Registered number: 08306319

OXYGEN HOUSE GROUP LIMITED

Annual Report and Audited Financial Statements
For the Year Ended 31 December 2020

Parent undertaking consolidated accounts for Grenadier Paternoster 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 Bristol BS2 0FR

Group Strategic Report
For the Year Ended 31 December 2020

The directors present their strategic report on the group for the year ended 31 December 2020.

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 growing the portfolio with the intention of generating long-term positive environmental and social impact alongside financial growth.

The group's business model addresses 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; and
- To build a legacy of enhanced and sustainable communities and places.

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 to 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.

The group's trading assets generate income on a long-term basis. The group funds and develops early stage 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. Companies in the group decide whether to capitalise research and development expenses and the value of intellectual property on a case-by-case basis.

During the year the directors worked to minimise the impact of COVID-19 on the group and support employees. The group's operations were adjusted to exceed government recommendations and employee safety, health and wellbeing were prioritised. During periods of office closure and home working, the group sought to optimise the home working environment for staff and provided additional physical and mental health support. When offices were able to open, COVID-19 safe working practices were adopted. A small number of employees were furloughed under the Coronavirus Job Retention Scheme.

Whilst the duration and extent of the ongoing COVID-19 pandemic are uncertain, the Directors believe the strategic outlook to be positive, with opportunities arising both in the current portfolio and in new projects.

During the year, the company continued to fund and develop businesses meeting its investment criteria. Key developments in 2020 include:

- Strong growth in market share supported by a 36% increase in the number of schools served by Sparx Limited.
- Low Carbon Limited in partnership with Verus Energy and Wheelabrator Technologies, is developing the Kelvin Energy Recovery Facility in West Bromwich. The new waste-to-energy facility will divert 395,000 tonnes of household and business waste from landfill or export and instead will use it to generate up to 49.9MW (gross) of baseload energy - equivalent to the needs of around 70,000 UK homes.
- Low Carbon Limited's portfolio of ground mount solar continued to grow. Its current development portfolio of new subsidy-free solar projects totals more than 2GW with the potential to power 660,000 homes and avoid the emissions of more than 440,000 tonnes of CO2e each year. From this, two stand-out projects were delivered, the development of the UK's largest community solar park as well as the conclusion of a large-scale Power Purchase Agreement (PPA) for three new solar parks with Tesco.
- Low Carbon Limited in partnership with Gore Street Energy Storage Fund, commissioned the largest energy storage project in Northern Ireland. The 50MW sire located at Drumkee, County Tyrone in Northern Ireland serves the Single Electricity Market and bolsters the availability of renewable energy needed to help Northern Ireland meet its ambitious decarbonisation targets.
- Practical completion of the construction of the not-for-profit water sports centre by Grenadier Exmouth Limited.
- Significant progress in the development at St Margaret's Residences.

A list of the Company's investments is included in Note 16 of the financial statements. At the 31 December 2020 the carrying value of the group investments was £5,742,000 (2019: £6,122,000).

The directors review the carrying value of the portfolio during the year. The directors impair the carrying value of 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 £101,474 (2019: £Nil).

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 board delegates responsibility for decision making to an Operations Committee, an Investment Committee and a Sustainability Committee. The committees are responsible for considering the consequences of decisions in the context of the group's long-term strategy to deliver positive environmental and social impact alongside financial growth.

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.

Decisions made by these committees 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 participate in the Operations, Investment and Sustainability Committees. 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. For example, in 2019, Oxygen House reconfigured and refurbished the company's atrium, kitchen, restaurant and outdoor storage areas to accommodate a growing number of employees. Where possible, recycled and upcycled materials were used.

The company's operations promote sustainability and aim 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.

(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.

Results

The group has prepared consolidated financial statements for the year ended 31 December 2020. The loss for the year after taxation was £16,457,000 (2019: £7,694,000). The loss, whilst significant, was generally anticipated as part of the long term investment and impact strategy.

Total accumulated retained losses are £84,353,000 (2019: £72,442,000). The Consolidated Statement of Changes in Equity includes the reconciliation between opening and closing Retained Earnings 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.

	2020	2019
	£	£
Total funds deployed during the year:		
- To increase carbon neutral energy use	**2,000,000**	12,605,081
- To improve educational outcomes	**8,651,797**	13,918,875
- To enhance communities and places	**7,923,672**	3,787,996
	18,575,469	30,311,952
Renewable energy production (megawatt hours)	**105,499**	**103,654**

New funds deployed by Oxygen House Group Limited to increase carbon neutral energy use decreased during 2020 as proceeds generated from realisations were reinvested.

During the year production from the group assets amounted to 0.9% of total UK solar generation in 2020, enough clean energy to power an estimated 34,000 homes.

Principal risks and uncertainties

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

Uncertainty owing to COVID-19
During the year an emerging risk has presented itself in the form of the global COVID-19 pandemic. The duration and extent of the pandemic are currently unknown, however, the group's long-term outlook and strategy to hold a portfolio of companies at different stages of development in a range of market sectors has resulted in both opportunities and risks due to COVID-19.

Risks and uncertainties presented by COVID-19 may impact the group's property development and investment businesses as they are exposed to general economic trends affecting residential and commercial property markets. The normal operations of companies in the group may be affected by disruption to working practices and travel arrangements during the pandemic. The extent of any impact is not yet known, however, the directors have prepared forecasts and considered scenario analysis to inform their view that the group is able to continue trading for the foreseeable future.

Management is reviewing the impact of COVID-19 under a number of different scenarios on an ongoing basis.

Financial Risks

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.

Operational Risks

The principal risk to the company's operations are a lack of suitable investment opportunities. The company focuses its investment activity in companies involved in sustainable business for which there is an increasingly positive market sentiment and demand. The directors continually review the pipeline of potential investment opportunities.

Climate change risk

The directors agree with the statement made by the Secretary-General of the UN Security Council that the climate emergency is the defining issue of our time. The group's activities contribute to solutions to achieve a carbon-neutral society by reducing energy use and increasing renewable energy sources.

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.

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.

Group Strategic Report (continued)
For the Year Ended 31 December 2020

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.

DBW

DBW (Jul 15, 2021 09:29 GMT+1)

Mr D B Williamson
Director
Date: Jul 15, 2021

Directors' Report
For the Year Ended 31 December 2020

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2020.

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.

Directors

The directors who served during the year were:

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

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £12,922,000 (2019 - loss £7,342,000).

No dividends were paid during the year (2019: £nil).

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.

Principal risks and uncertainties

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

Engagement with employees

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

Directors' Report (continued)
For the Year Ended 31 December 2020

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.

Greenhouse gas emissions, energy consumption and energy efficiency action

The energy and carbon report for the group for the year ended 31 December 2020 is set out below.

Energy consumption and related carbon emissions			2020			2019		
				100%			100%	
Energy consumption			Other	Renewable	Total	Other	Renewable	Total
Gas		kWh	9,819	-	9,819	20,914	-	20,914
Electricity		kWh	46,398	1,303,178	1,349,576	51,366	1,557,184	1,608,551
Business travel:road		Miles	166,236	-	166,236	143,812	-	143,812
				100%			100%	
Carbon emissions			Other	Renewable	Total	Other	Renewable	Total
Scope 1	Gas	CO2e	1,805	-	1,805	3,927	-	3,927
Scope 2	Electricity	CO2e	10,328	-	10,328	13,129	-	13,129
Scope 3	Business travel:road	CO2e	46,392	-	46,392	40,878	-	40,878
Total emissions		CO2e	59,024	-	59,024	57,934	-	57,934
Total emissions intensity		CO2e/average headcount (tons)			0.23			0.22
On-site generation % of total electricity consumed		*Percentage*			*55%*			43%

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 is 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.

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.

During 2020 a new building management system was installed at the group's principal office building with functionality which 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.

During periods of COVID-19 reduced occupancy some areas of the office were shut down completely to reduce energy consumption.

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.

Events since the end of the year

Information relating to events since the end of the year is given in the note 29 of the financial statements.

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.

Independent Auditors

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

Directors' Report (continued)
For the Year Ended 31 December 2020

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements of the group and company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements of the group and company for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period.

In preparing these financial statements of the group and company, 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, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements of the group and company 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the financial statements of the group and company comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DBW
DBW | Jul 15, 2021 09:29 GMT+0
Mr D B Williamson
Director

Date: Jul 15, 2021

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 groups and of the companys affairs as at 31 December 2020 and of the groups and companys loss and the groups cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising 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 and company balance sheets as at 31 December 2020; the consolidated profit and loss account, consolidated statement of comprehensive income, the consolidated and 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.*

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 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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 tax legislations in the jurisdictions in which the Company operates, 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:

- Obtaining an understanding of the legal and regulatory frameworks applicable to the Company, including those relating to the reporting framework and the relevant tax compliance regulations;
- Inquiring with management to understand how the business complies with key frameworks. These inquiries were corroborated through review of Board minutes and papers provided;
- Obtaining the Company's assessment of the key fraud risks and the controls and procedures that are in operation to prevent and detect fraud;
- Testing management bias in estimates through review of underlying data and assumptions used to

calculate the estimate; and
- Tested the existence of a sample of customers as part of our unpredictable procedures and testing journals to identify any entries which credited operating expenses, revenue or cash with an unusual debit entry.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Colin Bates (Senior statutory auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Bristol

Date: 29 July 2021

Oxygen House Group Limited

Consolidated Profit and Loss Account
For the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	26,639	28,965
		26,639	28,965
Change in stocks of finished goods and in work in progress	6	(658)	(799)
Other operating income	5	4,682	1,813
Staff costs	8	(20,505)	(17,862)
Depreciation and amortisation		(7,343)	(6,459)
Other operating expenses	6	(21,829)	(14,010)
Fair value movements		(398)	(1)
Operating loss	6	(19,412)	(8,353)
Share of profit/(loss) from associates and joint ventures		6,269	4,512
Total operating loss		(13,143)	(3,841)
Income from other fixed asset investments	10	-	208
Amounts written off investments		(101)	-
Other interest receivable and similar income	11	875	242
Interest payable and similar expenses	12	(4,272)	(4,245)
Loss before taxation		(16,641)	(7,636)
Tax on loss	13	184	(58)
Loss for the financial year		(16,457)	(7,694)
Loss for the year attributable to:			
Non-controlling interests		(3,535)	(352)
Owners of the parent		(12,922)	(7,342)
		(16,457)	(7,694)

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated profit and loss account.

The notes on pages 26 to 55 form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2020

	2020 £000	2019 £000
Loss for the financial year	(16,457)	(7,694)
Total comprehensive expense for the year	(16,457)	(7,694)
Total comprehensive expense for the year attributable to:		
Non-controlling interest	(3,535)	(352)
Owners of the parent Company	(12,922)	(7,342)
	(16,457)	(7,694)

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated profit and loss account.

The notes on pages 26 to 55 form part of these financial statements.

Oxygen House Group Limited
Registered number:08306319

Consolidated Balance Sheet (continued)
As at 31 December 2020

The financial statements on pages 15 to 55 were approved and authorised for issue by the board and were signed on its behalf on 15 JULY 2021.

DBW

DBW (Jul 15, 2021 09:09 GMT+1)

Mr D B Williamson
Director

The notes on pages 26 to 55 form part of these financial statements.

Oxygen House Group Limited
Registered number:08306319

Consolidated Balance Sheet
As at 31 December 2020

	Note		2020 £000		2019 £000
Fixed assets					
Intangible assets	14		**6,300**		7,945
Tangible assets	15		**96,817**		101,693
Investments	16		**5,740**		6,122
Investment property	17		**6,212**		6,500
			115,069		122,260
Current assets					
Stocks	18	**18,658**		11,538	
Debtors: amounts falling due after more than one year	19	**584**		-	
Debtors: amounts falling due within one year	19	**9,278**		13,055	
Cash at bank and in hand	20	**26,775**		20,400	
		55,295		44,993	
Creditors: amounts falling due within one year	21	**(29,088)**		(16,212)	
Net current assets			**26,207**		28,781
Total assets less current liabilities			**141,276**		151,041
Creditors: amounts falling due after more than one year	22		**(83,064)**		(85,486)
Provisions for liabilities					
Deferred taxation	24	**(1,522)**		(1,490)	
Other provisions	25	**(12,329)**		(11,038)	
			(13,851)		(12,528)
Net assets excluding pension asset			**44,361**		53,027
Net assets			**44,361**		53,027
Capital and reserves					
Called up share capital	26		**1,245**		1,176
Share premium account			**124,110**		115,317
Merger reserve			**8,000**		10,947
Profit and loss account			**(84,353)**		(72,442)
Total equity attributable to owners of the parent Company			**49,002**		54,998
Non-controlling interests			**(4,641)**		(1,971)
			44,361		53,027

Oxygen House Group Limited
Registered number:08306319

Company Balance Sheet
As at 31 December 2020

	Note		2020 £000		2019 £000
Fixed assets					
Investments	16		**83,636**		75,839
			83,636		75,839
Current assets					
Debtors: amounts falling due within one year	19	**57,432**		52,078	
Cash at bank and in hand	20	**3,934**		3,177	
		61,366		55,255	
Creditors: amounts falling due within one year	21	**(330)**		(3,510)	
Net current assets			**61,036**		51,745
Total assets less current liabilities			**144,672**		127,584
Creditors: amounts falling due after more than one year	22		**(2,124)**		(1,214)
			142,548		126,370
Net assets			**142,548**		126,370
Capital and reserves					
Called up share capital	26		**1,245**		1,176
Share premium account			**124,110**		115,317
Merger relief reserve			**10,108**		10,108
Profit and loss account brought forward		**(231)**		(1,879)	
Profit for the year		**7,316**		1,648	
Profit and loss account carried forward			**7,085**		(231)
			142,548		126,370

The company profit for the year, available for discretionary division among members, was £7,316,000 (2019: Profit £1,648,000).

The financial statements on pages 15 to 55 were approved and authorised for issue by the board and were signed on its behalf on

DBW
DBW (Jul 15, 2021 09:29 GMT+1)

Mr D B Williamson
Director

The notes on pages 26 to 55 form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2020

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2020	1,176	115,317	10,947	(72,442)	54,998	(1,971)	53,027
Loss for the year	-	-	-	(12,922)	(12,922)	(3,535)	(16,457)
Total comprehensive expense for the year	-	-	-	(12,922)	(12,922)	(3,535)	(16,457)
Shares issued during the year	69	8,793	-	-	8,862	-	8,862
Bonus issue	-	-	(2,947)	-	(2,947)	-	(2,947)
Other transactions	-	-	-	3,415	3,415	-	3,415
Other transactions with non-controlling interests	-	-	-	(2,404)	(2,404)	865	(1,539)
Total transactions with owners	69	8,793	(2,947)	1,011	6,926	865	7,791
At 31 December 2020	1,245	124,110	8,000	(84,353)	49,002	(4,641)	44,361

The notes on pages 26 to 55 form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 January 2019	994	92,232	10,947	(64,628)	39,545	(3,011)	36,534
Comprehensive expense for the year							
Loss for the year	-	-	-	(7,342)	(7,342)	(599)	(7,941)
Other comprehensive expense for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(7,342)	(7,342)	(599)	(7,941)
Shares issued during the year	182	23,085	-	-	23,267	-	23,267
Disposal of subsidiary	-	-	-	(207)	(207)	-	(207)
Transactions with non-controlling interests	-	-	-	(265)	(265)	1,639	1,374
Total transactions with owners	182	23,085	-	(472)	22,795	1,639	24,434
At 31 December 2019	1,176	115,317	10,947	(72,442)	54,998	(1,971)	53,027

The notes on pages 26 to 55 form part of these financial statements.

Company Statement of Changes in Equity
For the Year Ended 31 December 2020

	Called up share capital	Share premium account	Merger relief reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	1,176	115,317	10,108	(231)	126,370
Profit for the year	-	-	-	7,316	7,316
Total comprehensive income for the year	-	-	-	7,316	7,316
Shares issued during the year	69	8,793	-	-	8,862
Total transactions with owners	69	8,793	-	-	8,862
At 31 December 2020	1,245	124,110	10,108	7,085	142,548

The notes on pages 26 to 55 form part of these financial statements.

Company Statement of Changes in Equity
For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	993	92,232	10,108	(1,879)	101,454
Profit for the year	-	-	-	1,648	1,648
Total comprehensive expense for the year	-	-	-	1,648	1,648
Shares issued during the year	183	23,085	-	-	23,268
Total transactions with owners	183	23,085	-	-	23,268
At 31 December 2019	1,176	115,317	10,108	(231)	126,370

The notes on pages 26 to 55 form part of these financial statements.

Oxygen House Group Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the financial year	(19,014)	(8,352)
Adjustments for:		
Amortisation of intangible assets	970	559
Depreciation of tangible assets	6,373	5,900
Loss on disposal of tangible assets	-	(506)
(Increase) in stocks	(7,120)	(1,917)
(Increase) in debtors	3,265	(2,291)
Increase/(decrease) in creditors	8,483	(310)
Corporation tax received	1,195	478
Employment - long term benefit	500	167
Share options charge to P&L	364	-
Net cash generated from operating activities	(4,984)	(6,272)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(86)
Purchase of tangible fixed assets	(368)	(738)
Sale of tangible fixed assets	5,050	4,034
Purchase of trade investments	(3,459)	(10,172)
Sale of fixed asset investments	-	1,856
Interest received	48	74
Dividends received	4,967	4,778
Net cash from investing activities	6,238	(254)
Cash flows from financing activities		
Issue of ordinary shares	9,728	18,590
New secured loans	5,170	1,322
Repayment of loans	(5,371)	(5,248)
Shares treated as debt - issued	910	1,214
Non controlling interest dividends paid	(44)	(119)
Interest paid	(2,912)	(2,591)
Dividends paid to non controlling interests	(2,360)	-
Net cash used in financing activities	5,121	13,168
Net increase in cash and cash equivalents	6,375	6,642
Cash and cash equivalents at beginning of year	20,400	13,758
Cash and cash equivalents at the end of year	26,775	20,400
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	26,775	20,400

Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 December 2020

	2020 £000	2019 £000
	26,775	20,400

The notes on pages 26 to 55 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2020

1. General information

The company is a private company limited by share capital, incorporated in England and Wales.

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 unless otherwise specified within these accounting policies 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.

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.

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

2. Accounting policies (continued)

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.

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 and proceeds are received.

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.

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 and proceeds are received.

2. Accounting policies (continued)

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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. All grants are of a revenue nature and are recognised in the Consolidated Profit and Loss Account in the same period as the related expenditure.

2.9 Interest income

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

2.10 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.

2.11 Borrowing costs

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

2.12 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. Accounting policies (continued)

2.13 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.

2.14 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. Accounting policies (continued)

2.15 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:

Goodwill	-	10	years
Trademarks	-	10	years
Computer Software	-	4	years

2.16 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
Other assets	-	25%	Straight line
Fixtures and fittings	-	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. Accounting policies (continued)

2.17 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.

2.18 Valuation of investments

Investments in subsidiaries and unlisted company shares 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.

2.19 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 financial statements, 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.

2.20 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.

2.21 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. Accounting policies (continued)

2.22 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.

2.23 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.*

2.24 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.

2.25 Financial instruments

The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of 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.

2. Accounting policies (continued)

2.25 Financial instruments (continued)

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

2.26 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 tax assets

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.

3. Judgements in applying accounting policies (continued)

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. The directors 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 2020, no ROC recycle revenue has been accrued in respect of ROC's generated for CP19 (April 2020 to 31 December 2020) 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.

Carrying value of investments and loans

Oxygen House Group Limited recognises its investments and loans at carrying value. 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.

4. Turnover

Turnover recognised in the consolidated statement of profit or loss is analysed as follows:

	2020 £000	2019 £000
Electricity sales	**16,864**	16,644
Developer fees	**2,689**	4,522
Asset management & management fees	**3,802**	4,463
Rental income and service charges	**977**	1,424
Consultancy	**263**	273
Property stock sales	**8**	860
Educational software sales	**1,902**	533
Other	**134**	246
	26,639	28,965

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	**26,052**	28,965
Rest of Europe	**535**	-
Rest of the world	**52**	-
	26,639	28,965

5. Other operating income

	2020 £000	2019 £000
Other operating income	**48**	114
Government grants receivable	**307**	53
Profit on disposal of fixed asset investments	**4,327**	1,135
Profit on disposal of tangible assets	**-**	511
	4,682	1,813

6. Operating loss

The operating loss is stated after charging:

		2020 £000	2019 £000
Research & development charged as an expense		5,207	4,020
Property stock costs expensed in year		658	799
Staff costs	8	20,505	17,862
Depreciation	15	6,259	5,900
Amortisation	14	970	559
Auditors' remuneration	7	295	282
Consultancy fees		3,269	1,897
Joint venture loan provision	28	5,416	-

7. Auditors' remuneration

	2020 £000	2019 £000
Fees payable to the Group's auditors and their associates for the audit of the Group's annual financial statements	89	62
Fees payable to the Group's auditors for the audit of the subsidiary annual financial statements	198	163
Fees payable to the Group's auditors for other services	8	57
	295	282

8. Staff costs

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Wages and salaries	17,545	15,312	-	-
Social security costs	1,979	1,847	-	-
Other pension costs	981	703	-	-
	20,505	17,862	-	-

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

	2020 No.	2019 No.
Employees	261	258

The Company has no employees during 2020 or 2019.

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.

	2020 £000	2019 £000
Directors' emoluments	226	360
	226	360

During the year retirement benefits were accruing to no directors (2019 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £77,966 (2019 - £124,740).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

During the year no directors exercised share options (2019 -NIL)

10. Income from other fixed asset investments

	2020 £000	2019 £000
Income from preference shares	-	208
	-	208

11. Other interest receivable and similar income

	2020 £000	2019 £000
Interest receivable from joint ventures	265	106
Interest receivable from associates	407	13
Interest receivable from debt factoring	108	47
Bank and other interest receivable	95	76
	875	242

12. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest payable	3,816	3,777
Other	456	468
	4,272	4,245

13. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	368	(112)
Adjustments in respect of previous periods	(583)	(257)
	(215)	(369)
Total current tax	(215)	(369)
Deferred tax		
Origination and reversal of timing differences	9	492
Changes to tax rates	22	(65)
Total deferred tax	31	427
Taxation on (loss)/profit on ordinary activities	(184)	58

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	(16,641)	(7,636)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(3,161)	(1,451)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,887	2,339
Fixed asset differences	3	(206)
Unrecognised deferred tax	4,343	2,610
Adjustments to tax charge in respect of prior periods	932	(334)
Other timing differences leading to an increase (decrease) in taxation	(1,325)	199
Non-taxable income	(4,863)	(3,099)
Total tax charge for the year	(184)	58

14. Intangible assets

Group

	Goodwill £000	Computer software £000	Other intangibles £000	Total £000
Cost				
At 1 January 2020	8,430	121	586	9,137
Disposals	(675)	-	-	(675)
At 31 December 2020	7,755	121	586	8,462
Accumulated amortisation				
At 1 January 2020	1,095	97	-	1,192
Charge for year	836	17	117	970
At 31 December 2020	1,931	114	117	2,162
Net book value				
At 31 December 2020	5,824	7	469	6,300
At 31 December 2019	7,335	24	586	7,945

15. Tangible assets

Group

	Land and Buildings £000	Building improve - ments £000	Solar PV assets £000	Inverters £000	Fixtures and fittings £000	Other fixed assets £000	Total £000
Cost or valuation							
At 1 January 2020	1,625	278	124,091	7,753	777	1,330	135,854
Additions	18	3	150	-	12	186	369
On disposals	-	-	(149)	-	(4)	(79)	(232)
Change in decommissioning estimate	-	-	1,156	-	-	-	1,156
At 31 December 2020	1,643	281	125,248	7,753	785	1,437	137,147
Accumulated depreciation							
At 1 January 2020	6	3	29,773	3,152	396	831	34,161
Charge for year	3	28	5,381	520	103	224	6,259
On disposals	-	-	(9)	-	(2)	(79)	(90)
At 31 December 2020	9	31	35,145	3,672	497	976	40,330
Net book value							
At 31 December 2020	1,634	250	90,103	4,081	288	461	96,817
At 31 December 2019	1,619	275	94,318	4,601	381	499	101,693

16. Investments

Group

	Unlisted investments £000	Convertible loan notes £000	Investments in associated undertaking £000	Investment in joint ventures - Ordinary shares £000	Investment in joint ventures - Preference shares £000	Total £000
Cost or valuation						
At 1 January 2020	5,622	110	5,442	281	1,877	13,332
Additions	35	-	831	-	2,974	3,840
Disposals	-	-	-	(273)	(4,851)	(5,124)
Dividends	-	-	-	(4,967)	-	(4,967)
Share of profit/(loss)	-	-	81	5,994	-	6,075
At 31 December 2020	5,657	110	6,354	1,035	-	13,156
Accumulated impairment						
At 1 January 2020	5,043	110	2,057	-	-	7,210
Charge for the year	106	-	100	-	-	206
At 31 December 2020	5,149	110	2,157	-	-	7,416
Net book value						
At 31 December 2020	508	-	4,197	1,035	-	5,740
At 31 December 2019	579	-	3,385	281	1,877	6,122

16. Investments (continued)

Company

	Investments in subsidiary companies £000	Investments in associates £000	Unlisted investments £000	Total £000
Cost or valuation				
At 1 January 2020	75,095	177	5,622	80,894
Additions	7,787	-	35	7,822
Share of profit/(loss)	-	81	-	81
At 31 December 2020	82,882	258	5,657	88,797
Accumulated impairment				
At 1 January 2020	12	-	5,043	5,055
Charge for the year	-	-	106	106
At 31 December 2020	12	-	5,149	5,161
Net book value				
At 31 December 2020	82,870	258	508	83,636
At 31 December 2019	75,083	177	579	75,839

During the year Oxygen House Group Limited made additional investment of £7,786,617 to Sparx Limited, a 90% owned subsidiary.

Direct subsidiary undertakings

The following were direct subsidiary undertakings of Oxygen House Group Limited:

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	8	Ordinary	100%
Low Carbon Oxygen Limited	1	Ordinary	98.96%
Sparx Limited	1	Ordinary	90%
Low Carbon Limited	1	Ordinary	70%

16. Investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of Oxygen House Group Limited:

Name	Registered office	Class of shares	Holding
Grenadier Cornwall Limited	1	Ordinary	100%
Grenadier Emperor Limited	1	Ordinary	100%
Grenadier Exmouth Limited	1	Ordinary	100%
Grenadier Paternoster Limited	1	Ordinary	100%
Grenadier 29 Limited	1	Ordinary	100%
St Margaret's Residences (Exeter) Limited	1	Ordinary	100%
St Margaret's Residences Management Company Limited	1	Ordinary	100%
H&A Learning Ltd	1	Ordinary	90%
City Science Corporation Limited	8	Ordinary	33.98%
Queen's Drive Exmouth Community Interest Company	1	Ordinary	75%
Balliemeanoch Wind Farm Limited	1	Ordinary	100%
Aurora Solar Farm Limited	1	Ordinary	100%
Blackdyke Battery Storage Limited	1	Ordinary	100%
Camber Solar Project Limited	1	Ordinary	100%
Chalton Manor Solar Farm Limited	1	Ordinary	100%
Costa Head Wind Farm Limited	6	Ordinary	100%
Cornwell Solar Farm Limited	1	Ordinary	100%
Crouch Solar Farm Limited	1	Ordinary	100%
Drover Lane Solar Farm Limited	1	Ordinary	100%
Doveryard Limited	1	Ordinary	50%
DY Oldhall Limited	1	Ordinary	100%
Elegen Limited	1	Ordinary	75%
ENE Developments Limited	1	Ordinary	51%
Fishcross Battery Storage Limited	1	Ordinary	100%
Fox Covert Solar Farm Limited	1	Ordinary	100%
Friars Gate Flexi Limited	1	Ordinary	100%
Gairy Hill Wind Farm Limited	1	Ordinary	100%
Grid System Services Limited	4	Ordinary	70%
Grid System Services Limited	4	Preference	100%
Harlsford Solar Farm Limited	1	Ordinary	100%
Hesta Head Wind Farm Limited	6	Ordinary	100%
Hoolan Energy Limited	1	Ordinary	100%
Inkersall Solar Farm Limited	1	Ordinary	100%
Knightcote Road Solar Farm Limited	1	Ordinary	100%
Layer Solar Farm Limited	1	Ordinary	100%
LC Energy B.V	5	Ordinary	50%
LC Energy B.V	5	Preference	100%
LC Nadia Limited	1	Ordinary	100%
LCW2E2 Development Limited	1	Ordinary	100%
LC Storage SPV1 Limited	1	Ordinary	100%
Leigh Solar Park Limited	1	Ordinary	100%
Low Carbon Asset Management Limited	1	Ordinary	100%
Low Carbon Bond Company Limited*	1	Ordinary	100%
Low Carbon W2E Limited	1	A Ordinary	100%
Low Carbon W2E Limited	1	B Ordinary	0%
Low Carbon CHP Investment Company Limited	1	A Ordinary	100%
Low Carbon CHP Investment Company Limited	1	B Ordinary	0%
Low Carbon EAAS Limited	1	A Ordinary	100%
Low Carbon EAAS Limited	1	B Ordinary	0%
Low Carbon Flexible Generation Limited	1	A Ordinary	100%

16. Investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Low Carbon Flexible Generation Limited	1	B Ordinary	0%
Low Carbon Foundation	1	Ordinary	100%
Low Carbon General Partner Limited	1	Ordinary	100%
Low Carbon Group Limited	1	Ordinary	100%
Low Carbon Intellectual Property Limited	1	Ordinary	100%
Low Carbon Investment Management Limited	1	Ordinary	100%
Low Carbon Investment Partners Limited	1	Ordinary	100%
Low Carbon Investment Partners 1 Limited	1	Ordinary	100%
Low Carbon Ireland Limited	1	Ordinary	100%
Low Carbon Netherlands Limited	1	A Ordinary	100%
Low Carbon Netherlands Limited	1	B Ordinary	0%
Low Carbon Solar Investment Company Limited	1	Ordinary A1	100%
Low Carbon Solar Investment Company Limited	1	Ordinary A2	100%
Low Carbon Solar Investment Company Limited	1	Ordinary B1	100%
Low Carbon Solar Investment Company Limited	1	Ordinary B2	100%
Low Carbon Solar Investment Company 5 Limited*	1	Ordinary	100%
Low Carbon Solar Park 1 Limited	1	Ordinary	100%
Low Carbon Solar Park 2 Limited	1	Ordinary	100%
Low Carbon Solar Park 3 Limited	1	Ordinary	100%
Low Carbon Solar Park 4 Limited	1	Ordinary	100%
Low Carbon Solar Park 5 Limited	1	Ordinary	100%
Low Carbon Solar Park 6 Limited	1	Ordinary	100%
Low Carbon Solar Park 7 Limited	1	Ordinary	100%
Low Carbon Solar Park 8 Limited		Ordinary	100%
Low Carbon Solar Park 9 Limited	1	Ordinary	100%
Low Carbon Solar Park 10 Limited	1	Ordinary	100%
Low Carbon Solar Park 11 Limited	1	Ordinary	100%
Low Carbon Solar Park 12 Limited	1	Ordinary	100%
Low Carbon Storage Investment Company Limited	1	A1 Ordinary	100%
Low Carbon Storage Investment Company Limited	1	A2 Ordinary	0%
Low Carbon Storage Investment Company Limited	1	B1 Ordinary	100%
Low Carbon Storage Investment Company Limited	1	B2 Ordinary	0%
Low Carbon Storage Ireland Limited	1	A Ordinary	100%
Low Carbon Storage Ireland Limited	1	B Ordinary	0%
Low Carbon UK Solar Investment Company Limited	1	A Ordinary	100%
Low Carbon UK Solar Investment Company Limited	1	B Ordinary	0%
Low Carbon Ventures Limited	1	Ordinary	100%
Low Carbon W2E2 Limited	1	A Ordinary	100%
Low Carbon W2E2 Limited	1	B Ordinary	0%
Low Carbon Wind Investment Company 1 Limited	1	A Ordinary	100%
Low Carbon Wind Investment Company 1 Limited	1	B Ordinary	0%
Low Carbon Wind Investment Company 2 Limited	1	Ordinary	100%
Maple Tree Energy Management Limited	1	Ordinary	100%
Medway Energy Recovery Limited	1	Ordinary	100%
Nur Energie Limited	7	Ordinary	1.27%
Nur Energie Limited	7	Ordinary B Preference	53.45%
Nur Energie Limited	1	Ordinary A Prefernce	0%
Parc Solar Traffwll Limited	1	Ordinary	100%
Park Farm Solar Limited	1	Ordinary	100%
Redcar Holdings Limited	1	Ordinary	65%

16. Investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Scunthorpe Flexi Limited	1	Ordinary	100%
South Bristol Energy	1	Ordinary	100%
St Clere's Solar Farm Limited	1	Ordinary	100%
Trust Power Limited	1	Ordinary	100%
Low Carbon Rooftops Limited	1	Ordinary	100%
Vilo Investments Limited	1	Ordinary	100%
VLC Energy Limited	1	Ordinary	50%
VLC Renewables Limited	1	Ordinary	50%
WB Energy Park Limited	1	Ordinary	100%
Zonnepark Woudbloem B.V	5	Ordinary	50%
Zonnepark Veenweg Ter Apel B.V	5	Ordinary	50%
Zonnepark Nergena B.V	5	Ordinary	50%
Zonnepark Keppelsweg B.V	5	Ordinary	50%
Zonnepark Havebos B.V	5	Ordinary	50%
Zonnepark Werkhoven	5	Ordinary	50%
Zonnepark Agger B.V	5	Ordinary	50%
Zonnepark Wijerbroek Oost B.V	5	Ordinary	50%
Zonnepark Wijerbroek West B.V	5	Ordinary	50%
Zonnepark Bergweg Mariahoop B.V	5	Ordinary	50%
Zonnepark Wusterveld B.V	5	Ordinary	50%
Zonnepark De Stegenhoek B.V	5	Ordinary	50%
LC Nadia B.V	10	Ordinary	100%
LC Nadia Holdings 1 B.V	10	Ordinary	100%
LC Nadia Holdings 2 B.V	10	Ordinary	100%
Nero Adamdel Renewables SA	3	Ordinary	75%
Nero Renewables Romania SA	3	Ordinary	75%
Kilmannock Battery Storage Limited	2	Ordinary	37%
Porterstown Battery Storage Limited	2	Ordinary	37%
Mullavilly Energy Limited	9	Ordinary	49%
Drumkee Energy Limited	9	Ordinary	49%
Verus Energy Oak Limited	11	Ordinary	38%
BH Energy Gap (Doncaster) Limited	12	B Ordinary	100%
BH Energy Gap (Doncaster) Limited	12	A1 Ordinary	100%
BH Energy Gap (Doncaster) Limited	12	A2 Ordinary	0%
Broad Energy (Wales) Limited	13	Ordinary	0%
Broad Energy (Wales) Limited	13	A Ordinary	0%
Broad Energy (Wales) Limited	13	B Ordinary	100%

16. Investments (continued)

Indirect subsidiary undertakings (continued)

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

Grid System Services Limited - Republic of Ireland
Kilmannock Battery Storage Limited - Republic of Ireland
Porterstown Battery Storage Limited - Republic of Ireland
LC Energy B.V - Netherlands
Zonnepark Woudbloem B.V - Netherlands
Zonnepark Veenweg Ter Apel 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
LC Nadia B.V - Netherlands
LC Nadia Holdings 1 B.V - Netherlands
LC Nadia Holdings 2 B.V - Netherlands
Nero Adamdel Renewables SA - Romania
Nero Renewables Romania SA - Romania

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: 38/39 Fitzwilliam Square West, Dublin 2
Companies marked 3: Street Siriului 33A, AP.3, Floor, Room C1, Module C1.2, Bucharest, Romania
Companies marked 4: Glen Erin, Caulstown, Dunboyne, Co, Meath, D13R R77
Companies marked 5: Broland 12 6708 WH Wageningen
Companies marked 6: Hoolan Energy Limited, 16 Young Street, Edinburgh, EH2 4JB
Companies marked 7: 95 Aldwych, London, WC2B 4JF
Companies marked 8: The Mount, 72 Paris Street, Exeter, Devon, EX1 2JY
Companies marked 9: The Scapel, 18th Floor 52 Lime Street, London, EC3M 7AF
Companies marked 10: Amstelveenseweg 760, Amsterdam, 1081 JK
Companies marked 11: Stone House, 55 Stone Road Business Park, Stoke-on-trent
Comapnies marked 12: 6 Queen Street, Leeds, West Yorkshire, LS1 2TW
Companies marked 13: Buttington Quarry, Buttington, Welshpool, Powys, SY21 8SZ

For the year ended 31 December 2020 the subsidiaries above were entitled to exemption from audit under section 479A of the Companies Act 206 relating to subsidiary companies, except for the following who have prepared audited financial statements:

- Low Carbon Oxygen Limited (Group and Company)
- Low Carbon 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

16. Investments (continued)

Indirect subsidiary undertakings (continued)

- 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
- Trenouth Solar Investment Company Limited
- Skegness Solar Park Limited

17. Investment property

Group

	Freehold investment property £000
Valuation	
At 1 January 2020	**6,500**
Deficit on revaluation	**(288)**
At 31 December 2020	**6,212**

The directors consider the fair value of the property at 31 December 2020 to be £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.

18. Stocks

	Group 2020 £000	Group 2019 £000
Work in progress (development properties)	**18,658**	11,538
	18,658	11,538

19. Debtors

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Due after more than one year				
Amounts owed by joint ventures	**584**	-	-	-
	584	-	-	-

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Due within one year				
Trade debtors	**879**	2,395	-	-
Amounts owed by group undertakings	-	-	**57,328**	51,969
Amounts owed by joint ventures, associates and related undertakings	**216**	4,293	-	7
Other debtors	**5,117**	3,123	**100**	100
Grants receivable	**10**	-	-	-
Prepayments and accrued income	**3,056**	3,244	**4**	2
	9,278	13,055	**57,432**	52,078

Included within amounts owed by group undertakings is £32,532,833 (2019: £25,959,007) 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.

20. Cash at bank and in hand

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	**26,775**	20,400	**3,934**	3,177
	26,775	20,400	**3,934**	3,177

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 "bank accounts" above, amounts to £4,024,162 (2019: £3,870,643) at the year end.

Also included above is £660,000 (2019: £630,000) of cash restricted to comply with FCA capital adequacy requirements.

21. Creditors: Amounts falling due within one year

		Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans and overdrafts	23	**11,630**	6,976	-	-
Trade creditors		**1,253**	666	-	-
Amounts owed to group undertakings		-	-	**235**	3,415
Loans from joint ventures		**1,354**	-	-	-
Amounts owed to related undertakings		**41**	581	-	-
Corporation tax		**513**	219	-	-
Other taxation and social security		**1,758**	1,286	-	-
Other creditors		**7,298**	2,027	-	-
Accruals and deferred income		**5,241**	4,457	**95**	95
		29,088	16,212	**330**	3,510

Amounts owed to group undertakings are interest free and repayable on demand.

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

		Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Bank loans and overdrafts	23	**80,273**	84,105	-	-
Long term employment benefit		**667**	167	-	-
Share capital treated as debt	26	**2,124**	1,214	**2,124**	1,214
		83,064	85,486	**2,124**	1,214

Disclosure of the terms and conditions attached to the non-equity shares is made in note 26.

The long term employment benefit relates to the subsidiary acquisition of H&A Learning Ltd in 2019. Sparx Limited, a subsidiary of Oxygen House Group Limited, is under obligation to pay £1,500,000 to the sellers for the sale of their shares. The sellers, who are now employees of Sparx Limited, will receive the full consideration on the third anniversary of the acquisition date.

23. Loans

	Group 2020 £000	Group 2019 £000
Amounts falling due within one year		
Bank loans	**11,630**	6,976
	11,630	6,976
Amounts falling due 1-2 years		
Bank loans	**8,691**	5,297
	8,691	5,297
Amounts falling due 2-5 years		
Bank loans	**16,302**	19,453
	16,302	19,453
Amounts falling due after more than 5 years		
Bank loans	**55,280**	59,355
	55,280	59,355
	91,903	91,081

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 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. 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 £4,000,000 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.

A loan drawn against a facility of £6,300,000 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.

24. Deferred taxation

Group

	2020 £000
At beginning of year	(1,490)
Charged to profit or loss	(32)
At end of year	**(1,522)**

	Group 2020 £000	Group 2019 £000
Accelerated capital allowances	(1,522)	(1,490)
	(1,522)	(1,490)

25. Other provisions

Group

	£000
At 1 January 2020	11,038
Charged to profit or loss	136
Utilised in year	1,155
At 31 December 2020	**12,329**

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.

26. Called up share capital

Group and Company

	2020 £000	2019 £000
Shares classified as equity		
Authorised, allotted, called up and fully paid		
124,494,110 (2019 - 117,570,200) Ordinary shares of £0.010 each	**1,245**	1,176
Shares classified as debt		
Authorised, allotted, called up and fully paid		
1,573,155 (2019: 948,154) Preference shares of £1.350 each	**2,124**	1,214

In January 2020, 6,923,968 (2019: 18,254,993) new shares of 0.01p each were issued to a director of Oxygen House Group Limited for total consideration of £8,862,679 giving rise to a share premium of £8,793,439.

625,000 (2019: 948,154) new preference shares of £1.28 were issued to other directors of Oxygen House Group Limited for consideration of £800,000.

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.

27. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £000	Group 2019 £000
Not later than 1 year	**995**	1,203
Later than 1 year and not later than 5 years	**2,999**	3,282
Later than 5 years	**15,352**	16,173
	19,346	20,658

28. Related party transactions

The company and group has taken advantage of exemption, under the terms of Financial Reorting 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 (2019: £20,600) were charged by Oxygen House Limited and property management fees of £6,865 (2019: £17,672) were charged by Grenadier Estates Limited to a director of Oxygen House Group Limited.

Service charges of £938,072 (2019: £940,577) were charged by Oxygen House Limited and property management fees of £24,359 (2019: £48,241) were charges by Grenadier Estates Limited to associated companies outside of the Oxygen House Group but under common control.

Service charges of £1,074,020 (2019: £1,468,410) were charged by Oxygen House Limited to companies within the group but not wholly owned.

Secondments and management fees of £64,888 (2019: £108,432) were charged by Global City Futures Limited to an associated company to which the company is a member.

Included in Revenue is £1,786,627 (2019: £2,832,794) charged to VLC Renewables Fund 1 GP Limited, a company jointly controlled by Low Carbon Investment Partners Limited, a subsidiary of Low Carbon Limited.

Costs include the following:

Property rents of £96,341 (2019: £96,341) were charged to Oxygen House Limited by a director of Oxygen House Group Limited.

Consultancy fees and expenses totaling £871,778 (2019: £658,568) were charged to the group by a company controlled by a director of Low Carbon Limited.

Employment cost recharges of £77,966 (2019: £124,740) were charged to Oxygen House Limited by a fellow subsidiary not wholly owned.

During the year, dividends of £2,359,770 (2019: £219,258) were paid to minority shareholders of subsidiaries within the Low Carbon Limited group.

Assets:

28. Related party transactions (continued)

Loans of £9,340 (2019: £48,518) to Exeter City Futures Community Interest Company, of whom Global City Futures Limited is a member.

Loans of £40,668 (2019: £1,369,232) to associated companies outside of the group, but under common control.

Loans of £44,333,684 (2019: £40,459,799) to subsidiary companies not wholly owned.

Included in Other debtors is:

A loan advanced of £2,592,283 (2019: £1,679,900), and payments received of £95,444 from VLC Renewables Limited. The loan is unsecured, repayable on demand, and attracts interest at 5% per annum. Interest of £215,719 (2019: £89,952) was charged during the year. A full provision of £5,415,576 (2019: £nil) was made against the loan during the year, due to the material nature of this provision it has been included as an exceptional expense in the income statement. At the balance sheet date, £nil (2019: £2,716,951) remains outstanding.

Working capital of £445,000 (2019: £152,566) provided to Doveryard Limited, a Joint Venture of Low Carbon W2E Limited, a subsidiary of Low Carbon Limited. The loan is unsecured, repayable in 2021 and attracts interest at 12% per annum. Interest of £49,095 (2019: £14,555) was charged during the year. At the balance sheet date £710,705 (2019: £202,566) remains outstanding.

Liabilities:

Included in Amounts owed to associated undertakings under common control is:

Loans of £Nil (2019: £426,303) from Oxygen House Partners LLP, an associated entity under common control.

Company

Revenue includes:

Interest of £1,326,952 (2019: £904,637) charged to a fellow subsidiary not wholly owned.

Dividends of £4,197,382 (2019: £4,288,824) received from a fellow subsidiary not wholly owned.

29. Post balance sheet events

There are no events to report after the year end.

30. Controlling party

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