Registration number: 11963946

Olive Storage Midco Ltd

Consolidated Financial Statements for the year ended 31 December 2022

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Important Note

The contents of this report do not constitute advice and no person should make any investment decisions in reliance on the contents of this report.

Corporate Information

Principal Place of Business and Registered Address	4th Floor, 3 More London Riverside London, SE1 2AQ U.K.
Shareholder	Olive Storage Holdings Ltd 4th Floor, 3 More London Riverside London, SE1 2AQ U.K.
Legal Advisor	Clifford Chance LLP 10 Upper Bank Street, London, E14 5JJ U.K.
Tax Advisor	Deloitte LLP 2 New Street Square, London, EC4A 3BZ U.K.
Independent Auditor	Grant Thornton UK LLP Chartered Accountants and Statutory Auditor 101 Cambridge Science Park, Milton Road, Cambridge CB4 0FY U.K.
Administrator	IQ EQ Administration Services (UK) Ltd 4th Floor, 3 More London Riverside London, SE1 2AQ U.K.
Company Secretary	IQ EQ Corporate Services (UK) Ltd 4th Floor, 3 More London Riverside London, SE1 2AQ U.K.

Strategic Report

The Directors present their strategic report and the financial statements of Olive Storage Midco Ltd, and its subsidiaries, Olive Storage Ltd and Oikos Storage Limited (together the "Group"), for the year ended 31 December 2022.

Principal activities and business review

The principal activity of the Group during the year was the storage and distribution of bulk liquids. The principal activity of Olive Storage Midco Ltd is to hold an investment for its Shareholder.

The strategy of the Group is to safely provide flexible storage services to its customers and develop its infrastructure to support the evolving needs of the market. The available storage has been fully utilised throughout the year between two key customers, and is expected to continue to remain fully utilised.

The Group benefits from a potential development opportunity, comprising 15 hectares of surplus land, able to accommodate additional tank capacity. The business is currently exploring the potential attractiveness of the options that this brings.

Following the project in 2021 to store and handle Hydrogenated Vegetable Oil ("HVO"), The Group significantly increased its handling of this product on behalf of its customers in 2022. The Group successfully adapted its facilities to facilitate greater throughput of this product in 2022 and beyond, continuing to support the net zero energy transition.

Results

The Group's loss after tax for the 12-month period amounted to £9,802,553 (2021: profit after tax of £1,630,908).

Principal risks and uncertainties

The Group's activities involve the management and control of inherent health, safety and environmental risks. The Group's commercial activities are subject to market and counterparty risks, noted further below. The Group operates in a sector which is subject to a high degree of government regulation which may drive costs higher.

The Group is exposed to the following principal risks and the Group has in place risk mitigation measures that seek to identify and mitigate the adverse effects of these risks:

Health, safety, security and environmental ("HSSE") risks
Through its operations, the Group manages quantities of hazardous materials in accordance with applicable laws and standards overseen by the relevant authorities. High performance in managing HSSE risks is critical to its success. The Group endeavours to minimise its HSSE risks through high standards of engineering design, plant operations and maintenance. A comprehensive HSSE management system is in place with dedicated and qualified resource and regular auditing inspections are carried out. The Group maintains an open reporting culture to ensure that risks are identified and observations and solutions are encouraged to continue to raise standards.

Operational risk
The Group has designed its facilities and systems to meet its contractual obligations and has in place appropriate risk management protocols and procedures to mitigate operational risks.

Counterparty risk
Customers have entered into long term take-or-pay contracts and therefore the Group is exposed to the credit quality of these customers. Under the contracts the customers are required to demonstrate the minimum credit quality or put in place financial guarantees to meet these requirements.

Market risk
The Group has in place long term take-or-pay contracts that underpin a large proportion of its financial position. A relatively small proportion of the Group's revenue is dependent on operational throughput which is determined by market economics. The level of revenues arising from market-based activities remains relatively low ensuring that the Group overall, has low revenue volatility.

2022 saw increased demand for aviation fuels which supported variable income compared to lower aviation demand scenarios in 2020 and 2021 due to the global pandemic (coronavirus).

Strategic Report (continued)

Principal risks and uncertainties (continued)

Liquidity risk
The Group is in a cash generative position able to meet its financial obligations. The Group regularly prepares forecast cash flow analysis which shows that there will be sufficient funds for its operations for the foreseeable future. The Group could also choose not to repatriate excess cashflow up the holding structure to SL Capital Infrastructure I LP (the ultimate parent of the Group) if liquidity was low. This is the main reason why the cash balance declines over time.

Covid-19 risk
Revenue. The Group has in place long term take-or-pay contracts with the large majority of revenue fixed. The counterparty risks are set out above which are considered adequate to underpin the Group's revenue. A relatively small element of income is dependent on operational throughput, see Market risk above. The Group has remained in close contact with its customers throughout the period.

Suppliers. The Group has long standing agreements for the supply of support services with core activities managed under direct control by its own staff. The Group has continued to meet its payment obligations and is working closely with suppliers to ensure continuity of service within a risk assessed and controlled work environment.

Staff. The Group is ensuring continuity of service and support to its staff throughout the pandemic. The Group's employees are considered to be 'keyworkers' and 24-hour attendance at the terminal has been maintained through risk assessed and flexible working patterns. Non-operational staff have been supported through home working with adapted arrangements in place. As restrictions eased in 2022 the Group adopted a gradual phased return to work for non-operational staff.

Environmental, social and governance
The Group aims to ensure that its Environmental Social and Governance ("ESG") policies are appropriate and relevant for a group operating to high standards of corporate governance and recognising the potential for the Group's external impact. The Group regularly reviews its policies and initiatives to ensure they remain relevant with the aim of continuous improvement and to mitigate its ESG risks.

The energy transition presents both risks and opportunities for the Group. As society and governments seek to reduce carbon intensity from the transport sector the role of oil-based fuels remains uncertain, which may impact the Group in the medium to long term. The Group is working closely with its customers to support their journey through the energy transition, repurposing its facilities where appropriate to increase flexibility and to adapt to low carbon renewable fuels e.g. in 2021 the facilities adapted to the receipt and export of HVO. In 2022 an agreement was reached for a further repurposing project to import, store and handle ethanol, used in the blending of gasoline road fuels to meet the UK's Renewable Transport Fuel Obligation (RTFO). It is anticipated this project will be complete the following year (2023).

Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. Interest rate derivatives are required by the terms of the bank loan to cover 35% of the outstanding loan amount, this mitigates the Group's exposure to interest rate risk.

D J Helmsley
Director
30 June 2023

Directors' Report

The Directors present the audited financial statements for Olive Storage Midco Ltd and its subsidiaries ("the Group") and the audited parent company financial statements (the "Company") for the year ended 31 December 2022.

Dividend

No dividends were declared during the year ended 31 December 2022 (2021: £Nil).

Directors

The Directors who served during the year and up to the date of this report were as follows:

Mr D J Helmsley
Mr A S Anderson (resigned on 29 November 2022)
Mr M W Jackson (appointed on 29 November 2022)
Mr S Waring (appointed on 29 November 2022)

The Group incurred no Directors' fees and remuneration in respect of services provided by the above Directors during the year. The ultimate parent of the Company is SL Capital Infrastructure I LP and the General Partner and Investment Manager of the ultimate parent both sit within the abrdn plc group. The Directors of the Company are employees of abrdn plc. Their role as employees includes providing directorship services to various legal entities within the abrdn plc group and related entities, as well as fulfilling a number of other duties. The Directors do not believe that it is practicable to disclose the remuneration amount for their services as Directors of the Company.

Results, activities and future developments

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 14. The principal activity of the Group during the year was the storage and distribution of bulk liquids. The principal activity of the Company is to hold an investment for its Shareholder.

The Group benefits from a potential development opportunity, comprising 15 hectares of surplus land able to accommodate additional tank capacity. The business is currently exploring the potential attractiveness of the options that this brings.

The separate notes to the consolidated financial statements contains detailed analysis of the Group's Investment and the risks associated with future developments or other events that affect the entire market.

Going concern assessment

The Group's and Company's Directors have made an assessment of the Group's and Company's ability to continue as a going concern and are satisfied that the Group and the Company have the resources to continue in business for at least 12 months from the date of approval of the consolidated financial statements. Accordingly, the consolidated and parent company financial statements have been prepared on a going concern basis. Please refer to note 2.4 for further details.

Events after reporting date

The Directors have identified no significant events that occurred between the end of the reporting period and the date when the consolidated financial statements were authorised for issue that affect the consolidated financial statements as at 31 December 2022.

Directors' Report (continued)

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Data protection

The Group has implemented measures that it believes are necessary in order to comply with the General Data Protection Regulation.

D J Helmsley
Director
30 June 2023

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including UK-adopted international accounting standards.)

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Olive Storage MidCo Ltd

Opinion

We have audited the financial statements of Olive Storage MidCo Ltd (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2022, which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the impacts of Covid-19 and inflationary pressures, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

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

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

Other information

The other information comprises the information included in the consolidated financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the consolidated financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Olive Storage MidCo Ltd (continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Independent auditor's report to the members of Olive Storage MidCo Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the group and parent company, and determined that the most significant are those that relate to the operational environment, the financial reporting framework (UK-adopted international accounting standards and Companies Act 2006) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, including laws and regulations relating to employment matters, data security and protection, health and safety regulations and consumer credit licensing;
- We obtained an understanding of how the group and parent company are complying with these legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of board minutes;
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborate this through our review of professional fees incurred during the period;
- We assessed the susceptibility of the group's and parent company's financial statements to material misstatement including how fraud might occur. Audit procedures included:
  - Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud and the adequacy of procedures for authorization of transactions and internal review procedures;
  - Challenging assumption and judgments made by management in its significant accounting estimates;
  - Identifying and testing journal entries, in particular any large or unusual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
  - Assessing the extent of compliance with direct laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- It is the audit partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- The group's and parent company's management have not noted any matters of non-compliance with laws and regulations of fraud that were communicated with the engagement team; and
- We completed audit procedures to conclude on the compliance of disclosures in the consolidated financial statements with applicable financial reporting requirements.

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

Use of our report

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

Paul Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
30 June 2023

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Turnover	4	14,916,609	14,012,111
Cost of sales		(14,645,301)	(13,741,470)
Gross profit		**271,308**	**270,641**
Administration and other expenses	7	(2,219,249)	(3,698,322)
Other income	6	740,243	558,782
		(1,479,006)	**(3,139,540)**
Operating loss		**(1,207,698)**	**(2,868,899)**
Finance charges	8	(8,424,745)	(6,531,730)
		(8,424,745)	**(6,531,730)**
Loss on ordinary activities before taxation		**(9,632,443)**	**(9,400,629)**
Taxation for the year	9	(170,110)	11,031,537
(Loss) / income for the financial year		**(9,802,553)**	**1,630,908**
Total comprehensive (loss) / income for the year		**(9,802,553)**	**1,630,908**

All results shown in the Consolidated Statement of Comprehensive Income are from continuing operations.

The Group has no components of other comprehensive income in the current and comparative year.

The notes 1 to 27 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	Notes	At 31 December 2022 £	At 31 December 2021 £
Assets			
Non-current assets			
Fixed assets	11	109,972,672	116,044,453
Intangible assets	12	12,154,655	12,355,836
Right-of-use asset	16	4,811,512	4,880,202
Goodwill	10	20,555,791	20,555,791
Derivative assets	25	-	14,219
		147,494,630	**153,850,501**
Current assets			
Trade and other receivables	14	2,014,634	1,478,244
Cash and cash equivalents		7,337,922	5,903,430
Prepayments		515,341	524,661
Derivative assets	25	513,937	-
		10,381,834	**7,906,335**
Total assets		**157,876,464**	**161,756,836**
Equity and reserves			
Share capital	13	31,684,429	31,684,429
Accumulated losses		(30,998,330)	(21,195,777)
Total equity		**686,099**	**10,488,652**
Non-current liabilities			
Shareholder loan	18	74,845,077	74,845,077
Bank loan	19	55,305,173	54,431,068
Lease liability	16	5,460,837	5,298,411
Environmental provision	17	5,433,954	4,805,571
Deferred tax liabilities	9	2,680,474	2,510,365
		143,725,515	**141,890,492**
Current liabilities			
Trade and other payables	15	13,288,233	9,206,328
Lease liability	16	176,617	171,364
		13,464,850	**9,377,692**
Total liabilities		**157,190,365**	**151,268,184**
Total equity and liabilities		**157,876,464**	**161,756,836**

The notes 1 to 27 form an integral part of these consolidated financial statements.

The consolidated financial statements set out on pages 10 to 45 were authorised for issue by the Directors on 30 June 2023 and signed on its behalf by:

D J Helmsley
Director

Company Statement of Financial Position

	Notes	At 31 December 2022 £	At 31 December 2021 £
Assets			
Non-current assets			
Investment in a subsidiary	22	31,684,429	31,684,429
Loan to a subsidiary	26	71,737,717	71,737,717
		103,422,146	**103,422,146**
Current assets			
Trade and other receivables	14	10,267,208	8,051,523
Cash and cash equivalents		192,435	101,812
Prepayments		191	1,399
		10,459,834	**8,154,734**
Total assets		**113,881,980**	**111,576,880**
Equity and reserves			
Share capital	13	31,684,429	31,684,429
Accumulated losses		(1,179,237)	(921,773)
Total equity		**30,505,192**	**30,762,656**
Non-current liabilities			
Shareholder loan	18	74,845,077	74,845,077
		74,845,077	**74,845,077**
Current liabilities			
Trade and other payables	15	8,531,711	5,969,147
		8,531,711	**5,969,147**
Total liabilities		**83,376,788**	**80,814,224**
Total equity and liabilities		**113,881,980**	**111,576,880**

The notes 1 to 27 form an integral part of these consolidated financial statements.

The Company has taken the exemption under section 408 not to publish the parent company profit and loss account. The loss of the Company for the financial year is £257,464 (2021: £296,675).

The financial statements set out on pages 10 to 45 were authorised for issue by the Directors on 30 June 2023 and signed on its behalf by:

D J Helmsley
Director

Consolidated Statement of Changes in Equity

	Called up share capital £	Accumulated losses £	Total £
Opening balance as at 1 January 2022	**31,684,429**	**(21,195,777)**	**10,488,652**
Comprehensive loss for the year	-	(9,802,553)	(9,802,553)
Closing balance as at 31 December 2022	**31,684,429**	**(30,998,330)**	**686,099**

	Called up share capital £	Accumulated losses £	Total £
Opening balance as at 1 January 2021	**31,684,429**	**(22,826,685)**	**8,857,744**
Comprehensive profit for the year	-	1,630,908	1,630,908
Closing balance as at 31 December 2021	**31,684,429**	**(21,195,777)**	**10,488,652**

The notes 1 to 27 form an integral part of these consolidated financial statements.

Company Statement of Changes in Equity

	Called up share capital £	Accumulated losses £	Total £
Opening balance as at 1 January 2022	**31,684,429**	**(921,773)**	**30,762,656**
Comprehensive loss for the year	-	(257,464)	(257,464)
Closing balance as at 31 December 2022	**31,684,429**	**(1,179,237)**	**30,505,192**

	Called up share capital £	Accumulated losses £	Total £
Opening balance as at 1 January 2021	**31,684,429**	**(625,098)**	**31,059,331**
Comprehensive loss for the year	-	(296,675)	(296,675)
Closing balance as at 31 December 2021	**31,684,429**	**(921,773)**	**30,762,656**

The notes 1 to 27 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flows from operating activities			
Loss on ordinary activities before taxation		(9,632,443)	(9,400,629)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of fixed assets and right-of-use asset	11, 16	8,664,187	8,374,540
Disposal of fixed assets	11	-	(3,971)
Amortisation of intangible assets	12	201,181	201,181
Net unrealised movement on derivative financial instruments	25	(499,718)	(841,523)
Net realised movement on derivative financial instruments	6	(201,622)	(201,622)
Finance charges	8	8,424,745	6,531,730
Working capital adjustments:			
(Increase) / decrease in trade and other receivables		(527,070)	141,239
Increase / (decrease) in trade and other payables		1,479,490	(322,978)
Net cash inflow from operating activities		**7,908,750**	**4,477,967**
Cash flows from investing activities			
Capital expenditure	11	(2,133,282)	(402,241)
Capital disposals	11	-	3,971
Net cash outflow from investing activities		**(2,133,282)**	**(398,270)**
Cash flows from financing activities			
Interest received / (paid) on derivative financial instruments		201,622	(314,060)
Interest paid on shareholder loan	23	(2,636,740)	(2,000,000)
Interest paid on bank loan	23	(1,905,443)	(1,081,963)
Other finance charges paid	23	(415)	(32,747)
Net cash outflow from financing activities		**(4,340,976)**	**(3,428,770)**
Net increase in cash and cash equivalents		**1,434,492**	**852,549**
Cash and cash equivalents at the start of the year		5,903,430	5,050,881
Cash and cash equivalents at the end of the year		**7,337,922**	**5,903,430**

The notes 1 to 27 form an integral part of these consolidated financial statements.

Company Statement of Cash Flows

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flows from operating activities			
Loss on ordinary activities before taxation		(257,464)	(296,675)
Adjustments to reconcile loss before tax to net cash flows:			
Finance charges		5,239,155	5,239,156
Working capital adjustments:			
Increase in trade and other receivables		(2,214,478)	(3,025,045)
Decrease in trade and other payables		(39,850)	(3,673)
Net cash inflow from operating activities		**2,727,363**	**1,913,763**
Cash flows from financing activities			
Interest paid on shareholder loan	23	(2,636,740)	(2,000,000)
Net cash outflow from financing activities		**(2,636,740)**	**(2,000,000)**
Net increase / (decrease) in cash and cash equivalents		**90,623**	**(86,237)**
Cash and cash equivalents at the start of the year		101,812	188,049
Cash and cash equivalents at the end of the year		**192,435**	**101,812**

The notes 1 to 27 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Group Background

The consolidated financial statements of Olive Storage Midco Ltd and its subsidiaries, Olive Storage Ltd and Oikos Storage Limited for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 30 June 2023. Olive Storage Midco Ltd (the "Company" or the "Parent") is domiciled and incorporated in England and its registered address is 3 More London Riverside, London, SE1 2AQ, England. The Company has a 100% direct ownership interest in Olive Storage Ltd who acquired 100% of the ordinary share capital of Oikos Storage Limited on 29 May 2019. The principal activity of the Group during the year was the storage and distribution of bulk liquids. The principal activity of the Company is to hold an investment for its Shareholder.

The immediate parent of the Group is Olive Storage Holdings Ltd and the ultimate parent of the Group is SL Capital Infrastructure I LP.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with UK-adopted International Accounting Standards. The consolidated financial statements and the parent company's financial statements give a true and fair view and are in accordance with UK-adopted International Accounting Standards. The significant accounting policies of the Group and the Company are set out below.

The Group's consolidated financial statements and the Company's financial statements have been prepared under the historical cost convention except for derivative financial instruments which are measured at fair value and they are presented in Pound Sterling ("£"), which is the functional currency of the Group and the Company.

The preparation of consolidated and parent company financial statements in accordance with UK-adopted International Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the 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 of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details can be found in note 3 to the consolidated financial statements.

When a parent company prepares consolidated financial statements in accordance with the UK-adopted International Accounting Standards, the parent company is exempt from the requirement to publish its individual profit and loss account and the related notes. The exemption is conditional on the Company's individual financial position showing the Company's profit or loss for the financial period determined in accordance with the Act.

In preparing these financial statements, the Directors have considered the impact of the physical and transition risks of climate change and identified this as an emerging risk on page 3, but have concluded that it does not have a material impact on recoverability of the carrying amount of non-financial assets in these financial statements as at 31 December 2022.

2.2 New and revised accounting standards / amendments effective for the current year

New and revised accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2021 and have been adopted by the Group and the Company are listed below and overleaf.

Annual Improvements 2018-2020

- Amendments to IFRS 9, Financial Instruments

This amendment clarifies which fees should be included in the '10% test' for derecognition of financial liabilities; an entity should include only fees paid or received between itself and the lender.

- Amendments to IFRS 1, First-time Adoption of International Financial Reporting Standards

These amendments simplify the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.

- Amendments to IFRS 16, Leases Illustrative Example 13

The amendment removes the illustration of payments from the lessor relating to leasehold improvements, in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.2 New and revised accounting standards / amendments effective for the current year (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3
These amendments update references to the new IFRS Conceptual Framework within IFRS 3 Business Combinations and refer a preparer to the new Conceptual Framework definition of assets and liabilities when accounting for assets and liabilities acquired when a company obtains control of a business.

Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
These amendments clearly define what items comprise the cost of fulfilling a contract when determining whether a contract is onerous.

The above standards and amendments have been endorsed by the UK Endorsement Board.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning 1 January 2022 that have had a material effect on the Group's financial statements.

2.3 New accounting standards / amendments not yet effective

Other standards and amendments that are effective for subsequent reporting periods beginning on or after 1 January 2023 and have not been early adopted by the Group and the Company include:

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
The narrow-scope amendments to IAS 1 clarify that the classification of liabilities depends on the rights that exist at the end of the reporting period. The expectations of the entity or events after the reporting date will not affect the classification. The amendments also clarify the meaning of 'settlement' of a liability in the context of IAS 1.

The amendments may impact the classification of liabilities as current or non-current, particularly for entities that previously considered management's intentions to determine classification, and for some liabilities that can be converted into equity.

The amendments are to be applied retrospectively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Early adoption is permitted.

The amendments are effective for accounting periods beginning on or after 1 January 2023; however, ED/2021/9 Non-current Liabilities with Covenants (Proposed amendments to IAS 1) has proposed a deferral to 1 January 2024.

The amendment has yet to be adopted by the UK. The Group and the Company will adopt this amendment when it becomes effective.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 with regards to the disclosures around accounting policies.

An entity must now disclose its material accounting policies, instead of its significant accounting policies, and new guidance has been added on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective for accounting periods beginning on or after 1 January 2023. Early adoption is permitted. The amendment has been endorsed by the UK. The Group and the Company will adopt this amendment when it becomes effective.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
In February 2021, the IASB issued amendments to IAS 8 where it replaced the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are 'monetary amounts in financial statements that are subject to measurement uncertainty'.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.3 New accounting standards / amendments not yet effective (continued)

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (continued)

The Board clarifies:

- a change in accounting estimate that results from new information or new developments is not the correction of an error; and
- the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12, clarifying that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

These apply to deferred taxes related to leases when the lessee recognised right-of-use assets and lease liabilities at inception of the lease, and in the case of decommissioning obligations where an entity recognises a liability and includes the decommissioning costs in the costs of the assets at the beginning of the earliest comparative period presented.

The amendments are effective for accounting periods beginning on or after 1 January 2023. Early adoption is permitted. The amendment has been endorsed by the UK. The Group and the Company will adopt this amendment when it becomes effective.

2.4 Going concern

The Group's and Company's Directors have made an assessment of the Group's and Company's ability to continue as a going concern and are satisfied that the Group and the Company have the resources to continue in business for at least 12 months from the date of approval of the consolidated financial statements, with a specific focus on:

- the level of liquid resources, including cash and cash equivalents. The Directors regularly monitor the Group and Company's cash position to ensure sufficient cash is held to meet liabilities as they fall due. The Group could also choose not to repatriate excess cashflow up the holding structure to SL Capital Infrastructure I LP if liquidity was low. The repatriation of excess cashflow would be the main reason for a declining cash balance over time within Group and Company's cashflow projections;
- the value of the Group's assets in various downside scenarios, the Directors believe the Group will have a net fair value asset surplus from when the consolidated financial statements are authorised for at least 12 months from the date of approval of the consolidated financial statements;
- proximity to loan covenant conditions applicable to the Group, noting that there is an ongoing refinancing process which commenced in 2023 and lenders have consented to a request to waive the requirement for mandatory interest rate hedging until 31st March 2024 following the termination of the existing arrangements on 29th May 2023;
- the ability of the Group and Company to comfortably continue to meet cash debt service costs over the current budget forecast period;
- the robust nature of the key customer contract, which contains no break rights. The site to which the contract relates is of significant strategic importance to the key customer and it therefore considered highly unlikely that the customer would attempt to break the contract; and
- the effectiveness of operational processes within the Group and the resilience of these to any disruption, noting that the risk of disruption is limited given the high level of automation in place at the storage site. It is considered to be very unlikely that the site would be completely unable to operate for a significant period of time.

Based on a review of the above, the Directors are satisfied that the Group and Company have, and will maintain, sufficient resources to continue to meet its liabilities as they fall due from the date of approval of the consolidated and parent company financial statements for at least 12 months from the date of approval of the consolidated financial statements. Accordingly, the consolidated and parent company financial statements have been prepared on a going concern basis.

2.5 Consolidation and accounting for subsidiary entities within the Group

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.5 Consolidation and accounting for subsidiary entities within the Group (continued)
Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Olive Storage Midco Ltd has control over and therefore has consolidated the entities listed in note 22 in these consolidated financial statements.

2.6 Financial period
The consolidated and parent company financial statements are prepared from 1 January 2022 to 31 December 2022. The comparatives are presented from 1 January 2021 to 31 December 2021.

2.7 Functional currency
The Group's consolidated financial statements and the Company's financial statements are presented in Pound Sterling, which is also the parent company's functional currency as it most faithfully represents the economic effects of the underlying transactions, events and conditions.

2.8 Income, expenses, gains and losses
All income and expenses, inclusive of realised gains and losses, are accounted for on an accruals basis in the Consolidated Statement of Comprehensive Income.

2.9 Financial assets and liabilities
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commits to purchase or sell the asset.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.9 Financial assets and liabilities (continued)

a) Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at FVPL

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's Consolidated Statement of Financial Position and the Company's Statement of Financial Position) when:

- *The rights to receive cash flows from the asset have expired; or*
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.9 Financial assets and liabilities (continued)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, or amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVPL;
- Financial liabilities at amortised cost (Shareholder loan, bank loan and trade and other payables)

Financial liabilities at amortised cost (Shareholder loan, bank loan and trade and other payables)

This is the category most relevant to the Group and the Company. After initial recognition, the bank loan is subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Comprehensive Income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest in the Consolidated Statement of Comprehensive Income.

This category generally applies to the bank loan. For more information, refer to note 2.15.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Comprehensive Income.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Revenue recognition

The Group recognises revenue based on the five step model as set out in IFRS 15: Revenue from Contracts with Customers. Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised when the Group transfers control over a product or service to a customer.

The contracts with the customer are on take or pay provision. The contracts are essentially fixed in terms of revenue, where the Group is being paid for storing jet and diesel fuel regardless of product volumes held. The revenue are based on contractually agreed inputs which include a fixed storage capacity and charge rate.

The Group recognises revenue from take or pay contracts over time because the customers simultaneously receive and consume the benefits provided to them over the period of the contract. The contracts also give rise to other revenue streams, such as quay dues, pump overs and commissioning fees, which are recognised at point in time when the customer benefits from the services provided by the Group. When the Group satisfied a performance obligation by providing the promised goods or services, it creates a contract receivables based on the amount of consideration earned by the performance. Primarily the performance obligation that the customers expect from the Group is to provide a storage facility for bulk liquids to the customers.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.10 Revenue recognition (continued)
Revenue is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services based on the consideration specified in a contract with a customer.

2.11 Impairment of non-financial assets
The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates, the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit ("CGU") is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired through an impairment in profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared for the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the Consolidated Statement of Profit or Loss in expense categories consistent with the function of the impaired asset.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

An impairment loss recognised for all assets, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

2.12 Taxation

Current income tax
Current income tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the reporting date.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.12 Taxation (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.13 Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investment that is readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

2.14 Fixed assets

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the fixed asset and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (note 3) and provisions (note 2.24) for further information about the recognised decommissioning provision.

Depreciation is provided on fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Plant & machinery - 5 to 20 years
- Fixtures, fittings & office furniture - 3 years

Leasehold land & buildings are depreciated over the remaining term of the lease.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.14 Fixed assets (continued)
An item of fixed assets and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Environmental provision costs are included within leasehold land and buildings and are depreciated over the remaining term of the lease.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

2.15 Borrowings
Borrowings are recognised initially at fair value, plus directly attributable transaction costs and are subsequently stated at amortised cost; any interest or difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of borrowing using the effective interest method.

Borrowings are shown as non-current liabilities unless any settlement of the liability is within 12 months of the reporting date.

As at 31 December 2022, the carrying amount of borrowings approximate their fair value.

2.16 Derivative financial instruments
The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The change in fair value is recorded in profit or loss in the Consolidated Statement of Comprehensive Income.

2.17 Pension costs
The Group makes contributions to defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the Group. The annual contributions payable are charged to the Consolidated Statement of Comprehensive Income when they become payable.

2.18 Share capital
Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax.

Dividends payable in relation to equity shares are recognised as a liability in the period in which they are declared.

2.19 Goodwill
Goodwill is initially measured at cost (being the excess of the fair value and the aggregate of the consideration transferred and the amount recognised for non-controlling interest and any previous interest held over the identifiable assets acquired and liabilities assumed in a business combination). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.19 Goodwill (continued)
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

2.20 Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Comprehensive Income in the expense category that is consistent with the function of the intangible assets. Intangible assets are amortised on a straight line basis over the estimated useful life of the asset as follows:

- Customer contracts – 64 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income.

2.21 Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Please refer to note 3.4 for further details on the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Consolidated Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.21 Leases (continued)
ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Please refer to note 3.4 for further details on the lease term.

2.22 Capital commitment
Amounts contracted for but not provided for are disclosed in note 21 in the consolidated financial statements.

2.23 Contingencies
The Directors have confirmed that there were no contingent liabilities which should be disclosed at 31 December 2022 (2020: £Nil).

2.24 Environmental provision
In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Group is required to provide for environmental costs. The present value of estimated environmental costs is shown as a provision. The amount recognised is the present value of the estimated future expenditure. The unwinding of the discount rate is recognised as an expense and is included in the interest payable in the Consolidated Statement of Comprehensive Income.

2.25 Segment reporting
For management purposes, including information reporting to the Directors as the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of performance, the Group is considered as one segment without disaggregation. There is only one geographical location at which asset and customers are based, and there is only one revenue generating activity being the operation of the bulk liquid storage facility. As such under IFRS 8 the Directors have determined there is only one reportable segment with no further disclosure necessary. No operating segments have been aggregated to form the reportable segment.

3. Critical accounting estimates and judgements

There are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.1 Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Fair value is derived using the discounted cash flow methodology, with costs of disposal estimated by management. The value in use calculation is based on a discounted cash flow model. The cash flows are based on a financial model prepared by management projecting cashflows until 31 December 2038, at which point there is also a terminal value assumption.

The recoverable amount is sensitive to the discount rate used for the fair value model as well as the expected future cash-inflows and the terminal value multiple. The expected future cash-inflows include certain assumptions around a future substantial development opportunity, the 'South Side Development' or 'SSD'. These estimates are most relevant to fixed assets, goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the sole CGU identified are disclosed and further explained in note 10.

Notes to the Consolidated Financial Statements (continued)

3. Critical accounting estimates and judgements (continued)

3.2 Environmental provision

The Group has recognised a provision for obligations associated with returning the site to its original condition from an environmental perspective. In determining the best estimate of the provision, assumptions and estimates are made in relation to the discount rate, the expected cost to make good and the expected timing of those costs. The length of time to settle this obligation is modelled in line with the lease term, the timescale presents a high degree of uncertainty around what the actual cost will be and what techniques will be used to carry out the work. The estimation can, at present, only be based on existing technologies comprised of both mitigation works and final clearance works.

The valuation of the environmental provision is sensitive, amongst other things, to the timing of the expected settlement of future remediation cost and discount rate applied. The Group has run sensitivity analysis on the timing of settlement of future remediation cost based on a reduced lease term. If the Group extends the lease term up to 2062, which is earlier than the current assumption of 2092, then the environmental provision would increase by £1,109,757.

In arriving at the value of the provision, management have discounted the future liability by an estimate of the risk free rate (2.63%). This is based on Oxford Economics' long term forecast for Thirty Year UK government bond yields, which represents the longest UK Government bond yield available and acts as a reasonable proxy for a long term liability of this nature. If the estimated discount rate used in the calculation had been 1% higher than management's estimate, the carrying amount of the provision would have been £2,678,890 lower.

3.3 Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

3.4 Lease term

The Group has a lease contract for Land used in its operations. The remaining term of the lease is 11 years from 31 December 2022 with options to extend the lease for an additional term of 30 years on 13 December 2032 and a further option thereafter to extend the lease for another 30 years on 14 December 2062. For the purpose of calculating the value of the right-of-use lease asset and lease liability under IFRS 16, and for the purpose of calculating the unwinding of the environmental provision, it has been assumed that the Group will exercise both options to extend the lease, taking the term to 2092. Given the strategic location of the Oikos Storage Limited being well placed to serve the South East of England, including the major international airports of Heathrow, Gatwick and Stansted, management believe it is reasonably certain that this option will be exercised.

3.5 Useful life of intangible assets - customer contracts

The Group has recognised an intangible asset for customer contracts acquired in a business combination, the cost of this asset is the fair value of the contracts at the date of acquisition. In determining the best estimate of both the fair value and the useful life of the asset an assumption has been made that the customer contracts will be renewed beyond their contractual end dates, given the strategic importance of the site.

3.6 Fixed assets and depreciation

The Group's management assess the useful economic life of its assets and in accordance with this determination sets the appropriate depreciation policy to be applied for each class of asset. Management seek to maintain the economic life of certain of the assets by regular maintenance and will undertake periodic reviews of the asset life.

4. Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	At 31 December 2022	At 31 December 2021
Type of goods or services	**£**	**£**
Storage services	12,912,999	13,446,054
Other services	2,003,610	566,057
Total revenue from contracts with customers	**14,916,609**	**14,012,111**
Timing of revenue recognition		
Goods and services transferred over time	12,912,999	13,446,054
Goods and services transferred at a point in time	2,003,610	566,057
Total revenue from contracts with customers	**14,916,609**	**14,012,111**

Notes to the Consolidated Financial Statements (continued)

5. Employee information

Group

	Year ended 31 December 2022	Year ended 31 December 2021
Average number of operations staff	30	29
Average number of administrative staff	11	11
Total	**41**	**40**

The aggregate payroll costs of the above were:

Group

	Operation	Administration	Year ended 31 December 2022 Total
	£	£	£
Wages and salaries	1,509,455	761,820	2,271,275
Social security costs	183,470	99,226	282,696
Other pension costs	74,613	25,772	100,385
	1,767,538	**886,818**	**2,654,356**

Group

	Operation	Administration	Year ended 31 December 2021 Total
	£	£	£
Wages and salaries	1,377,367	769,126	2,146,493
Social security costs	159,252	97,177	256,429
Other pension costs	58,483	19,751	78,234
	1,595,102	**886,054**	**2,481,156**

The operation cost of £1,767,538 (2021: £1,595,102) is included in Cost of Sales in the Consolidated Statement of Comprehensive Income.

The pension cost charge represents contributions payable to the defined contribution pension schemes and amounted to £100,385 (2021: £78,234).

6. Other income

Group

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Net unrealised movement on derivative assets	499,718	841,523
Net realised movement on derivative assets	201,622	(314,060)
Other operating income	24,909	30,949
Interest income	13,994	370
	740,243	**558,782**

Notes to the Consolidated Financial Statements (continued)

7. Administration and other expenses

Group

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Payroll cost	886,818	886,054
Administration fees and other fees	561,148	517,827
Legal and professional fees	464,932	1,937,460
Amortisation of intangible assets	201,181	201,181
Audit fees	105,170	155,800
	2,219,249	**3,698,322**

8. Finance charges

Group

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Interest expense on shareholder loan	5,239,155	5,239,156
Interest expense on bank loan	2,779,547	972,708
Accretion of interest on lease liability	167,679	162,575
Unwinding of discount on environmental provision	237,949	121,382
Other interest charges	415	35,909
	8,424,745	**6,531,730**

9. Taxation

Group

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Deferred tax:		
Current year	(33,964)	(1,027,044)
Adjustment in respect of previous years	157,809	(10,514,918)
Impact of change in tax rate	46,265	510,425
Total deferred tax	**170,110**	**(11,031,537)**

Notes to the Consolidated Financial Statements (continued)

9. Taxation (continued)

Group

	Year ended 31 December 2022	Year ended 31 December 2021
Factors affecting total tax charge for the current year	**£**	**£**
The charge for the year can be reconciled to the profit per the Consolidated Statement of Comprehensive Income as follows:		
Loss for the year	(9,632,443)	(9,400,629)
Tax on loss at standard UK tax rate of 19.00%	(1,830,163)	(1,786,119)
Effects of:		
Expenses not deductible	107,587	375,480
Adjustment from previous years	157,809	(10,514,918)
Tax rate changes	46,265	510,425
Unrecognised deferred tax	1,688,612	383,595
Tax charge / (credit) for the year	**170,110**	**(11,031,537)**

A deferred tax asset of £1,688,612 (2021: £383,595) from deductible temporary difference of £6,754,448 (2021: £1,534,380) in respect of corporate interest restriction has not been recognised on the basis that the group will not have sufficient interest allowances to reactivate the full restriction in the foreseeable periods. Noting under usual tax provisions, the corporate interest restriction can be carried forward indefinitely.

Factors affecting tax rate changes:

UK corporate tax is calculated at a statutory rate of 19% for the profit for the year. On 10 June 2021, the Finance Act 2021 was enacted which set out that the UK corporation tax rate will increase to 25% from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2021: 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

Group

	Year ended 31 December 2022	Year ended 31 December 2021
Analysis of deferred tax (assets)/liabilities	**£**	**£**
Fixed assets	11,807,651	12,613,786
Deferred tax on intangible assets	3,038,664	3,088,959
IFRS 16 - Right-of-use asset	1,202,878	1,220,050
IFRS 16 - Lease liability	(1,409,364)	(1,367,444)
Other temporary differences	(2,372,128)	(3,431,335)
Unutilised tax losses	(9,587,227)	(9,613,651)
Net deferred tax liabilities	**2,680,474**	**2,510,365**

Notes to the Consolidated Financial Statements (continued)

9. Taxation (continued)

2022

Deferred tax liabilities	Fixed assets	Deferred tax on Intangibles	IFRS 16 - Right-of-use asset	IFRS 16 - Lease liability	Capital gains held over	Losses	Total
	£	£	£	£	£	£	£
At 1 January 2022	12,613,786	3,088,959	1,220,050	-	-	-	16,922,795
Rate change impact	(151,950)	(12,071)	(4,121)	-	-	-	(168,142)
Credited to the Consolidated Statement of Comprehensive Income - current year	(654,185)	(38,224)	(13,051)	-	-	-	(705,460)
At 31 December 2022	**11,807,651**	**3,038,664**	**1,202,878**	**-**	**-**	**-**	**16,049,193**

Deferred tax assets	Fixed assets	Deferred tax on Intangibles	IFRS 16 - Right-of-use asset	IFRS 16 - Lease liability	Environmental provision and others	Losses	Total
	£	£	£	£	£	£	£
At 1 January 2022	-	-	-	(1,367,444)	(3,431,335)	(9,613,651)	(14,412,430)
Rate change impact	-	-	-	(10,061)	216,580	7,888	214,407
Adjustment in respect of previous years	-	-	-	-	164,252	(6,443)	157,809
Charged / (credited) to the Consolidated Statement of Comprehensive Income - current year	-	-	-	(31,859)	678,375	24,979	671,495
At 31 December 2022	**-**	**-**	**-**	**(1,409,364)**	**(2,372,128)**	**(9,587,227)**	**(13,368,719)**

2021

Deferred tax liabilities	Fixed assets	Deferred tax on Intangibles	IFRS 16 - Right-of-use asset	IFRS 16 - Lease liability	Capital gains held over	Losses	Total
	£	£	£	£	£	£	£
At 1 January 2021	20,011,423	2,385,833	940,289	-	-	-	23,337,545
Rate change impact	3,026,592	741,350	292,812	-	-	-	4,060,754
Adjustment in respect of previous periods	(9,960,526)	-	-	-	-	-	(9,960,526)
Credited to the Consolidated Statement of Comprehensive Income - current year	(463,703)	(38,224)	(13,051)	-	-	-	(514,978)
At 31 December 2021	**12,613,786**	**3,088,959**	**1,220,050**	**-**	**-**	**-**	**16,922,795**

Deferred tax assets	Fixed assets	Deferred tax on Intangibles	IFRS 16 - Right-of-use asset	IFRS 16 - Lease liability	Environmental provision and others	Losses	Total
	£	£	£	£	£	£	£
At 1 January 2021	-	-	-	(1,008,368)	(2,357,905)	(6,429,370)	(9,795,643)
Rate change impact	-	-	-	(328,187)	(914,866)	(2,307,276)	(3,550,329)
Adjustment in respect of previous periods	-	-	-	-	225,436	(779,828)	(554,392)
Charged / (credited) to the Consolidated Statement of Comprehensive Income - current year	-	-	-	(30,889)	(384,000)	(97,177)	(512,066)
At 31 December 2021	**-**	**-**	**-**	**(1,367,444)**	**(3,431,335)**	**(9,613,651)**	**(14,412,430)**

Notes to the Consolidated Financial Statements (continued)

9. Taxation (continued)

The Group has tax losses of £38,648,420 (2021: £38,454,600) as at the balance sheet date, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

10. Goodwill

As at 31 December 2022, the Group's goodwill amounts to £20,555,791 (2021: £20,555,791). Goodwill arose from the Group's acquisition of 100% of the share capital in Oikos Storage Limited on 29 May 2019. The goodwill comprises the value of substantial development opportunities present which would greatly increase storage capacity and lead to significant future growth of Oikos Storage Limited.

Oikos Storage Limited, being the trading company where all business operations take place, is the sole CGU to which goodwill has been allocated. The recoverable amount is based on the fair value less costs of disposal methodology (this being the higher than the value in use methodology). Fair value is derived using the discounted cash flow methodology. Costs of disposal are assumed to be c.3%.

These cashflow projections, which represent post-tax Free Cash Flow to the Company, are based on a financial model prepared by management and use a weighted average cost of capital (WACC) as the discount rate in order to calculate the fair value. For valuation purposes, the financial model projects cashflows until 31 December 2038 which at this point there is also a terminal value assumption. This assumption is based on an EBITDA multiple.

The valuation is approved by a valuation committee comprising investment professionals and members of the Manager's finance operations team.

As at 31 December 2022, an impairment assessment was completed by comparing the recoverable amount against the carrying amount of the CGU. As a result of this analysis, management did not identify impairment for this CGU. At 31 December 2021, an impairment loss was identified for this CGU amounting to £1,493,634. The primary reason for the impairment has been a change in Oxford Economics forecast inflation rates following a UK Government announcement on 25 November 2020 that the retailed price index (RPI) methodology will be reformed from 2030.

Key assumptions used in fair value less costs of disposal calculations and sensitivity to changes in assumptions (continued)

The calculation of fair value less costs of disposal is most sensitive to the following assumptions:

- Discount rate
- Timing and completion of future South Side Development opportunity
- Terminal value
- RPI rates

Discount rate – the discount rate of 7.2% is used and is one in which management view as reasonable for valuation purposes. This is based on management's calculation of the WACC. A sensitivity analysis has been performed, and an increase of the discount rate of 1% (to 8.2%) would not result in the aggregate carrying amount exceeding the aggregate recoverable amount. Management view the current discount rate of 7.2% as appropriate given it (i) represents an achievable level of gearing in the business, (ii) represents a cost of debt which management believe would be achievable for any willing buyer to secure and (iii) represents a cost of equity in which reasonably reflects the risk profile of the business.

Timing and completion of future South Side Development opportunity – the SSD comprises 15 hectares of additional land able to *accommodate a significant volume of increased storage. The cashflow forecasts model one quarter of the total potential volume to be* gained, with construction forecast to commence in 2024 and operations in 2026. A sensitivity analysis has been performed, a delay of 3 years (with revenue forecast to commence in 2029) would not result in the aggregate carrying amount exceeding the aggregate recoverable amount. Management view the current forecast as the best estimate of the timing of the project completion, and consider the likelihood that this would be delayed by three years as low.

Terminal value – the terminal value assumption used is based on an EBITDA multiple in 31 December 2038. Management view the multiple of 12x used as reasonable when viewed against comparable transactions in the sector. A sensitivity analysis has been performed, and a 10% decrease or increase of the terminal value multiple (to 10.8x) would not result in the aggregate carrying amount exceeding the aggregate recoverable amount.

Notes to the Consolidated Financial Statements (continued)

10. Goodwill (continued)

RPI rates – the cashflow projections are dependent upon the long term contractual revenue stream for liquid bulk storage, which is linked to RPI. For the purpose of these projections, RPI forecasts from Oxford Economics, an independent third party economic consultant, were used. The RPI rate used for 2023 was 11.47%, decreasing to 2.00% by 2038. A sensitivity analysis has been performed, and a 10% decrease or increase of the forecasted RPI would not result in the aggregate carrying amount exceeding the aggregate recoverable amount.

When the aggregate carrying amount exceeds the aggregate recoverable amount, this would imply that an impairment is required, no standalone sensitivity of key assumptions above implied that an impairment would be required.

11. Fixed assets

Group

	Leasehold land and buildings	Plant and machinery	Fixtures, fittings & office equipment	Assets under construction	Total
Cost	£	£	£	£	£
At 1 January 2022	6,498,608	129,961,219	139,844	691,501	137,291,172
Additions	-	75,456	180,512	1,877,314	2,133,282
Transfers		30,458		(30,458)	-
Environmental revaluation	390,434				390,434
At 31 December 2022	**6,889,042**	**130,067,133**	**320,356**	**2,538,357**	**139,814,888**
Depreciation					
At 1 January 2022	872,121	20,285,048	89,550	-	21,246,719
Charge for the year	567,542	7,976,668	51,287		8,595,497
At 31 December 2022	**1,439,663**	**28,261,716**	**140,837**	-	**29,842,216**
Net book value					
At 31 December 2022	**5,449,379**	**101,805,417**	**179,519**	**2,538,357**	**109,972,672**

Group

	Leasehold land and buildings	Plant and machinery	Fixtures, fittings & office equipment	Assets under construction	Total
Cost	£	£	£	£	£
At 1 January 2021	6,419,731	129,933,010	103,040	364,995	136,820,776
Additions	6,751	29,072	39,912	326,506	402,241
Disposals	-	(863)	(3,108)	-	(3,971)
Environmental revaluation	72,126	-	-	-	72,126
At 31 December 2021	**6,498,608**	**129,961,219**	**139,844**	**691,501**	**137,291,172**
Depreciation					
At 1 January 2021	585,311	12,293,956	65,573	-	12,944,840
Charge for the year	286,810	7,991,955	27,085	-	8,305,850
Disposals	-	(863)	(3,108)	-	(3,971)
At 31 December 2021	**872,121**	**20,285,048**	**89,550**	-	**21,246,719**
Net book value					
At 31 December 2021	**5,626,487**	**109,676,171**	**50,294**	**691,501**	**116,044,453**

Assets under construction

Included in fixed assets at 31 December 2022 was an amount of £2,538,357 (2021: £691,501) relating to expenditure for a plant in the course of construction.

Notes to the Consolidated Financial Statements (continued)

12. Intangible assets

Group

	Intangible assets - customer contracts
Cost	**£**
At 1 January 2022	12,875,552
At 31 December 2022	**12,875,552**
Amortisation	
At 1 January 2022	519,716
Charge for the year	201,181
At 31 December 2022	**720,897**
Net book value	
At 31 December 2022	**12,154,655**

Group

	Intangible assets - customer contracts
Cost	**£**
At 1 January 2021	12,875,552
At 31 December 2021	**12,875,552**
Amortisation	
Additions	318,535
Charge for the year	201,180
At 31 December 2021	**519,716**
Net book value	
At 31 December 2021	**12,355,836**

Included in intangible assets at 31 December 2022 was an amount of £12,154,655 (2021: £12,355,836) relating to the amortised cost of the identifiable customer contracts recognised from the acquisition of Oikos Storage Limited.

The Group secured two storage contracts which fully utilises its capacity. These contracts are on a take or pay basis, for a set rate and storage capacity.

13. Share capital

Group and Company

	At 31 December 2022	At 31 December 2021
Issued shares	**£**	**£**
Ordinary shares of £1 each	**31,684,429**	**31,684,429**

As at 31 December 2022, 31,684,429 (2020: 31,684,429) ordinary shares were subscribed at £1 par value and fully paid up.

Ordinary shares are non-redeeming, voting shares carries full rights to dividends and Capital Distributions as described in the Memorandum and the Articles of Association.

Notes to the Consolidated Financial Statements (continued)

14. Trade and other receivables

Group

	At 31 December 2022	At 31 December 2021
	£	£
Trade receivables	1,598,129	1,387,997
Other receivables	399,145	72,887
Due from related party	17,360	17,360
	2,014,634	**1,478,244**

Company

	At 31 December 2022	At 31 December 2021
	£	£
Interest receivable	10,264,147	8,042,507
Due from related party	3,061	9,016
	10,267,208	**8,051,523**

Trade and other receivables are non-interest bearing and are generally on terms of 30 to 90 days. At 31 December 2022, the trade and other receivables held by the Group are not past due nor impaired.

15. Trade and other payables

Group

	At 31 December 2022	At 31 December 2021
	£	£
Interest payable on shareholder loan	8,496,108	5,893,693
Accruals and accounts payable	4,441,748	2,876,038
VAT payable	349,820	435,568
Amounts due to related party	557	1,029
	13,288,233	**9,206,328**

Company

	At 31 December 2022	At 31 December 2021
	£	£
Interest payable on shareholder loan	8,496,108	5,893,693
Accruals and accounts payable	35,603	75,454
	8,531,711	**5,969,147**

At 31 December 2022, the current portion of Group Accounts payable is £4,441,728 (2021: £2,876,038) and the non-current portion is £Nil (2021: £Nil).

Trade and other payables are non-interest bearing and are generally on terms of 30 to 90 days.

Notes to the Consolidated Financial Statements (continued)

16. Leases

The Group has a lease contract for land used in its operations. The lease is for a period of 13 years with options to extend the lease for an additional term of 30 years on 13 December 2032 and a further option thereafter to extend the lease for another 30 years on 14 December 2062, it is assumed that the lease would be extended to 2092.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

Group

	2022	2021
	Land	Land
	£	£
As at 1 January	4,880,202	4,948,892
Depreciation for the year	(68,690)	(68,690)
As at 31 December	**4,811,512**	**4,880,202**

Set out below are the carrying amounts of lease liabilities and the movements during the year.

	2022	2021
	Land	Land
	£	£
As at 1 January	5,469,775	5,307,199
Accretion of interest	171,364	166,271
Payments	(3,685)	(3,695)
As at 31 December	**5,637,454**	**5,469,775**
Current	176,617	171,364
Non - Current	5,460,837	5,298,411
	5,637,454	**5,469,775**

17. Environmental provision

Group

	2022	2021
	£	£
At 1 January	4,805,571	4,612,063
Unwind of the discount rate	237,949	121,382
Re-assessment in the year	390,434	72,126
At 31 December	**5,433,954**	**4,805,571**

The provision is expected to be utilised over the extended lease period.

18. Shareholder loan

Group and Company

	2022	2021
	£	£
Shareholder loan as at 31 December	**74,845,077**	**74,845,077**

The details of the shareholder loan which has been registered as listed debt on The International Stock Exchange ("TISE") are included in note 20 below and overleaf.

Notes to the Consolidated Financial Statements (continued)

19. Bank loan

Group

	At 31 December 2022	At 31 December 2021
	£	£
Bank loan at the start of the year	54,431,068	54,573,537
Amortisation for the year	874,105	(142,469)
Bank loan at the end of the year	**55,305,173**	**54,431,068**

An unsecured term loan of £55,000,000 was taken out with Skandinaviska Enskilda Banken AB (publ) and BNP Paribas Fortis SA/NV on 29 May 2019 and repayments are due in full on the sixth anniversary from the closing date excluding a revolving facility amounting to £5,000,000.

This loan bears interest at an annual rate of 6-month SONIA and a margin of 1.75%. Accrued interest shall be paid semi-annually on the last day of each interest period.

20. Related party disclosure

The immediate parent of the Group is Olive Storage Holdings Ltd; the ultimate parent and controlling party of the Group is SL Capital Infrastructure I LP. The registered addresses of Olive Storage Holdings Ltd and SL Capital Infrastructure I LP are 4th Floor, 3 More London Riverside, London, SE1 2AQ, United Kingdom and 1 George Street, Edinburgh, EH2 2LL, United Kingdom respectively. SL Capital Infrastructure I LP is considered to be a related undertaking of the abrdn plc group under the Companies Act 2006 by virtue of the fact that its General Partner is controlled by the abrdn plc group.

At 31 December 2022, £17,360 (2021: £17,360) was due from Olive Storage Holdings Ltd to the Group in relation to working capital, as disclosed in note 14 to the consolidated financial statements.

At 31 December 2022, £557 (2021: £1,029) was due to Olive Storage Holdings Ltd from the Group in relation to VAT return, as disclosed in note 15 to the consolidated financial statements. The total VAT returned to Olive Storage Holdings Ltd during the year ended 31 December 2022 amounted to £2,278 (2021: £2,334).

The Group or Company did not pay Directors fees for the year ended 31 December 2022 and 31 December 2021.

At 31 December 2022, £74,845,077 (2021: £74,845,077) was due to SL Capital Infrastructure I LP from the Group and the Company in respect of their shareholder loan. The Group may at any time redeem any notes in whole or in part plus any accrued but unpaid interest but excluding the date fixed for redemption. But in any case, the Group will redeem the notes on 28 May 2044 ("Maturity Date") in full, in cash, at their principal amount together with unpaid interest accrued on the relevant notes including the date of such repayment and any other sum payable on the notes. The note bears interest at a fixed rate of 7.00% per annum from the issue date and payable every 30 June and 31 December in each year. The interest can be paid or the Group may at its sole discretion elect to satisfy its obligation to pay interest on the shareholder loan by the issue of payment in kind notes. Further information on the shareholder loan is disclosed in note 18 to the consolidated financial statements.

At 31 December 2022, £8,496,108 (2021: £5,893,693) was due to SL Capital Infrastructure I LP from the Group and the Company in respect of interest payable on their shareholder loan as disclosed in note 15 to the consolidated financial statements. The total shareholder loan interest expense recognised by the Group and the Company during the year ended 31 December 2022 amounted to £5,239,156 (2021: £5,239,156).

At 31 December 2022, £10,264,147 (2020: £8,042,507) was due from Olive Storage Ltd to the Company in respect of interest receivable on their shareholder loan as disclosed in note 14 to the consolidated financial statements. The total shareholder loan interest income recognised by the Company during the year ended 31 December 2022 amounted to £5,021,640 (2020: £5,021,640).

Notes to the Consolidated Financial Statements (continued)

21. Capital commitment

Group

	At 31 December 2022	At 31 December 2021
	£	£
Capital expenditure commitments	2,283,304	-

At 31 December 2022, amounts contracted for but not provided for in the financial statements amounted to £2,283,304 (2021: £Nil).

22. Investment in a subsidiary

The Company has a 100% direct ownership interest in Olive Storage Ltd which is incorporated in England and Wales. At 31 December 2022, total subscriptions made by the Company to Olive Storage Ltd amounted to £31,684,429 (2021: £31,684,429).

Details of the Company's Investment and its controlled entity are as follows:

Investments	Registered Office	Ownership Interest	Direct / Indirect Holdings	Share Class	Other Financial Instruments
Olive Storage Ltd	4th Floor, 3 More London Riverside London, SE1 2AQ, U.K.	100%	Direct	Ordinary Shares	Shareholder Loans

23. Changes in liabilities arising from financing activities

	At 1 January 2022	Cash flows	Interest	Changes in fair values	Other	At 31 December 2022
			(Non-cash movement)			
	£	£	£	£	£	£
Bank loan	54,431,068	-	-	-	874,105	55,305,173
Shareholder loan	74,845,077	-	-	-	-	74,845,077
Interest payables						
- Bank loan	-	(1,905,443)	1,905,443	-	-	-
- Shareholder loan	5,893,693	(2,636,740)	5,239,155	-	-	8,496,108
Other finance charges	3,068	(415)	-	-	-	2,653
Derivatives	(14,219)	-	-	(499,718)	-	(513,937)
Lease liability	5,469,775	-	167,679	-	-	5,637,454
Total liabilities from financing activities	**140,628,462**	**(4,542,598)**	**7,312,277**	**(499,718)**	**874,105**	**143,772,528**

Notes to the Consolidated Financial Statements (continued)

23. Changes in liabilities arising from financing activities (continued)

	At 1 January 2021	Cash flows	Interest	Changes in fair values	Other	At 31 December 2021
			(Non-cash movement)			
	£	£	£	£	£	£
Bank loan	54,573,537	-	-	-	(142,469)	54,431,068
Shareholder loan	74,845,077	-	-	-	-	74,845,077
Interest payables						-
- Bank loan	-	(1,081,963)	1,081,963	-	-	-
- Shareholder loan	2,654,537	(2,000,000)	5,239,156	-	-	5,893,693
Other finance charges	-	(32,747)	-	-	35,815	3,068
Derivatives	827,304	-	-	(841,523)	-	(14,219)
Lease liability	5,307,199	-	162,576	-	-	5,469,775
Total liabilities from financing activities	**138,207,654**	**(3,114,710)**	**6,483,695**	**(841,523)**	**(106,654)**	**140,628,462**

24. Financial risk management

The overall strategy for the management of investment risk is reviewed periodically by the Directors. Investment is selected by the Directors to achieve the investment objective of generating attractive returns.

The Group's and Company's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risks to which the Group and the Company are exposed to are interest rate risk, credit risk and liquidity risk. The risk management policies employed by the Group and the Company are detailed below.

24.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term bank debt obligations with floating interest rates.

The Group is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. All financial liabilities at amortised cost have fixed interest rates, other than the long term loan, which has floating interest which is partially swapped for fixed interest via the interest rate derivatives.

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Interest rate derivatives are required by the terms of the bank loan to cover 35% of the outstanding loan amount. The purpose of this is to mitigate the Group's exposure to interest rate risk.

The interest rate derivatives are amortising swaps, with the notional amount decreasing to match 35% of the outstanding loan amount. The interest rate derivatives swap floating interest rate for fixed interest rate. However 2006 ISDA definitions apply, which means that the Group pay both legs of the interest rate derivatives when the EURIBOR is negative.

Notes to the Consolidated Financial Statements (continued)

24. Financial risk management (continued)

24.1 Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

	Increase / (decrease) in basis points	Increase / (decrease) on loss before tax
2022		**£**
GBP	50	(275,000)
GBP	(50)	275,000
	Increase / (decrease) in basis points	**Increase / (decrease) on loss before tax**
2021		**£**
GBP	50	(275,000)
GBP	(50)	275,000

24.2 Credit risk

Credit risk is the exposure to loss arising from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investment or to repay deposits.

The maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at the year end (in relation to each class of recognised financial assets), is the carrying amount of those assets in the Consolidated Statement of Financial Position. At the reporting date, the Group's and the Company's financial assets exposed to credit risk amounted to the following:

Group

	At 31 December 2022	At 31 December 2021
	£	£
Cash and cash equivalents	7,337,922	5,903,430
Trade and other receivables	2,014,634	1,478,244
	9,352,556	**7,381,674**

Company

	At 31 December 2022	At 31 December 2021
	£	£
Loan to a subsidiary	71,737,717	71,737,717
Trade and other receivables	10,267,208	8,051,523
Cash and cash equivalents	192,435	101,812
	82,197,360	**79,891,052**

The Group and Company places cash with authorised deposit takers and, therefore, is potentially at risk from the failure of any such institution. At 31 December 2022, all of the Group's cash was held by Barclays which was rated "A", NatWest which was rated "BBB", and Societe Generale which was rated "A" by Standard & Poor's at the date of the Directors' Report. At 31 December 2022, all of the Company's cash was held by Societe Generale which was rated "A" by Standard & Poor's at the date of the Directors' Report.

At 31 December 2022, the Group had 2 customers which account for 100% of all the receivables outstanding. The Group evaluates the concentration of risk with respect to trade receivables as high, as it has reliance on two key customers for fixed stream revenue. 90% of site capacity is contracted to one customer and the remaining 10% of site capacity is contracted to a second customer.

At 31 December 2022, the trade and other receivables held by the Group are not past due nor impaired.

Notes to the Consolidated Financial Statements (continued)

24. Financial risk management (continued)

24.3 Liquidity risk

Liquidity risk is the risk that the Group and the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The table below analyses the Group's financial liabilities into relevant maturity based on the remaining period at the Consolidated Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

At 31 December 2022

	Less than 1 year	Between 1 and 3 years	More than 3 years	Total
	£	£	£	£
Liabilities				
Trade and other payables	4,792,125	-	-	4,792,125
Bank loan	3,083,111	59,830,597	-	62,913,708
Shareholder loan	13,735,263	10,492,665	174,460,798	198,688,726
Lease liability	198,000	396,000	13,266,000	13,860,000
Total liabilities	**21,808,499**	**70,719,262**	**187,726,798**	**280,254,558**

At 31 December 2021

	Less than 1 year	Between 1 and 3 years	More than 3 years	Total
	£	£	£	£
Liabilities				
Trade and other payables	3,312,635	-	-	3,312,635
Bank loan	1,116,434	2,728,365	55,680,270	59,525,069
Shareholder loan	11,132,848	10,492,665	179,699,954	201,325,466
Lease liability	52,128	396,000	13,464,000	13,912,128
Total liabilities	**15,614,045**	**13,617,030**	**248,844,224**	**278,075,298**

The Directors regularly monitor the Group's and the Company's liquidity position to ensure sufficient liquidity levels are in place.

24.4 Capital risk management

The capital of the Group and the Company are represented by the net assets. The Group's and the Company's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for the Shareholder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Group and the Company. In order to maintain or adjust the capital structure, the Group and the Company may distribute funds to the Shareholder.

25. Fair value measurement

The Group and the Company measures financial instruments such as derivatives at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the Consolidated Financial Statements (continued)

25. Fair value measurement (continued)

The Group and the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The following table analyses within the fair value hierarchy the Group's Investment measured at fair value:

At 31 December 2022

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Derivative financial instruments at fair value through profit or loss	-	513,937	-	513,937

At 31 December 2021

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Derivative financial instruments at fair value through profit or loss	-	14,219	-	14,219

There were no transfers between levels during the current and comparative year.

Fair value measurement of financial instruments
The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

Valuation techniques and processes
Where valuation techniques are used to determine fair values of derivative financial instruments, they are validated and periodically reviewed by the Directors.

	At 31 December 2022	At 31 December 2021
	£	£
Balance at the start of the year	14,219	(827,304)
Unrealised gains / (losses)	499,718	841,523
Balance at the end of the year	**513,937**	**14,219**

Notes to the Consolidated Financial Statements (continued)

26. Financial instruments

Group

	2022		2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£	£	£	£
Financial assets measured at amortised cost				
Cash and cash equivalents	7,337,922	7,337,922	5,903,430	5,903,430
Trade and other receivables	2,014,634	2,014,634	1,478,244	1,478,244
Total financial assets measured at amortised cost	**9,352,556**	**9,352,556**	**7,381,674**	**7,381,674**
Financial assets measured at fair value through profit or loss				
Derivative assets	-	-	14,219	14,219
Total financial assets measured at fair value through profit or loss	**-**	**-**	**14,219**	**14,219**
Financial liabilities measured at amortised cost				
Shareholder loan	(74,845,077)	(74,845,077)	(74,845,077)	(74,845,077)
Bank loan	(55,305,173)	(55,305,173)	(54,431,068)	(54,431,068)
Lease liability	(5,637,454)	(5,637,454)	(5,469,775)	(5,469,775)
Trade and other payables	(13,288,233)	(13,288,233)	(9,206,328)	(9,206,328)
Total financial liabilities measured at amortised cost	**(149,075,937)**	**(149,075,937)**	**(143,952,246)**	**(143,952,246)**

Company

	2022		2021	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£	£	£	£
Financial assets measured at amortised cost				
Loan to a subsidiary	71,737,717	71,737,717	71,737,717	71,737,717
Cash and cash equivalents	192,435	192,435	101,812	101,812
Trade and other receivables	10,267,208	10,267,208	8,051,523	8,051,523
Total financial assets measured at amortised cost	**82,197,360**	**82,197,360**	**79,891,052**	**79,891,052**
Financial liabilities measured at amortised cost				
Shareholder loan	(74,845,077)	(74,845,077)	(74,845,077)	(74,845,077)
Trade and other payables	(8,531,711)	(8,531,711)	(5,969,147)	(5,969,147)
Total financial liabilities measured at amortised cost	**(83,376,788)**	**(83,376,788)**	**(80,814,224)**	**(80,814,224)**

Notes to the Consolidated Financial Statements (continued)

26. Financial instruments (continued)

The management assessed that the fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The carrying amount of the shareholder loan and the loan to a subsidiary is a reasonable approximation of its fair value as the fair value of the shareholder loan is estimated by discounting expected future cash flows at market incremental lending rate for similar type of lending or borrowings arrangements. The fair values of the Group's bank loan are determined by using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

27. *Subsequent events*

Subsequent events have been evaluated up to 30 June 2023.

The Directors have identified no significant events that occurred between the end of the reporting period and the date when the consolidated financial statements were authorised for issue that affect the consolidated financial statements as at 31 December 2022.