounting year end. Management have adopted the policy of recognising ROC Recycle revenue once on an annual basis, at a time when the price can be reliably estimated (typically when there is public information on the key drivers of the price, including ROC's supplied and energy demand). For the year ended 31 December 2022, no ROC recycle revenue has been accrued in respect of ROC's generated for CP21 (April 2022 to 31 December 2022) as management has determined that this cannot be reliably measured given that the ROC recycle price is published post September the year after. This revenue (if any) will be recognised in the following accounting year when the price is confirmed. Had we accrued estimated ROC recycle, the value recognised in 2022 for the period April 2022 to December 2022 would have been £614,079.

Oxygen House Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

3. Judgements in applying accounting policies (continued)

Carrying value of investments and loans

Oxygen House Group Limited recognises its investments and loans as assets in the consolidated balance sheet. The directors perform a review of the carrying value of investments and loans each year and in performing this review they consider the assumptions and estimates that are made by the management teams with respect to the financial and operating performance and outlook for each business such as the potential impact of actual or expected changes in customers, markets and operations and the key risks for the business.

Carrying value of property work in progress and cost apportionment

Development property work-in-progress is carried at cost however impairment risks are considered. These include an assessment of the expected financial return of the project incorporating factors such as the local property market outlook and costs of construction. When an individual property is sold, the costs transferred to the Profit and Loss Account are calculated based on the percentage floor space the property holds on the total development site, plus any specific direct costs.

Valuation of investment property

Investment property is recognised at fair value as determined by the directors taking into account external valuations, market data and underlying market conditions. A key assumption included in the assessment of market value is the investment yield.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Electricity sales	17,475	15,859
Developer fees	-	3,077
Asset management & management fees	245	1,741
Rental income & service charges	2,415	1,286
Consultancy	531	186
Property stock	4,590	4,943
Educational software sales	2,962	2,498
Conservation management fees	212	-
Other	140	351
	28,570	29,941

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	28,421	28,424
Rest of Europe	-	1,398
Rest of the world	149	119
	28,570	29,941

5. Other operating income

	2022 £000	2021 £000
Other operating income	-	13
Government grants receivable	27	31
Insurance claims receivable	226	-
Gain on loss of control of subsidiary	5,081	21,405
Gain on sale of investments	-	58,104
Reversal of impairment of fixed asset investments	-	1,392
	5,334	80,945

Further details regarding the gain on sale of investment are included in note 15.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

6. Operating (loss)/profit

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

	2022 £000	2021 £000
Research & development charged as an expense	3,116	10,506
Property stock costs expensed in year	4,266	6,072
Depreciation	5,720	6,528
Amortisation	896	934
Consultancy fees	780	2,679

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2022 £000	2021 £000
Fees payable to the Group's auditors for the audit of the consolidated and individual financial statements	71	67
	<u>71</u>	<u>67</u>
Fees payable to the Group's auditors for the audit of the subsidiary financial statements	220	186
Fees payable to the Group's auditors for other services	7	35
	<u>227</u>	<u>221</u>

8. Staff costs

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	10,549	17,033	-	-
Social security costs	1,199	1,890	-	-
Other pension costs	593	870	-	-
	<u>12,341</u>	<u>19,793</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, in the group during the year was as follows:

	2022 No.	2021 No.
Employees	<u>170</u>	<u>234</u>

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

9. Directors' remuneration

For the current and prior year, the directors were employed by, and received all emoluments from other Oxygen House Group Limited undertakings.

	2022	2021
	£000	£000
Directors' emoluments	447	899
	447	899

The highest paid director received remuneration of £212 thousand (2021 - £688 thousand)).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

During the year NIL directors received shares under the long-term incentive schemes (2021 -NIL)

10. Interest receivable and similar income

	2022	2021
	£000	£000
Interest receivable from joint ventures	615	254
Interest receivable from associates	-	69
Interest receivable from debt factoring	-	90
Bank & other interest receivable	8	15
	623	428

11. Interest payable and similar expenses

	2022	2021
	£000	£000
Bank interest payable	3,251	3,542
Other loan interest payable	113	153
Other interest payable	267	85
	3,631	3,780

Oxygen House Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

12. Tax on (loss)/profit

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	936	498
Adjustments in respect of previous periods	(925)	(831)
	11	(333)
 Group taxation relief	 (931)	 (395)
	(920)	(728)
 Total current tax	 (920)	 (728)
Deferred tax		
Origination and reversal of timing differences	(57)	(411)
Changes to tax rates	96	635
 Total deferred tax	 39	 224
 Total tax credit for the year	 (881)	 (504)

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

12. Tax on (loss)/profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £000	2021 £000
(Loss)/profit before tax	(20,313)	47,156
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(3,859)	8,960
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,802	3,892
Fixed asset differences	119	138
Adjustments to tax charge in respect of prior periods	(925)	(831)
Unrecognised deferred tax	2,286	3,893
Non-taxable income	(5,538)	(16,499)
Other differences leading to an increase (decrease) in the tax charge	(766)	(57)
Total tax credit for the year	(881)	(504)

Factors that may affect future tax charges

The Finance Act 2021, which received Royal Assent on 10 June 2021, increased the corporation tax rate from 19% to 25% from 1 April 2023. Where deferred tax assets and liabilities are expected to unwind after 1 April 2023, they have been revalued to reflect the rate of change.

Oxygen House Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

13. Intangible assets

Group

	Goodwill £000	Computer software £000	Other intangibles £000	Total £000
Cost				
At 1 January 2022	7,755	276	586	8,617
Additions	-	111	87	198
Disposals	-	(86)	-	(86)
At 31 December 2022	<u>7,755</u>	<u>301</u>	<u>673</u>	<u>8,729</u>
Accumulated amortisation				
At 1 January 2022	2,666	122	289	3,077
Charge for year	735	60	101	896
Eliminated on disposal	-	(86)	-	(86)
At 31 December 2022	<u>3,401</u>	<u>96</u>	<u>390</u>	<u>3,887</u>
Net book value				
At 31 December 2022	<u>4,354</u>	<u>205</u>	<u>283</u>	<u>4,842</u>
At 31 December 2021	<u>5,089</u>	<u>154</u>	<u>297</u>	<u>5,540</u>

Oxygen House Group Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

14. Tangible assets

Group

	Land and Buildings £000	Building improve - ments £000	Long- term leasehold property £000	Solar PV assets £000	Inverters £000	Other fixed assets £000	Total £000
Cost or valuation							
At 1 January 2022	1,695	281	3,000	117,868	7,753	2,004	132,601
Additions	20,329	51	-	1	-	455	20,836
On disposals	-	-	-	(15)	-	(672)	(687)
Transfers between classes	-	-	(3,000)	-	-	-	(3,000)
Change in decommissioning estimate	-	-	-	(554)	-	-	(554)
At 31 December 2022	<u>22,024</u>	<u>332</u>	<u>-</u>	<u>117,300</u>	<u>7,753</u>	<u>1,787</u>	<u>149,196</u>
Accumulated depreciation							
At 1 January 2022	12	59	176	40,591	4,190	1,526	46,554
Charge for year	4	28	-	4,951	518	219	5,720
On disposals	-	-	-	(7)	-	(663)	(670)
Transfers between classes	-	-	(176)	-	-	-	(176)
At 31 December 2022	<u>16</u>	<u>87</u>	<u>-</u>	<u>45,535</u>	<u>4,708</u>	<u>1,082</u>	<u>51,428</u>
Net book value							
At 31 December 2022	<u>22,008</u>	<u>245</u>	<u>-</u>	<u>71,765</u>	<u>3,045</u>	<u>705</u>	<u>97,768</u>
At 31 December 2021	<u>1,683</u>	<u>222</u>	<u>2,824</u>	<u>77,277</u>	<u>3,563</u>	<u>478</u>	<u>86,047</u>

Oxygen House Group Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

15. Investments

Group

	Unlisted investments £000	Convertible loan notes £000	Investments in associated undertaking £000	Investment in joint ventures - Ordinary shares £000	Total £000
Cost or valuation					
At 1 January 2022	5,657	110	2,639	38,537	46,943
Additions	283	-	-	-	283
Disposals	-	-	(11)	(5,288)	(5,299)
Share of profit/(loss)	-	-	147	(16,271)	(16,124)
At 31 December 2022	5,940	110	2,775	16,978	25,803
Impairment					
At 1 January 2022	3,757	110	2,156	-	6,023
At 31 December 2022	3,757	110	2,156	-	6,023
Net book value					
At 31 December 2022	2,183	-	619	16,978	19,780
At 31 December 2021	1,900	-	482	38,537	40,919

Oxygen House Group Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

15. Investments (continued)

Company

	Investments in subsidiary companies £000	Investments in associates £000	Unlisted investments £000	Total £000
Cost or valuation				
At 1 January 2022	85,622	258	5,657	91,537
Additions	3,150	-	283	3,433
At 31 December 2022	88,772	258	5,940	94,970
Impairment				
At 1 January 2022	2,912	-	3,757	6,669
Charge for the period	1,000	-	-	1,000
At 31 December 2022	3,912	-	3,757	7,669
Net book value				
At 31 December 2022	84,860	258	2,183	87,301
At 31 December 2021	82,710	258	1,900	84,868

During the year Oxygen House Group Limited made additional investment of £3,150,000 (2021: £2,739,590) to Sparx Limited, a 90% owned subsidiary.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

15. Investments (continued)

As outlined in the strategic report Low Carbon formed a strategic Partnership with MassMutual Holding LLC (MassMutual) during the prior year to build a leading global renewable energy Independent Power Producer.

On 8th November 2021 Low Carbon Limited, a subsidiary of Low Carbon Group Limited (which in turn is a subsidiary of Oxygen House Group Limited), allotted 833,000 Ordinary £0.00001 Shares to MassMutual equal to 25% of the issued capital of the company for total consideration of £100,000,000. MassMutual were also granted an option to purchase an additional 24% of the issued capital of the company for a notional amount, increasing the total holding to 49%. This option was exercised on 14th February 2022.

The substance of the strategic partnership has resulted in Low Carbon Limited being under the joint control of Low Carbon Group Limited and MassMutual. Following the issue of Ordinary Shares to MassMutual Low Carbon Group Limited has lost control over Low Carbon Limited and its subsidiaries as at the date of MassMutuals investment.

The transaction has been accounted for using the merger accounting method allowable under FRS 102 in 2021. Low Carbon Limited and its subsidiaries have been de-consolidated from the Low Carbon Group Limited group from 8th November 2021. The net assets of the Low Carbon Limited group have been removed at their carrying value, leading to a gain on the loss of control. Low Carbon Group Limited has subsequently recognised an investment in the equity of Low Carbon Limited equal to its share of net assets at the time of MassMutuals investment. The 2021 calculation of these balances are as follows:

	2021
	£
Low Carbon Group Limited gain on loss of control	
MassMutual share consideration	100,000,000
Low Carbon Limited consolidated net assets on allotment	(14,498,158)
Low Carbon Limited net liabilities at the date of MassMutual investment	85,501,842
MassMutual interest in equity	49% 41,895,903
MassMutual share consideration	100,000,000
Less MassMutual interest in equity	(41,895,903)
Low Carbon Group Limited gain on loss of control (note 5)	58,104,097
Low Carbon Group Limited group investment in Low Carbon Limited	
Low Carbon Limited net assets at the date of MassMutual investment	85,501,843
Low Carbon Group Limited group interest in equity of Low Carbon Limited	51% 43,605,940

Further to the above, on 14 February 2022 Low Carbon Group Limited sold its investment in Low Carbon Investment Management Limited to Low Carbon Limited. On the same day Low Carbon Group Limited sold 49% of its shareholding in Low Carbon Investment Partners Limited to MassMutual and transferred its remaining 51% shareholding to Low Carbon Limited. The net assets/(liabilities) of the Low Carbon Investment Management Limited and Low Carbon Investment Partners Limited have been removed at their carrying value, leading to a gain on the loss of control. Low Carbon Group Limited has subsequently recognised a reduction in the equity investment of Low Carbon Limited equal to its shares of net liabilities at the time of disposal.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

15. Investments (continued)

The calculation of these balances are detailed as follows:

	2022 £
Low Carbon Group Limited gain on loss of control	
Share consideration	2,386,496
Low Carbon Investment Management Limited net assets on loss of control	737,933
Low Carbon Investment Partners Limited net liabilities on loss of control	<u>(8,720,057)</u>
	10,368,620

The difference between the consideration received and the net assets/(liabilities) of the entities transferred to Low Carbon Limited is recognised in the income statement and on the balance sheet in proportion to the Low Carbon Group Limited shareholding in the joint venture as follows:

Gain on sale of ownership share to MassMutual	49% Note 5	(5,080,624)
Adjustment to investment carrying value	51% Note 15	<u>(5,287,996)</u>

Following the 2021 transaction, the Low Carbon Limited group is a joint venture of Low Carbon Group Limited and is accounted for using the equity method. The share of loss of the Low Carbon Limited group attributable to Low Carbon Group Limited is £16,271,267 (2021: £5,229,576) and is included in the Consolidated Profit and Loss account on page 16.

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Oxygen House Limited	1	Ordinary	100%
Grenadier Estates Limited	1	Ordinary	100%
ATASS Solar Limited	1	Ordinary	100%
Global City Futures Limited	1	Ordinary	100%
Low Carbon Oxygen Limited	2	Ordinary	98.96%
Sparx Limited	1	Ordinary	90%
Low Carbon Group Limited	2	Ordinary	70%
Oxygen Conservation Limited	1	Ordinary	100%

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

15. Investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Grenadier Emperor Limited	1	Ordinary	100%
Grenadier Exmouth Limited	1	Ordinary	100%
Paternoster (Exeter) Limited (formerly Grenadier Paternoster Limited)	21	Ordinary	100%
Grenadier 29 Limited	1	Ordinary	100%
St Margaret's Residences (Exeter) Limited	1	Ordinary	100%
Queen's Drive Exmouth Community Interest Company	1	Ordinary	75%
Aberaeron Conservation Limited (formerly Aberaeron Restoration Limited)	1	Ordinary	100%
Invergeldie Conservation Limited	16	Ordinary	100%
Camber Solar Project Limited	2	Ordinary	100%
Friars Gate Flexi Limited	2	Ordinary	100%
LCIP1 Holdings Limited	2	Ordinary	100%
Low Carbon Flexible Generation Limited	2	A Ordinary	100%
Low Carbon Foundation	2	Ordinary	100%
Low Carbon Investment Partners 1 Limited	2	Ordinary	100%
Low Carbon Rooftops Limited	2	Ordinary	100%
Low Carbon Solar Investment Company Limited	2	Ordinary A1	100%
Low Carbon Solar Investment Company Limited	2	Ordinary A2	100%
Low Carbon Solar Investment Company Limited	2	Ordinary B1	100%
Low Carbon Solar Investment Company Limited	2	Ordinary B2	100%
Low Carbon Ventures Limited	2	Ordinary	100%
Low Carbon W2E Limited	2	Ordinary	100%
Maple Tree Energy Limited	2	Ordinary	100%
Park Farm Solar Limited	2	Ordinary	100%
Scunthorpe Flexi Limited	1	Ordinary	100%
Trust Power Limited	2	Ordinary	100%
Vilo Investments Limited	2	Ordinary	100%
VLC Investments Limited	2	Ordinary	100%
Low Carbon Solar Holdings 1 Limited	3	Ordinary	100%
Skegness Solar Park Limited	1	Ordinary	100%
Low Carbon Solar Holdings 2 Limited	3	Ordinary	100%
Hellums Field Solar Park Limited	1	Ordinary	100%
Warleigh Barton Solar Park Limited	1	Ordinary	100%
Trigon Solar Park Limited	1	Ordinary	100%
Wilmington Solar Park Limited	1	Ordinary	100%
Hope Solar Park Limited	1	Ordinary	100%
Callington Solar Park Limited	1	Ordinary	100%
Low Carbon Solar Finance Limited	1	Ordinary	100%
Four Burrows Solar Park Limited	1	Ordinary	100%
Rudbaxton Solar Park Limited	1	Ordinary	100%
St Columb Solar Park Limited	1	Ordinary	100%
Battens Farm Solar Park Limited	1	Ordinary	100%
Lackford Estates Solar Park Limited	1	Ordinary	100%
Trenouth Solar Investment Company Limited	1	Ordinary	100%
Trenouth Solar Farm Limited	1	Ordinary	100%

Participating interests

The following were associates or joint ventures held by indirect subsidiary undertakings of the Company:

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

Participating interests (continued)

Company	Registered office	Class of share	Holding
Balliemeanoch Wind Farm Limited*	2	Ordinary	41%
Chalton Manor Solar Farm Limited*	2	Ordinary	41%
Cornwell Solar Farm Limited*	2	Ordinary	51%
Costa Head Wind Farm Limited*	11	Ordinary	41%
Crouch Solar Farm Limited*	2	Ordinary	51%
Cutlers Solar Farm Limited*	2	Ordinary	41%
Danube Wind Holding 1 Sarl*	18	Ordinary	20%
Danube Wind Holding 2 Sarl*	18	Ordinary	20%
Danube Wind Holding 1 BV*	7	Ordinary	51%
Danube Wind Holding 2 BV*	7	Ordinary	51%
Drover Lane Solar Farm Limited*	2	Ordinary	41%
Fox Covert Solar Farm Limited*	2	Ordinary	51%
Gairy Hill Wind Farm Limited*	2	Ordinary	41%
Gate Burton Energy Park Limited*	2	Ordinary	41%
Grid System Services Limited*	4	Ordinary	31%
Grid System Services Limited*	2	Preference	51%
Harlsford Solar Farm Limited*	2	Ordinary	51%
Hesta Head Wind Farm Limited*	11	Ordinary	41%
Hoolan Energy Limited*	2	Ordinary	51%
Inkersall Solar Farm Limited*	2	Ordinary	51%
Jura Wind Limited*	2	Ordinary	26%
Knightcote Road Solar Farm Limited*	2	Ordinary	41%
Layer Solar Farm Limited*	2	Ordinary	51%
LC Danube Limited	2	Ordinary	41%
LC Danube Sarl*	18	Ordinary	41%
LC Development Finland Oy*	13	Ordinary	51%
LC Energy B.V.*	6	Ordinary	20%
LC Energy B.V.*	6	Preference	51%
LC Energi AB*	15	Ordinary	26%
LC Energi Arboga Koberg AB*	15	Ordinary	26%
LC Energi Björklund AB*	15	Ordinary	26%
LC Energi Fälhult AB*	15	Ordinary	26%
LC Energi Skuru AB*	15	Ordinary	26%
LC Energia SP.z.o.o.*	19	Ordinary	38%
LC Energia 1 SP.z.o.o.*	19	Ordinary	38%
LC Energia 2 SP.z.o.o.*	19	Ordinary	38%
LC Energia 3 SP.z.o.o.*	19	Ordinary	38%
LC Energia 4 SP.z.o.o.*	19	Ordinary	38%
LC Energia 5 SP.z.o.o.*	19	Ordinary	38%
LC Energia 6 SP.z.o.o.*	19	Ordinary	38%
LC Energia 7 SP.z.o.o.*	19	Ordinary	38%
LC Energia 8 SP.z.o.o.*	19	Ordinary	38%
LC Energia 10 SP.z.o.o.*	19	Ordinary	38%
LCIP Finland Wind Oy*	13	Ordinary	51%

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

Participating interests (continued)

Company	Registered office	Class of share	Holding
LCW2E2 Development Limited*	2	Ordinary	41%
Low Carbon Asset Management Limited*	2	Ordinary	51%
Low Carbon Canada Bioenergy Limited*	2	Ordinary	51%
Low Carbon Dutch Solar Operations BV*	6	Ordinary	51%
Low Carbon EAAS Limited*	2	A Ordinary	41%
Low Carbon Eco2 Energy Limited*	2	Ordinary	26%
Low Carbon Energy, Inc*	20	Ordinary	26%
Low Carbon Finland Wind Limited*	2	Ordinary	51%
Low Carbon General Partner Limited	2	Ordinary	51%
Low Carbon Germany Limited*	2	Ordinary	51%
Low Carbon GmbH*	17	Ordinary	51%
Low Carbon Investment Management Limited*	2	Ordinary	51%
Low Carbon Investment Partners Limited*	2	Ordinary	51%
Low Carbon Ireland Limited*	2	Ordinary	41%
Low Carbon Limited	2	Ordinary	51%
Low Carbon Netherlands Limited*	2	A Ordinary	41%
Low Carbon Netherlands Limited*	2	B Ordinary	0%
Low Carbon OpCo Limited*	2	Ordinary	51%
Low Carbon Poland Solar Limited*	2	Ordinary	51%
Low Carbon Renewables Fund GP Sarl*	18	Ordinary	51%
Low Carbon Solar Investment Company 5 Limited*	2	Ordinary	41%
Low Carbon Solar OpCo Limited*	2	Ordinary	51%
Low Carbon Solar Operation Holdings Limited*	2	Ordinary	51%
Low Carbon Solar Operation Limited*	2	Ordinary	51%
Low Carbon Solar Park 1 Limited*	2	Ordinary	41%
Maldon Wycke Solar Farm Limited* (Formerly Low Carbon Solar Park 2 Limited)	2	Ordinary	51%
B17 Solar Farm Limited* (Formerly Low Carbon Solar Park 3 Limited)	2	Ordinary	41%
Low Carbon Solar Park 4 Limited*	2	Ordinary	41%
Sandon Brook Solar Farm Limited* (Formerly Low Carbon Solar Park 5 Limited)	2	Ordinary	41%
Low Carbon Solar Park 6 Limited*	2	Ordinary	41%
Fern Brook Solar Farm Limited* (Formerly Low Carbon Solar Park 7 Limited)	2	Ordinary	41%
Low Carbon Solar Park 8 Limited*	2	Ordinary	41%
Links Solar Farm Limited* (Formerly Low Carbon Solar Park 9 Limited)	2	Ordinary	51%
Meadow Solar Farm Limited* (Formerly Low Carbon Solar Park 10 Limited)	2	Ordinary	41%
Low Carbon Solar Park 11 Limited*	2	Ordinary	41%
Low Carbon Solar Park 12 Limited*	2	Ordinary	41%
Low Carbon Solar Park 13 Limited*	2	Ordinary	41%
Low Carbon Solar Park 14 Limited*	2	Ordinary	41%

Oxygen House Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

Participating interests (continued)

Company	Registered office	Class of share	Holding
Jafa Solar Farm Limited* (Formerly Low Carbon Solar Park 15 Limited)	2	Ordinary	41%
Pepperhill Solar Farm Limited* (Low Carbon Solar Park 16 Limited)	2	Ordinary	41%
Low Carbon Solar Park 17 Limited*	2	Ordinary	41%
Low Carbon Solar Park 18 Limited*	2	Ordinary	41%
Beacon Fen Energy Park Limited* (Low Carbon Solar Park 19 Limited)	2	Ordinary	41%
Low Carbon Solar Park 20 Limited*	2	Ordinary	41%
Low Carbon Solar Park 21 Limited*	2	Ordinary	41%
Low Carbon Solar Park 22 Limited*	2	Ordinary	41%
Low Carbon Solar Park 23 Limited*	2	Ordinary	41%
Low Carbon Solar Park 24 Limited*	2	Ordinary	41%
Low Carbon Solar Park 25 Limited*	2	Ordinary	41%
Primrose Solar Farm Limited* (Formerly Low Carbon Solar Park 26)	2	Ordinary	41%
Low Carbon Solar Park 27 Limited*	2	Ordinary	41%
Low Carbon Solar Park 28 Limited*	2	Ordinary	41%
Low Carbon Solar Park 29 Limited*	2	Ordinary	41%
Low Carbon Solar Park 30 Limited*	2	Ordinary	41%
Low Carbon Solar Park 31 Limited*	2	Ordinary	41%
Low Carbon Solar Park 32 Limited*	2	Ordinary	41%
Low Carbon Solar Park 33 Limited*	2	Ordinary	41%
Low Carbon Solar Park 34 Limited*	2	Ordinary	41%
Low Carbon Solar Park 35 Limited*	2	Ordinary	41%
Low Carbon Solar Park 36 Limited*	2	Ordinary	41%
Low Carbon Solar Park 37 Limited*	2	Ordinary	41%
Low Carbon Solar Park 38 Limited*	2	Ordinary	41%
Low Carbon Solar Park 39 Limited*	2	Ordinary	41%
Low Carbon Solar Park 40 Limited*	2	Ordinary	41%
Low Carbon Solar Park 41 Limited*	2	Ordinary	41%
Low Carbon Solar Park 42 Limited*	2	Ordinary	41%
Low Carbon Solar Park 43 Limited*	2	Ordinary	41%
Low Carbon Solar Park 44 Limited*	2	Ordinary	41%
Low Carbon Solar Park 45 Limited*	2	Ordinary	41%
Low Carbon Solar Park 46 Limited*	2	Ordinary	41%
Low Carbon Solar Park 47 Limited*	2	Ordinary	41%
Low Carbon Storage Ireland Limited*	2	A Ordinary	41%
Low Carbon Sweden Solar Limited*	2	Ordinary	51%
Low Carbon UK Solar Holdings Limited* (formerly Low Carbon Bond Company Limited)	2	Ordinary	51%
Low Carbon UK Solar Investment Company Limited*	2	A Ordinary	41%

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

Participating interests (continued)

Company	Registered office	Class of share	Holding
Low Carbon UK Solar Operations Limited*	2	Ordinary	51%
Low Carbon UK Wind Development Company	2	Ordinary	51%
Low Carbon US Holdings Limited*	2	Ordinary	51%
Low Carbon W2E2 Limited*	2	A Ordinary	41%
Low Carbon W2E2 Limited*	2	B Ordinary	0%
Low Carbon Windco 1 Limited*	2	Ordinary	51%
Low Carbon Wind Investment Company 1 Limited*	2	A Ordinary	41%
Low Carbon Wind Investment Company 1 Limited*	2	B Ordinary	0%
Medway Energy Recovery Limited*	2	Ordinary	41%
Morknasskogens Wind Ab*	14	Ordinary	51%
Parc Solar Traffwll Limited*	2	Ordinary	41%
Redcar Holdings Limited*	2	Ordinary	27%
St Clere's Solar Farm Limited*	2	Ordinary	51%
Wildwood Solar Farm Limited*	2	Ordinary	41%
Zonnepark Amerongerwetering B.V*	6	Ordinary	20%
Zonnepark Woudbloem B.V*	6	Ordinary	26%
Zonnepark Veenweg Ter Apel B.V*	6	Ordinary	20%
Zonnepark Veenweg Ter Apel 2 B.V*	6	Ordinary	20%
Zonnepark Nergena B.V*	6	Ordinary	20%
Zonnepark Keppelsweg B.V*	6	Ordinary	20%
Zonnepark Havebos B.V*	6	Ordinary	51%
Zonnepark Werkhoven*	6	Ordinary	51%
Zonnepark Agger B.V*	6	Ordinary	20%
Zonnepark Wijerbroek Oost B.V*	6	Ordinary	51%
Zonnepark Wijerbroek West B.V*	6	Ordinary	51%
Zonnepark Bergweg Mariahoop B.V*	6	Ordinary	51%
Zonnepark Wusterveld B.V*	6	Ordinary	20%
Zonnepark De Stegenhoek B.V*	6	Ordinary	51%
LC Danube B.V* (formerly LC Nadia B.V)	7	Ordinary	51%
Mullavilly Energy Limited*	5	Ordinary	20%
Drumkee Energy Limited*	5	Ordinary	20%
BH Energy Gap (Doncaster) Limited*	9	Ordinary B	51%
BH Energy Gap (Doncaster) Limited*	9	Ordinary A1	51%
Broad Energy (Wales) Limited*	10	Ordinary B	51%

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

Each company is incorporated in the United Kingdom, with the exception of the following:

Company	Country of incorporation
Grid System Services Limited	Republic of Ireland
LC Energy B.V	Netherlands
Low Carbon Dutch Solar Operations BV	Netherlands
Zonnepark Woudbloem B.V	Netherlands
Zonnepark Veenweg Ter Apel B.V	Netherlands
Zonnepark Veenweg Ter Apel 2 B.V	Netherlands
Zonnepark Nergena B.V	Netherlands
Zonnepark Keppelsweg B.V	Netherlands
Zonnepark Havebos B.V	Netherlands
Zonnepark Werkhoven B.V	Netherlands
Zonnepark Agger B.V	Netherlands
Zonnepark Wijerbroek Oost B.V	Netherlands
Zonnepark Wijerbroek West B.V	Netherlands
Zonnepark Bergweg Mariahoop B.V	Netherlands
Zonnepark Wusterveld B.V	Netherlands
Zonnepark De Stegenhoek B.V	Netherlands
Zonnepark Amerongerwetering B.V.	Netherlands
LC Danube B.V (formerly LC Nadia B.V)	Netherlands
Danube Wind Holding 1 B.V	Netherlands
Danube Wind Holding 2 B.V	Netherlands
LCIP Finland Wind Oy	Finland
LC Development Finland Oy	Finland
Morknasskogens Wind Ab	Finland
Low Carbon GmbH	Germany
Danube Wind Holding 1 Sarl	Luxembourg
Danube Wind Holding 2 Sarl	Luxembourg
LC Danube Sarl	Luxembourg
Low Carbon Renewables Fund GP Sarl	Luxembourg
LC Energia SP.z.o.o.	Poland
LC Energia 1 SP.z.o.o.	Poland
LC Energia 2 SP.z.o.o.	Poland
LC Energia 3 SP.z.o.o.	Poland
LC Energia 4 SP.z.o.o.	Poland
LC Energia 5 SP.z.o.o.	Poland
LC Energia 6 SP.z.o.o.	Poland
LC Energia 7 SP.z.o.o.	Poland
LC Energia 8 SP.z.o.o.	Poland
LC Energia 10 SP.z.o.o.	Poland
LC Energi Ab	Sweden
LC Energi Arboga Koberg AB	Sweden
LC Energi Björklund AB	Sweden
LC Energi Fålhult AB	Sweden
LC Energi Skuru AB	Sweden
Low Carbon Energy, Inc.	USA
Invergeldie Conservation Limited	Scotland

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

Registered office details for the above companies are as follows:

Companies marked 1: Oxygen House, Grenadier Road, Exeter Business Park, Exeter, Devon, EX1 3LH
Companies marked 2: 5-7 Carlton Gardens, London, SW1Y 5AD
Companies marked 3: 22 Grenville Street, St Helier, Jersey, JE4 8PX
Companies marked 4: Glen Erin, Caulstown, Dunboyne, Co. Meath, D13RR77
Companies marked 5: The Scapel, 18th Floor 52 Lime Street, London, EC3M 7AF
Companies marked 6: Broland 12, 6708 WH Wageningen
Companies marked 7: Amstelveenseweg 760, Amsterdam, 1081 JK
Companies marked 8: Street Siriului 33A, AP.3, Floor, Room C1, Module C1.2, Bucharest, Romania
Companies marked 9: 6 Queen Street, Leeds, West Yorkshire, LS1 2TW
Companies marked 10: Buttington Quarry, Buttington, Welshpool, Powys, SY21 8SZ
Companies marked 11: Hoolan Energy Limited, 16 Young Street, Edinburgh, EH2 4JB
Companies marked 12: 95 Aldwych, London, WC2B 4JF
Companies marked 13: Erottajankatu 15-17, 00130, Helsinki, Finland
Companies marked 14: Bruksgatan 144, 66810 Kimo, Finland
Companies marked 15: Bohusgaten 15, 411 39 Gothenburg, Sweden
Companies marked 16: c/o Burgess Salmon LLP, 144 Morrison St, Edinburgh, Scotland, EH3 8EX
Companies marked 17: Knesebeckstr. 32 10623,
Companies marked 18: 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg
Companies marked 19: Ul. Al. Armii Krajowej 7 Rzeszow; Podkarpackie; Postal Code: 35-307
Companies marked 20: 8 The Green Ste. B, Dover, Kent County, Delaware 1990
Companies marked 21: 2nd Floor Gadd House, Arcadia Avenue, London, England, N3 2JU

For the year ended 31 December 2022 the subsidiaries above were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies, except for the following who have prepared audited financial statements:

- Low Carbon Oxygen Limited (Group and Company)
- Low Carbon Group Limited (Group and Company)
- Sparx Limited
- Global City Futures Limited
- Grenadier Emperor Limited
- St Margaret's Residences (Exeter) Limited
- Oxygen House Limited
- Low Carbon Solar Holding 1 Limited
- Low Carbon Solar Holding 2 Limited
- Hellums Field Solar Park Limited
- Warleigh Barton Solar Park Limited
- Trigon Solar Park Limited
- Wilmingham Solar Park Limited
- Hope Solar Park Limited
- Callington Solar Park Limited
- Low Carbon Solar Finance Limited
- Four Burrows Solar Park Limited
- Rudbaxton Solar Park Limited
- St Columb Solar Park Limited
- Battens Farm Solar Park Limited
- Lackford Estate Solar Park Limited
- Trenouth Solar Farm Limited

Oxygen House Group Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

16. Investment property

Group

	Freehold investment property £000	Long term leasehold investment property £000	Total £000
Valuation and net book value			
At 1 January 2022	6,212	-	6,212
Additions at cost	3,423	-	3,423
Deficit on revaluation	(873)	-	(873)
Transfers between classes	-	2,900	2,900
At 31 December 2022	8,762	2,900	11,662

The directors consider the fair value of the property at 31 December 2022 to be £11,662,000 (2021: £6,212,500). Professional advice and opinion has been taken into account in determining the fair value which is on an open market value for existing use basis.

17. Stocks

	Group 2022 £000	Group 2021 £000
Raw materials and consumables	16	-
Work in progress (development properties)	9,735	12,656
Finished goods and goods for resale	270	-
	10,021	12,656

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

18. Debtors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	1,977	1,469	-	-
Amounts owed by group undertakings	-	-	48,869	39,938
Amounts owed by joint ventures, associates and related undertakings	10,312	4,096	-	-
Other debtors	880	871	602	100
Prepayments and accrued income	2,694	2,273	4	4
	15,863	8,709	49,475	40,042

Included within amounts owed by group undertakings is £15,267,891 (2021: £14,948,276) relating to interest bearing loans to subsidiaries of Oxygen House Group Limited.

All other amounts owed by group undertakings are interest free and repayable on demand.

19. Cash at bank and in hand

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Cash at bank and in hand	19,737	44,883	3,859	27,371
	19,737	44,883	3,859	27,371

The Group is obliged to keep a separate restricted debt service reserve account in respect of its senior debt service requirements. The restricted cash balance which is included within the above amounts to £4,678,284 (2021: £4,195,498) at the year end.

Also included above is £Nil (2021: £660,000) of cash restricted to comply with FCA capital adequacy requirements.

Oxygen House Group Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

20. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans	11,171	10,237	-	-
Trade creditors	1,699	915	3	-
Amounts owed to group undertakings	-	-	2,980	369
Amounts owed to associates	54	21	-	-
Corporation tax	3	503	-	-
Other taxation and social security	1,150	951	-	-
Other creditors	187	1,318	1	-
Accruals and deferred income	4,376	4,255	93	76
	18,640	18,200	3,077	445

Disclosure of the terms and conditions attached to the non-equity shares is made in note 25.

21. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans and overdrafts	66,155	74,845	-	-
Share capital treated as debt	4,078	3,698	4,078	3,698
	70,233	78,543	4,078	3,698

Disclosure of the terms and conditions attached to the non-equity shares is made in note 25.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

22. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £000	Group 2021 £000
Amounts falling due within one year		
Bank loans	11,171	10,237
	11,171	10,237
Amounts falling due 1-2 years		
Bank loans	6,671	9,273
	6,671	9,273
Amounts falling due 2-5 years		
Bank loans	19,454	18,647
	19,454	18,647
Amounts falling due after more than 5 years		
Bank loans	40,030	46,925
	40,030	46,925
	77,326	85,082

Bank loans include the following:

A senior bank loan made up of two tranches, one being fixed with a notional amount of £26,500,000 (2021: £26,500,000) with an interest rate of 4.17%. The second tranche with an interest rate of 1.55% annually indexed to RPI with a notional amount of £79,500,000 (2021: £79,500,000). Both tranches have a final repayment date of 31 December 2033. The loan is secured by a fixed and floating charge over the assets of the Low Carbon Oxygen Group.

A bank loan with a fixed notional amount of £4,600,000 (2021: £4,600,000) and an interest rate of 2.96%. The final repayment date is 30 May 2023. The loan is secured by fixed and floating charges over the property and assets of Grenadier Emperor Limited. On 1 June 2023, the loan was replaced by an overdraft facility of £2,750,000 with an interest rate of Bank of England base rate plus 1.75%. The facility is available until 31st May 2024. The overdraft is secured by fixed and floating charges over the property and assets of Grenadier Emperor Limited.

A loan drawn against a facility of £4,600,000 (2021: £7,300,000) with an interest rate of LIBOR plus 5.25% subject to a minimum effective rate of interest of 6.25%. The loan is secured by a fixed and floating charge over the property and assets of St Margaret's Residences (Exeter) Limited.

Oxygen House Group Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

23. Deferred taxation

Group

	2022 £000
At beginning of year	(1,746)
Charged to profit or loss	(38)
At end of year	(1,784)
	Group 2022 £000
	Group 2021 £000
Accelerated capital allowances	(1,784) (1,746)
	(1,784) (1,746)

24. Other provisions

Group

	Other provision £000
At 1 January 2022	5,227
Unwind of discount	57
Change in estimate	(2,262)
At 31 December 2022	3,022

A provision has been recognised for decommissioning costs associated with the solar parks held by the Group. The Group is committed to decommissioning the sites at the end of the lease term. In determining the present value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 31 December 2022 was £3,022,301 (31 December 2021: £5,211,697)

As at 31 December 2022 a discount rate of 4% has been applied (1.2% as at 31 December 2021). Should the discount rate increase / decrease by 1 percentage point, the value of the decommissioning provision would be £575,059 lower / £678,571 higher.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

25. Called up share capital

Group and Company

	2022 £000	2021 £000
Shares classified as equity		
Authorised		
131,737,861 (2021 - 131,737,861) Ordinary shares of £0.010 each	<u>1,317</u>	<u>1,317</u>
Allotted, called up and fully paid		
131,737,861 (2021 - 129,926,900) Ordinary shares of £0.010 each	<u>1,317</u>	<u>1,299</u>
	2022 £000	2021 £000
Shares classified as debt		
Authorised, allotted, called up and fully paid		
1,999,080 (2021: 1,999,080) Preference shares of £2.040 (2021: £1.850) each	<u>4,078</u>	<u>3,698</u>

In 2022, Nil (2021: 7,243,751) new shares of 0.01p each were issued to a director of Oxygen House Group Limited. 1,810,961 (2021: 5,432,790) of the prior year issued shares were called up and fully paid in the year for total consideration of £2,444,797 (2021: £7,334,266) giving rise to a share premium of £2,426,688 (2021: £7,279,939).

Nil (2021: 425,926) new preference shares of £1.35 were issued to other directors of Oxygen House Group Limited for consideration of Nil (2021: £575,000).

The preference shares are classified as liabilities in the balance sheet.

The preference shares can be redeemed in full at any time after 7 January 2024 (regardless of when they were issued) by either the relevant shareholder or the company.

The company is obliged to redeem after 7 January 2024 where required by the relevant shareholder.

The redemption price for any shares that are being redeemed will vary depending on the circumstances:

- a redemption at any time after 7 January 2024 at the request of the relevant shareholder or the company would be at fair value; however
- a redemption in accordance with the compulsory share transfer process could be for the issue price only (nominal value plus the share premium paid on allotment) depending on why the relevant shareholder is being required to transfer their shares.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

26. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000
Not later than 1 year	999	995
Later than 1 year and not later than 5 years	3,738	3,182
Later than 5 years	17,679	15,304
	22,416	19,481

27. Related party transactions

The company and group has taken advantage of exemption, under the terms of Financial Reporting standard 102 'The Financial Reporting Standard in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Group

Revenue includes the following:

Management fees of £20,600 (2021: £20,600) were charged by Oxygen House Limited and property management fees of £36,430 (2021: £42,391) were charged by Grenadier Estates Limited to a director of Oxygen House Group Limited.

Service charges of £1,557,754 (2021: £1,247,728) were charged by Oxygen House Limited to associated companies outside of the Oxygen House Group but under common control.

Service charges of £1,068,546 (2021: £866,995) were charged by Oxygen House Limited to companies within the group but not wholly owned.

Secondments and management fees of £33,630 (2021: £76,781) were charged by Global City Futures Limited to an associated company to which the company is a member.

Property sales of £Nil (2021: £2,250,865) were made to a director of the group.

Costs include the following:

Property rents of £196,341 (2021: £96,337) were charged to Oxygen House Limited by a director of Oxygen House Group Limited.

Employment cost recharges of £Nil (2021: £124,740) were charged to Oxygen House Limited by a fellow subsidiary not wholly owned.

Assets include the following:

Loans of £11,717 (2021: £19,615) to Exeter City Futures Community Interest Company, of whom Global City Futures Limited is a member.

Loans of £265,601 (2021: £73,483) to associated companies outside of the group, but under common control.

Loans of £26,085,202 (2020: £26,085,202) to subsidiary companies not wholly owned.

Oxygen House Group Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

27. Related party transactions (continued)

Included in note 18 is £10,033,647 (2021: £3,956,541) owed by Low Carbon Limited group, a joint venture of Low Carbon Group Limited. During the year an advance of £10,296,153 was made on the refinancing of existing loans with subsidiaries sold to a Low Carbon Limited. Further advances of £9,158 and repayments of £4,842,609 were made during the year. Interest income of £615,404 was charged in the year.

Liabilities included the following:

During the year, dividends of £3,843,958 (2021: £475,874) were paid to minority shareholders of subsidiaries within the Low Carbon Limited group.

During the year, dividends of £16,900 (2021: £29,742) were paid to minority shareholders of subsidiaries within the Low Carbon Oxygen group.

Company

Other Income

Included in Note 18 Amounts owed by group undertakings is an interest bearing loan to a fellow subsidiary not wholly owned. Interest of £496,793 (2021: £1,257,351) was charged during the year.

Dividends of £Nil (2021: £2,830,058) were received from a fellow subsidiary not wholly owned.

28. Post balance sheet events

In 2023, the group invested a further £34,306,000 in various conservation projects across the country.

29. Controlling party

In the opinion of the directors, the ultimate controlling party is Dr M J Dixon.