One Heritage Group plc: Full year results for the year ending 30 June 2021

ONE HERITAGE GROUP PLC

Released 07:00:07 20 October 2021

One Heritage Group plc (OHG)
One Heritage Group plc: Full year results for the year ending 30 June 2021

20-Oct-2021 / 07:00 GMT/BST

---

20 October 2021

ONE HERITAGE GROUP PLC
(the "Company" or "One Heritage")

Full year results for the year ending 30 June 2021

One Heritage Group PLC (LSE: OHG), the UK-based residential developer focused on the North West of England is pleased to announce its audited results for the year ended 30 June 2021.

Financial highlights

- The Group raised a gross amount of £1.5 million via the Initial Public Offering ("IPO") in December 2020 and a subsequent placing and subscription in February 2021 raised £548,500.
- Generated revenue of £0.5 million from a combination of development management and Co-living. The former includes fees from two of its three development management agreements.
- Acquired two additional sites, being Bank Street, Sheffield and St Petersgate, Stockport, for £1.6 million.
- Commenced development of Bank Street, Sheffield along with Oscar House, Manchester and Lincoln House, Bolton, investing £1.7m, in addition to site costs, prior to the year end.
- Signed two construction finance agreements for a gross amount of £5.5 million, to be drawn down over the period of development for the Bank Street, Sheffield and Oscar House, Manchester projects. The maximum term for both loans is 18 months.
- Increased the size of its Group loan facility with its major shareholder, One Heritage Property Development Limited, from £5.0 million to £7.5 million.

Operating highlights

- The Group successfully listed on the Standard List of the London Stock Exchange on 23 December 2020.
- Started construction on three developments set to complete in the 2022 financial year, with two remaining developments expected to complete in Q3 2022. These combined comprise a total Gross Development Value (GDV) of £26.3m.
- Secured pre-sales or reservations on 63 out of the 171 existing development properties, including 100% of the Oscar House development after securing an agreement over all the units.
- Started the process of building a property services division, which accelerated post year-end with the liquidation of two subsidiaries of our associate business, One Heritage Complete.

Outlook

- The Group is expecting to complete on three of its five developments in the financial year and has a pipeline of new developments into which to reinvest the proceeds.
- The latest development management agreement, on the North Church House, Sheffield development, was signed in June 2021 and the Group is targeting more in the financial year.
- Co-living property services are expected to expand in the coming period as the Group internalises more services that were previously undertaken by our associate, One Heritage Complete Limited, and as it prepares for the completion of its developments.
- Whilst the UK Construction Industry is currently experiencing certain supply chain related challenges, the Group is not aware of any specific circumstances that would delay its project completions.

Jason Upton, Chief Executive Officer said:

"I am exceptionally proud of our employees and the substantial progress we have made. This is the first annual report released by the Group as a listed business and it gives a comprehensive view of the performance of the business and our strategy going forward. As we move into the new financial year, we have set out five strategic priorities that will drive how we build our business. The environment is challenging but the Group continues to mitigate against this through the agility, flexibility and innovation of its employees and through its relationships with other stakeholders."

Chief Executive's statement

We are pleased to report excellent progress with our strategy over the last 12 months despite the challenges caused by the global pandemic, lockdown restrictions and industry cost pressures. In adapting well to these challenges, the Group demonstrated our resilience and agility and this has provided us with a strong foundation which bodes well for the future. Importantly, we have continued to expand during this period, adding more developments and a number of exceptional colleagues as we seek to generate strong returns for our shareholders.

The Group's headline results reflect our infancy as a business with our first development not due to finish until early 2022. The Group's financial position remains robust with a reported NAV per share of 8.4p, cash and cash equivalents of £0.7 million and £5.75 million of remaining facility with our major shareholder. With good progress being made with these projects, and other foundations we have put in place, we are poised for strong growth over the forthcoming period. We have also taken steps to build and secure our other core sources of income by adding further Development Management projects and by commencing the restructuring of our ancillary property management services as we leverage our team's expertise and experience.

Our property management and lettings services are currently outsourced to One Heritage Complete, of which the Group owns 47%. This company has experienced difficulties over the period in connection with two of its subsidiaries (which provide refurbishment, design, fit-out and furnishing services) to the extent that both these subsidiaries have filed for voluntary liquidation. Following a strategic review by the Group, we have decided to bring these same services in-house and to terminate our relationship with One Heritage Complete in an orderly manner and impair our stake in the entity to zero. Otherwise, there is no financial impact to the Group.

At the start of the period under review, I set out below a number of key strategic priorities for the Group which I touched on in our interim results earlier this year. These objectives and the progress against each are set out below.

1. SUCCESSFULLY DELIVER OUR DEVELOPMENT PROJECTS

I am delighted to report significant progress on our development projects, having announced earlier this year the execution of three building contracts and the raising of £5.5m of new development finance. This means that we have formally commenced the programme of works for our Bank Street Sheffield, Oscar House Manchester and Lincoln House Bolton developments to create 138 apartments. All are expected to complete construction and sale during the new financial year to June 2022.

In the background, our team have continued to refine the design of our developments and have increased the number of apartments across our developments from 169 to 171. Improvements to design and additional units has have increased the aggregate GDV by £2.4 million.

To date, we have successfully achieved planning permission for three of our development projects, namely Bank Street, Oscar House and Lincoln House. We are currently awaiting the outcome of a modified planning application for Bank Street, where we are seeking to add one further apartment and additional design changes for greater efficiency. Planning applications have also been submitted for St Petersgate, Stockport and Churchgate, Leicester. We expect these applications to be determined later this calendar year.

The most significant challenge we are facing currently, itself an industry-wide challenge and well documented in the media, is the mounting cost pressure in respect of building materials. This has been caused by the production of these materials being severely affected by economic lockdowns around the world in response to the global pandemic. As economies have opened up, production has struggled to keep up with a surge in demand. From our perspective, this has been offset to some extent, by the continued up-tick in property prices and the fact that our three development projects that have already commenced have fixed price contracts, with the remaining two being tendered on a fixed price basis before any works are commenced.

Below is a current summary of our existing development projects:

Project	Location	Residential units	Commercial units	GDV (£m)	Expected Completion	Reservations
Lincoln House	Bolton	88	0	9.4	Q1 2022	22 (25%)
Churchgate	Leicester	15	1	3.6	Q3 2022	Not started
Oscar House (Chester Road)	Manchester	27	0	6.3	Q1 2022	27 (100%)
Bank Street	Sheffield	23	0	3.8	Q1 2022	14 (60%)
St Petersgate (Plus House)	Stockport	18	1	3.2	Q3 2022	Not started
		171	2	26.3		

In addition to the Group-owned developments listed above, we have also made good progress with the developments where we are acting as Development Manager. At present we are managing three projects; a 55 storey tower in Manchester (at RIBA stage 4 design); a conversion of a former Court House in Oldham being forward funded by a housing association to create 42 affordable homes, and a development in Queen Street Sheffield to create 58 apartments.

2. SECURE SALES FOR OUR PROPERTIES UNDER CONSTRUCTION

In conjunction with the start on site at three developments, we have also commenced our sales programme. Although none of the developments is scheduled for completion until the first quarter of 2022, we are seeing very strong pre-sale interest and we are pleased to have secured 63 property reservations as at 30 September 2021 which equates to 48.8% of apartments available for sale and totals £11.3 million in terms of GDV .

As reported at the time of our interim results, we only commence marketing developments once we have finalised design, entered into build contracts and commenced work, thereby reducing the risk of changes impacting sold apartments and also providing us some flexibility to revise designs if needed. This approach is a pivotal element of our marketing strategy where reputation and credibility are paramount, particularly for international purchasers. The success of this approach has been demonstrated by the strength of initial pre-sales, and gives us confidence that we will achieve our sales targets as developments near completion.

We have also seen further growth in our overseas sales and marketing network and have partnered with new agents to broaden our scope, militate against any future oversupply and allow us to reach new markets. The wider One Heritage business in Hong Kong (our major shareholder) which operates from nine offices in Hong Kong, mainland China and Singapore continues to oversee the majority of our sales including into new markets such as the Middle East. This, together with building a good track record and adopting strong governance and controls consistent with those expected of a UK PLC, we believe provides us with a significant competitive advantage in capitalising on continued strong overseas demand for UK residential property.

3. CONTINUE TO BUILD OUR EXISTING LETTING AND PROPERTY MANAGEMENT BUSINESSES THROUGH OUR FOCUS ON CO-LIVING AND NEWLY COMPLETED DEVELOPMENTS

As mentioned previously, the incumbent provider of our property management and lettings services, One Heritage Complete, in which the Group owns a 47% stake, has encountered difficulties in two of its five subsidiaries, namely One Heritage Maintenance and One Heritage Design. Post year end, we have undertaken a strategic review of the services offered by One Heritage Complete and have decided to bring these services in-house in the interests of quality control and financial oversight.

The refurbishment of Co-Living properties on behalf of investors had been mostly provided by One Heritage Maintenance, with the design and furnishing by One Heritage Design. Both these companies became insolvent in September and are being liquidated. The services provided by these companies will now be offered through our network of contractors, managed in-house.

Similarly, changes to lettings have been made which have moved the operational function to our Manchester head office, incorporating a new CRM system and new processes which allow us to better communicate with our investors and landlords. We will continue to utilise locally based agents, who understand their market best, to provide an effective let-only function. This separation of responsibilities will allow us to provide a first-class service to both landlords and tenants, with our Manchester office focusing on landlords and our local letting agents focusing on tenants.

4. RECRUIT EXCEPTIONAL TALENT AS WE IDENTIFY NEW OPPORTUNITIES IN THE MARKET AND TAKE ON NEW PROJECTS

Following the announcement in our interim results of the key appointments of Mr Luke Piggin as Finance Director and Mr Martin Crews as Development Director, we have been able to further strengthen our platform to grow the business. We have added four colleagues to our development team, two to our finance team and a further seven to back office support functions.

As part of the restructure of our property services with the Group centralising operations, Mrs Alie Horton has been appointed post financial year end as Property Operations Director. The role is to oversee further changes to our property management services provision and to deliver a first class service in respect of the increasing number of properties under management. Mrs Alie Horton joins the Group after 16 years at CBRE and brings our headcount in our Manchester head office to nineteen.

To enable us to maintain the high quality of service through this period of expansion, we will be adding additional resource. This will allow us to increase the range and quality of our services as we seek to provide a market leading service and thus generate more income for the Group.

5. GROW THE PIPELINE OF NEW DEVELOPMENT OPPORTUNITIES

Over the last six months, we have continued to execute our strategy to grow our development pipeline by acquiring Plus House, Stockport and Bank Street, Sheffield. Both sites were acquired with the benefit of planning permission thereby de-risking the schemes and allowing us to progress to site in a timely manner.

We expect to continue to build our pipeline of new developments over the next six months to allow us to redeploy capital from completed developments next year.

The North West of England has been our core focus over the past twelve months and we continue to see value there and no let-up in demand from the investor market. Nevertheless, we are also looking to expand further south into the Midlands to build on our existing presence in Leicester (Churchgate).

INDUSTRY OVERVIEW

UK property prices have risen by 13.2% in the year to 30 June 2021, according to Land Registry data. This has been driven by a combination of additional support from the Government, including stamp duty holidays, extensions of existing housing schemes and furlough scheme, along with excess savings that have been generated by households as usual avenues for spending were interrupted. These factors may be expected to prove temporary which may lead to a slowdown in price growth over the next twelve months.

It should also be noted that there have been significant differences in performance across housing types and regions. However, all movements have been positive. Data suggests that there has indeed been higher demand for properties offering greater space compared to flats/maisonettes, with the latter seeing only a 7.1% increase in prices relative to the UK average of 13.1%. Breaking down the regional data suggests that flats/maisonettes have seen the slowest price growth in all regions, with London (1.8%) seeing the weakest performance and the North West (17.0%) witnessing the highest.

Of particular note is the significant divergence in performance property prices between the North West with an increase of 18.8% and London with just 5.2%. This supports evidence that London has become an exporter of people during the pandemic, with some estimates suggesting that 8% of the population has departed. The under-performance in house prices in London may also suggest that the change is more permanent, as it is unlikely that households would up-sticks to a region on a temporary basis. The next twelve months will provide further pointers as to whether this is a permanent trend or not, as companies begin to bring employees back into offices. The North West has also benefited from the lower price to income ratio compared to the South East and London.

On the cost side, the picture is less positive with a combination of cost increases in building materials and labour shortages creating issues across the industry. We have noted that price inflation for key materials appears to be slowing towards the end of our financial year, with raw material inputs dropping significantly from their highs in 2020. However, we do not expect to see any significant decline in overall material costs, as prices appear resistant to downward pressure. Labour costs will be expected to continue to rise as shortages experienced will not be quickly rectified, given the time it takes time to train new staff. We have noted that labour shortages and wage rises have been greater in regions that had a higher reliance on continental European labour and as such do not expect to see as much pressure in the North West, versus for instance, in the South.

PEOPLE AND CULTURE

Our progress over the last twelve months has been made possible by our people. One Heritage Group PLC is an employer that invests in our people and we continue to look at ways in which to improve employee engagement. An example of a successful initiative is the new Social and Charity committee which is run by our employees. This has seen us partner with a local charity, LifeShare, who are focussed on homelessness and poverty in Manchester. LifeShare have been tackling homelessness for over 35 years and make an admirable contribution towards alleviating it in the region. We have recently pledged a £1,000 donation towards their Christmas initiatives, our staff have given additional support with significant donations of clothing and food, and we will be participating in an upcoming charity football event. Other fund raising has taken place in support of Bowel Cancer UK, Mind and Motor Neurone Disease Association. To further support these initiatives, we have provided our employees with the option to volunteer for up to two days per year which has been well received and allows us to give something back to the community.

While flexible working during the pandemic had its benefits, I am of the view that it can have a detrimental effect on those employees who are in the early stages of their careers where learning and development is essential. As such, we welcome having our staff back in the office again. We continue to support our workforce with our senior management team running regular training sessions and we are also encouraging the attainment of professional qualifications. We are committed to continuous professional development as we mentor and develop our exceptional talent, as well as creating an environment and culture in which they can succeed.

COVID-19 IMPACT AND RESPONSE

Our team have remained agile and have adapted well to the challenges the pandemic has presented us with over the last twelve months. We took the decision during national lockdowns to close our office and implement full remote working to protect the safety of our workforce and suppliers. With the roll out of the vaccination programme and restrictions easing, all staff are now back working safely from our Manchester office. With additional resource added to the Group and staff returning to office working we have moved into a larger office space which also allows for future expansion.

We are fortunate that our own operations have been largely unaffected during the pandemic. However, we have experienced challenges with some partners and stakeholders having to make major adjustments in order to adapt to a new working environment. Overall, we have found that the majority of businesses have been proactive and resourceful in the circumstances, and I am looking forward to the market returning to full capacity and pre pandemic levels of engagement and service over the coming months as more staff return back to the office and face-to-face meetings recommence.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE EVALUATION (ESG)

Although only nine months into life as a Public Listed Company, we are placing a significant emphasis on conducting our business activities ethically and responsibly. I have been pleased with the progress the Group has made as our full ESG strategy evolves .

Environmental

We are undertaking a review of our developments to identify ways to make them greener and more environmentally friendly and reduce our carbon footprint. Certain initiatives have been identified to switch to greener materials which include a brown roof in our Queen Street, Sheffield development

Social

We are committed to supporting local communities and giving back to society, especially in regions where our developments are located. In addition to the charitable work outlined earlier, further steps have been taken to engage with local employers and schools to identify ways we can work closely together. We will be inviting local primary schools to help with planting around our buildings and we will be collaborating with colleges and their students studying construction. We have implemented a new staff policy where staff are able to take an additional two days leave to be dedicated to charitable means.

We have also introduced initiatives to enhance the well-being of our employees which includes monthly social events, charitable activities and an extension to our remuneration package which includes a new employee assistance programme, which provides a range of support tools for employees wellbeing.

Governance

We adhere to the QCA code. More details can be found on page 14.

OUTLOOK

While property sales have remained strong and the industry has performed well over the period, I am expecting a more normalised level of market activity to return towards the end of 2021 and early 2022. As mentioned above, we are currently seeing building material price increases in the market. We will continue to work closely with our construction partners in order to manage price risk and minimise the impact on the viability of our developments.

Our sales programme has largely remained unaffected during the pandemic because our target purchasers are not owner occupiers and are not dependant on the mortgage market and government initiates such as Help to Buy. As the majority of our purchasers are based overseas, they are also not reliant on 'in person' viewings either. We continue to see strong demand for affordable housing from registered housing providers and in August we signed an agreement to deliver 42 apartments in Oldham for Arcon Housing, a subsidiary of Bolton at Home with the support of Homes England. The Group remains well placed to establish longer term relationships with registered providers such as these to help deliver the higher volume of affordable housing that they are seeking.

The private rental sector (PRS) market continues to experience strong demand from overseas investors for housing across the North of England in particular. We will continue to expand the level of service we provide to third party investors and build on the four development management agreements we have in place, which includes the addition of a 58 apartment development in Sheffield on behalf of overseas investors.

We remain positive on the outlook for the property market. The Government's commitment to 'levelling up' is welcomed and with the continuing undersupply of quality housing in the North West of England, the region will continue to be an attractive area for investment. The strong demand from overseas investors in particular, despite the pandemic and travel restrictions, gives us optimism about the prospects for our business as the economy recovers.

Our core strategic objectives will remain in place over the forthcoming period as the Group focuses on the successful delivery of our projects, the sale of completed units, enhancing the infrastructure needed to build our pipeline and recruiting exceptional talent.

Chairman's statement

I was delighted to be appointed as Non-Executive Chairman to One Heritage Group PLC in December 2020 following our successful listing on the Standard List of the Main Market of the London Stock Exchange. In the short time I have been with the Company, I have been pleased to see the way in which the executive management team, with clear focus and determination, has begun to implement our strategy for sustainable growth. In this period I have seen the Group complete on the acquisition of new development projects, sign additional development management agreements and also manage a rapid restructuring of our property management and lettings provision following difficulties encountered by the current service provider.

DIVIDEND AND DIVIDEND POLICY

The Group did not generate a profit in the financial year and is therefore not proposing a dividend. This is in line with the dividend policy set out in the prospectus. The Group expects to pay a dividend in the future when it is generating recurring and growing profits.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE EVALUATION (ESG)

The Board of Directors takes our ESG responsibilities very seriously. I am pleased that since joining the business I have been part of a working group that has been proactive in finding ways to promote social causes, for example through the employee led Social and Charity Committee.

Reducing our environmental impact as a property development business is a particularly challenging area given the outsized contribution to carbon emissions from building materials, but even with this I have noted that the Group is constantly looking at greener design and material options, local procurement and working with local communities, such as schools, to improve the local environment. The Board see this as a priority for the business.

Whilst the business is only at the beginning of its journey, there is a clear focus on creating a strong governance structure. We recognise that shareholder and other stakeholder outcomes are improved by ensuring that good governance is in place. More details on the steps in this regard taken by the Group can be found in the sections of this annual report which relate to the QCA Corporate Governance Code (page 14) and The Role of the Board (page 19).

The Board believe that diversity is important to the success of the Group in the future and was pleased to see Mrs Alie Horton join as the Property Operations Director in the new financial year. We are focused on ensuring that there are equal opportunities and committed to increasing diversity.

PEOPLE

Finally, I would like to thank our shareholders and other stakeholders for their support during the first part of the Group's journey. Most of all, I want to thank our directors and employees throughout the business, who continue to grow with every opportunity and challenge that they face. I am particularly impressed by the corporate culture which is fast emerging, the creativity and the resilience that everyone demonstrates, even in just a short time.

David Izett
Chairman

The full version of the OHG annual report will be available on its website shortly at https://www.oneheritageplc.com/.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 (MAR). Upon the publication of this announcement, this inside information is now considered to be in the public domain. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055.

Contacts

One Heritage Group plc

Jason Upton
Chief Executive Officer
Email: jason.upton@one-heritage.com

Luke Piggin
Finance Director
Email: luke.piggin@one-heritage.com

Hybridan LLP (Financial Adviser and Broker)
Claire Louise Noyce
Email: claire.noyce@hybridan.com
Tel: +44 (0)203 764 2341

About One Heritage Group

One Heritage Group PLC is a property development and management company. It focuses on the residential sector primarily in the north-west of England, seeking out value and maximising opportunities for its investors. It has a team of dedicated residential property development experts. In 2020 One Heritage Group PLC became one of the first publicly listed residential developers with a focus on co-living.

The Company is listed on the Standard List of the Main Market of the London Stock Exchange, trading under the ticker OHG.

For further information, please visit the Company's website at https://www.oneheritageplc.com/

References to page numbers throughout this announcement relates to the page numbers within the Annual Report of the Company for the year ended 30 June 2021.

Group's Financial Review

The maidan annual report for the financial period ended 30 June 2021 saw the NAV per share of 8.4p compared to a listing price of 10p on 23 December 2020. This was a consequence of the Group continuing spend on scaling the business and the developments not expecting to complete until the next financial year. During the reporting period the Group recognised a loss of £0.8 million, which reflects the salaries, professional fees and other corporate expenses incurred in the period and the impairment of £0.2 million that was recognised in relation to our investment in associate. These were offset to some extent by the performance of the Co-living side of the business, which generated a gross profit of £314,000.

RESTRUCTURING AND CAPITAL RAISES
In advance of the Group listing on the London Stock Exchange, a restructuring was undertaken. This involved transferring out two subsidiaries, One Heritage Tower Limited and Harley Street Developments Limited for a gain of £26,423, a debt for equity swap which saw One Heritage Property Development Limited in Hong Kong convert £2.75 million of debt into 20.7 million shares and then the acquisition of One Heritage Property Development (UK) Limited, known as the Trading Group, by One Heritage Group plc.

The Company was pleased to list on 23 December 2020 where investors acquired 9,300,000 shares at 10p per share. This was followed up with a placing and subscription on 11 February 2021 where the Company sold an additional 1,828,333 shares at 30p each, which demonstrated investors believe in the strategy of the Group.

ACQUISITIONS OF NEW PROPERTIES AND SIGNING OF A DEVELOPMENT MANAGEMENT AGREEMENT
Following the listing of the Group we have been pleased to complete on two acquisitions, with Bank Street Sheffield acquired for £800,000 and Plus House in Stockport acquired for £725,000. On top of these acquisitions the Group has spent a further £1.7 million, including capitalised finance costs, on the developments since the end of the calendar year with the aim to complete the majority of our existing developments by the end of the next financial year.

The Company was also pleased to sign a development management agreement with One Heritage North Church Limited, to redevelop an existing office into 58 self-contained apartments. This contributed £15,000 of revenue in the financial period, as the agreement was signed just before the period end.

FINANCING
The Group is fortunate to have a supportive majority shareholder, One Heritage Property Development Limited, which increased the shareholder facility by £2.5 million to £7.5 million, on the same terms as the existing facility with an early repayment date on 31 December 2022 for the extended amount. As at 30 June 2021, the Group had drawdown £1.3 million of the facility. This facility has been provided to ensure that we are able to continue with developments if other financing is not available.

Two construction finance agreements were signed in May and June 2021. These agreements cover the construction finance costs of the developments in One Heritage Bank Street Limited and One Heritage Oscar House Limited, and allow the Group to drawdown a gross amount of £5.5 million for a period of 18 months.

The Group's policy is to capitalise finance costs from external loan facilities against the underlying developments and during the financial period to 30 June 2021, £0.3 million was capitalised. The remaining finance costs recognised on the income statement relate to amounts that were not capitalised and the finance lease on the office.

SCALING THE BUSINESS
The loss per share of 3.1p was primarily driven by administration costs in the business. Salary costs contributing 68.2% of the total as the Group increased the number of staff to 20 at the end of the financial period. The Group also moved into a larger office space in the same building at the end of the period and the Group recognised a right of use asset of £288,463, which will be depreciated over the five year lease term. Other key costs recognised relate to professional and corporate expenses, some of which relate to being a public listed company versus previously operating as a private company.

ONE HERITAGE COMPLETE
The Group has a 47% share in One Heritage Complete Limited, which has five subsidiaries with various stakes between 51% and 93%. These entities have their own management team and finance function. After the end of the financial year, information came to light that One Heritage Maintenance Limited had become insolvent due to a combination of structurally high costs, onerous contracts it had signed and liabilities in excess of its assets and as such has been placed in liquidation. At the same time, the management of One Heritage Maintenance had received loans from other subsidiaries. As a result of this action, another entity One Heritage Design Limited also became insolvent and was put into liquidation. Given this situation, the Group took the decision to impair the stake in One Heritage Complete Limited to zero, as there was significant uncertainty on the ability of the Group to realise value from this entity in the future.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework. In addition the Group financial statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- for the Group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies

Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WEBSITE PUBLICATION

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITIES PURSUANT TO DTR4

The Directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and loss of the Company.
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principle risks and uncertainties that it faces.

By order of the Board

Jason Upton

Chief Executive Officer

19 October 2021

Financial Statements

Consolidated statement of comprehensive income

For the year/period ended 30 June

£ unless stated	Notes	Year to 30 June 2021*	Period to 30 June 2020* Unaudited
Revenue - Development management	8	124,199	-
Revenue - Co-living	8	340,168	220,000
Cost of sales - Co-living		(26,400)	(197,558)
Gross profit - Co-living		313,768	22,442
Write-down in investment in associate	16	(239,316)	-
Other income		21,223	32,696
Administration expenses	9	(962,512)	(316,705)
Other expenses		(40,380)	(48,643)
Operating (loss) for the year/period		**(783,018)**	**(310,210)**
Profit on disposal of subsidiary	7	26,423	-
Finance expense	11	(52,382)	(64,428)
(Loss) before taxation for the year/period		**(808,977)**	**(374,638)**
Taxation	12	-	-
(Loss) after taxation for the year/period		**(808,977)**	**(374,638)**
Other comprehensive income		-	(22)
COMPREHENSIVE INCOME attributable to shareholders		**(808,977)**	(374,660)
Weighted average shares in issued over the period	24	26,204,555	20,700,000
(Loss) per share (GBp)		(3.1)	(1.3)
Diluted (loss) per share (GBp)		(3.1)	(1.3)

*see note 2

The accompanying notes on pages 46 to 76 form an integral part of the financial statements

Consolidated statement of financial position

As at

£ unless stated	Notes	As at 30 June 2021*	As at 30 June 2020* Unaudited
ASSETS			
Non-current assets			
Property, plant and equipment	13	442,706	165,301
Investment in associate	16	-	258,512
		442,706	423,813

Current assets			
Cash and cash equivalents		204,147	711,798
Inventory - developments	14	6,790,676	14,729,627
Inventory - trading property	15	435,820	1,179,657
Financial assets at fair value through profit or loss	17	397,796	897,002
Trade and other receivables	18	667,759	132,622
		8,496,198	17,650,706
TOTAL ASSETS		**8,938,904**	**18,074,519**
LIABILITIES			
Non-current liabilities			
Borrowings	20	2,276,079	4,117,403
		2,276,079	4,117,403
Current liabilities			
Trade and other payables	21	649,351	666,014
Borrowings	20	3,304,103	13,665,762
		3,953,454	14,331,776
TOTAL LIABILITIES		6,229,533	18,449,179
EQUITY			
Share capital	24	324,283	-
Share premium	24	3,568,725	-
Retained earnings		(1,183,637)	(374,660)
TOTAL EQUITY		2,709,371	(374,660)
TOTAL LIABILITIES AND EQUITY		**8,938,904**	**18,074,519**
Shares in issue		32,428,333	-
Net asset value per share (GBp)		8.4	-

*see note 2

These financial statements were approved by the board of directors on 19 October 2021 and were signed on its behalf by:

Jason David Upton
Company registration number: 12757649

The accompanying notes on pages 46 to 76 form an integral part of the financial statements

Consolidated statement of cash flows

For the year/period ended 30 June

£ unless stated	Notes	12 months to 30 June 2021*	Incorporation to 30 June 2020* Unaudited
Cash flows from operating activities			
Loss for the year/period before tax		(808,977)	(374,638)
Adjustments for:			
Foreign exchange		-	(22)
Write-down in investment in associate	16	239,316	-
Finance expense		52,382	64,428
Profit on disposal of subsidiary		(26,423)	-
Depreciation of property, plant and equipment	13	42,106	35,440
Movement in working capital:			
Increase in trade and other receivables		(166,439)	(132,622)
Increase in inventories		(5,564,921)	(15,623,467)
(Decrease)/increase in trade and other payables		71,719	666,014
Cash from operations		(6,161,237)	(15,364,867)
Income taxation paid		-	-
Dividend received from associate	16	43,564	-
Net cash used in operating activities		**(6,117,673)**	**(15,364,867)**
Cash flows from investing activities			
Disposal of subsidiaries, net of cash and cash equivalents		(66,030)	-
Purchase of interest in associate	16	-	(258,512)
Purchases of property, plant and equipment	13	(31,048)	(46,592)
Net cash used in investing activities		**(97,078)**	**(305,104)**
Financing cash flows			
Issue of share capital		1,538,400	-
Cost of share issue		(395,492)	-
Interest paid	11	(460,253)	(344,889)
Proceeds from borrowings		10,667	4,770,000
Proceeds of related party borrowing		5,046,710	11,975,192
Payments made in relation to lease liabilities	20	(32,932)	(18,534)
Net cash generated from financing activities		**5,707,100**	**16,381,769**
Net change in cash and cash equivalents		**(507,651)**	**711,798**
Opening cash and cash equivalents		711,798	-
Closing cash and cash equivalents		**204,147**	**711,798**

*see note 2

The Trading Group undertook a debt for equity transaction in the year to 30 June 2021, for £2,750,000. This is not reflected in the above cash flow statement. See Note 2.

The accompanying notes on pages 46 to 76 form an integral part of the financial statements

Consolidated statement of changes in equity

For the year/period ended 30 June 2021

£ unless stated	Share capital	Share premium	Retained earnings	Total Equity
Balance at 01 July 2020 (unaudited)	-	**-**	**(374,660)**	**(374,660)**
Loss for the period	-	-	(808,977)	(808,977)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(1,183,637)**	**(1,183,637)**
Issue of share capital	324,283	3,964,217	-	4,288,500
Cost of share issue	-	(395,492)	-	(395,492)
Balance at 30 June 2021	**324,283**	**3,568,725**	**(1,183,637)**	**2,709,371**

For the period from incorporation to 30 June 2020

£ unless stated	Share capital	Share premium	Retained earnings	Total Equity
Balance at incorporation	-	**-**	**-**	**-**
Loss for the period	-	-	(374,638)	(374,638)
Other comprehensive income for the period	-	-	(22)	(22)
Total comprehensive income for the period	**-**	**-**	**(374,660)**	**(374,660)**
Issue of share capital	-	-	-	-
Balance at 30 June 2020 (unaudited)	**-**	**-**	**(374,660)**	**(374,660)**

The accompanying notes on pages 46 to 76 form an integral part of the financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2021

1. Reporting entity

One Heritage Group PLC (the "Company")(Company number: 12757649) is a public limited company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of its registered office and its principal place of trading is 80 Mosley Street, Manchester, M2 3FX. The principal activity of the company is that of property development.

These consolidated financial statements ("Financial Statements") as at the end of the financial year to 30 June 2021 comprise of the Company and its subsidiaries. A full list of companies consolidated in these Financial Statements can be found in Note 28.

2. Group restructuring

A group restructuring exercise was carried out during the year as follows:

- On 12 October 2020 (effective on 31 August 2020), One Heritage Tower Limited and Harley Street Developments Limited were transferred from One Heritage Property Developments (UK) Limited to One Heritage Property Developments Limited via a share purchase arrangement. A net profit of £26,423 was realised on disposal (note 7);
- On 14 October 2020 £2,750,000 of shareholder loan was converted into 20,699,900 ordinary shares in One Heritage Property Development (UK) Limited; and,
- On 27 October 2020 One Heritage Property Development (UK) Limited (the "Trading Group") was acquired by the Company. The Trading Group and the Company were under common control by One Heritage Property Development Limited at the time of the transaction.

The acquisition by the Company of the Trading Group is a common control transaction under IFRS 3. The consolidation of this Group has been prepared using the merger method. In the statement of financial position, the acquiree's identifiable assets, liabilities are recognised at their book values at the acquisition date. The results of merged operations following the Group's restructure in the period are included in the consolidated statement of comprehensive income as if the Group has always existed. Comparative figures are provided on the basis that the merged group always existed. One Heritage Property Development (UK) Limited was incorporated on 19 May 2019 and the comparative period is from incorporation of this entity to 30 June 2020.

3. Measuring convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial assets at fair value through profit or loss.

4. Basis of preparation

This is the first reporting period, as the Company was incorporated on 21 July 2020. The Group's financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its parent company financial statements in accordance with FRS 101. These are presented on pages 77 to 83. In addition, the Group financial statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The significant accounting policies are set out in note 6. The accounting policies have been applied consistently to all periods presented in these group Financial Statements.

They were authorised for issue by the Company's Board of Director on 39.

The Group's management review the business as a whole, while it remains in its early stage of development. The Group considers there is one operating segment, property, therefore does not provide segmentation.

Going concern

Notwithstanding net current liabilities of £2,683,752 (excluding inventory balances totalling £7,226,495) as at 31 August 2021, a loss for the year then ended of £808,977 and operating cash outflows for the year of £6,117,673, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the period to 31 December 2022 which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through the proceeds from sale of developments and trading properties, repayment of loan to Robin Hood Property Development Limited, extension of loans from One Heritage SPC and a planned fund raise from the issue of a corporate bond, supplemented by a loan facility from its parent company, One Heritage Property Development Limited, to meet its liabilities as they fall due for that period. The loan facility from the parent company is £7.5 million, of which £3.6 million remains undrawn as at 27 September 2021. This facility will be required to be utilised until the company becomes self-funding from the other sources of funds detailed above. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

5. Use of judgements and estimation uncertainty

The board has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts in the financial statements. The directors continually evaluate these judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses based upon historical experience and on other factors that they believe to be reasonable under the circumstances. Actual results may differ from the judgements, estimates and assumptions.

The key areas of judgement and estimation are:

- *The carrying value of inventory*: Under IAS 2: Inventories the Group must hold developments at the lower of cost and net realisable value. The Group applies judgement to determine the net realisable value of developments at a point in time that the property is partly developed and compares that to the carrying value. The Group have determined that all of the current developments should be held at cost.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The Finance Director has overall responsibilities for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board.

The Finance Director regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker prices or pricing services, is used to measure fair values, then the Finance Director assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quotes prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6. Significant accounting policies

Business Combinations (not resulting from common control transaction)

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The acquisition by the Company of the Trading Group is a common control transaction under IFRS 3. The consolidation of this Group has been prepared using the merger method. In the statement of financial position, the acquiree's identifiable assets, liabilities are recognised at their book values at the acquisition date. The results of merged operations following the Group's restructure in the period are included in the consolidated statement of comprehensive income as if the Group has always existed. Comparative figures are provided on the basis that the merged group always existed.

Revenue

Revenue is recognised when the performance obligation associated with the sale is completed or as the performance obligation is completed over time where appropriate. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after eliminating sales within the Group. Revenue and profit are recognised as follows (note 8):

a. *Housing sales*

   Revenue is recognised in profit or loss when control is transferred to the customer. This is deemed to be when title of the property passes to the customer on legal completion and the performance obligation associated with the sale is completed.

b. *Management fee and services*

   Management fees are recognised as revenue in the period to which they relate when performance obligations are fulfilled based on agreed transaction prices. Variable performance fees are estimated based on the expected value and are only recognised over time as performance obligations are fulfilled when progress can be measured reliably and to the extent that a significant reversal of revenue in a subsequent period is unlikely.

c. *Other income*

   The Group generates rental income from Trading Properties. This has been recognised as other income rather than revenue as it is not expected to be a reoccurring source of income and is not a main trading activity of the Group.

Cost of sales

The Group determines the value of inventory charged to cost of sales based on the total budgeted cost of developing a site. Once the total expected costs of development are established, they are allocated to individual plots to achieve a standard build cost per plot.

To the extent that additional costs or savings are identified as the site progresses, these are recognised over the remaining plots unless they are specific to a particular plot, in which case they are recognised in profit or loss at the point of sale.

Operating profit/(loss)

Operating profit/(loss) is the Group's total earnings from its core business functions for a given period, excluding the deduction of interest and taxes and the gain/(loss) on sale of subsidiaries and associates.

Financial guarantees

A financial guarantee contract is initially recognised at fair value. At the end of each subsequent reporting period, financial guarantees are measured at the higher of:

- The amount of the loss allowance, and
- The amount initially recognised less cumulative amortisation, where appropriate.

The amount of the loss allowance at each subsequent reporting period equals the 12-month expected credit losses. However, where there has been a significant increase in the risk that the specified debtor will default on the contract, the calculation is for lifetime expected credit losses.

Finance income

Interest income on bank deposits is recognised on an accruals basis. Also included in interest receivable are interest and interest-related payments the Group receives on other receivables and external loans.

Finance costs

Borrowing costs are recognised on an accruals basis and are payable on the Group's borrowings and lease liabilities. Also included are the amortisation of fees associated with the arrangement of the financing.

Finance charges, including premiums payable on settlement or redemption, and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Specific or general borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for sale. The group considers that its inventories are qualifying assets.

Foreign currencies

These consolidated financial statements are presented in Pound sterling, which is the Company's functional and presentational currency.

The individual financial statements of each Group company are presented in Pound Sterling, the currency of the primary economic environment in which it operates (its functional currency). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing at the statement of financial statement date.

Leases

The Group as a lessee

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

The Group assessment includes whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract period; and
- the Group has the right to direct the use of the asset.

At the commencement of a lease, the Group recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are

adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

Right-of-use assets are presented within non-current assets on the face of the statement of financial position, and lease liabilities are shown separately on the statement of financial position date in current liabilities and non-current liabilities depending on the length of the lease term.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset as is recognised in the profit and loss.

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

Fixtures and fittings	15% on cost
Office equipment	15% on cost
Motor vehicles	25% on cost

Impairment of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. 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 and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the profit and loss.

Where an impairment loss subsequently reverses, due to a change in circumstances or in the estimates used to determine the asset's recoverable amount, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so long as it does not exceed the original carrying value prior to the impairment being recognised. A reversal of an impairment loss is recognised as income immediately in the statement of comprehensive income.

Financial instruments

Financial assets

Financial assets are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- Measured at amortised cost
- Measured subsequently at fair value through profit or loss ("FVTPL")
- Measured subsequently at fair value through other comprehensive income ("FVOCI")

The classification of financial assets depends on the Group's business model for managing the asset and the contractual terms of the cash flows. Assets that are held for the collection of contractual cash flows that represent solely payments of principal and interest are measured at amortised cost, with any interest income recognised in profit or loss using the effective interest rate method.

Financial assets that do not meet the criteria to be measured at amortised cost are classified by the Group as measured at FVTPL. Fair value gains and losses on financial assets measured at FVTPL are recognised in profit or loss and presented within net operating expenses.

The Group currently has no financial assets measured at FVOCI.

Trade and other receivables

Trade and other receivables are measured at amortised cost, less any loss allowance.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less from inception and are subject to insignificant risk of changes in value.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- Measured at amortised cost
- Measured subsequently at fair value through profit or loss

Non-derivative financial liabilities are measured at FVTPL when they are considered held for trading or designated as such on initial recognition.

The Group has no non-derivative financial liabilities measured at FVTPL.

Borrowings

Borrowings are allocated to either specific or general borrowings and initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost. Specific or general borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of

qualifying assets which are assets that necessarily take a substantial period of time to get ready for sale. These are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

Debt for equity conversion

Debt/equity conversions are accounted for at the carrying value of the debt, if between company/group and a controlling shareholder.

Trade and other payables

Trade and other payables are measured at amortised cost. When the acquisition of land has deferred payment terms a land creditor is recognised. Payables are discounted to present value when repayment is due more than one year after initial recognition or the impact is material.

Customer deposits

Customer deposits are recorded as deferred income on receipt and released to profit or loss as revenue upon legal completion.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds are received, net of direct issue costs.

Inventory - developments

Inventories are initially stated at cost and held at the lower of this initial amount and net realisable value. Costs comprise direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price based on intended use less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Land is recognised in inventory when the significant risks and rewards of ownership have been transferred to the Group.

Non-refundable land option payments are initially recognised in inventory. They are reviewed regularly and written off to profit or loss when it is probable that the option will not be exercised.

Inventory - trading properties

Trading property comprises those properties that in the Directors' view are not held for long-term rental income or capital appreciation and are expected to be disposed of within one year of the reporting date or to be refurbished with the intention to sell.

Trading property is carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price based on intended use in the ordinary course of business, less the estimated costs of completion and selling costs.

The amount of any write down of trading property to net realisable value is recognised as an expense in the period the write down occurs. Should a valuation uplift occur in a subsequent period, the amount of any reversal shall be recognised as a reduction in the previous write down in the period in which the uplift occurs. This may not exceed the property's cost.

The sale of trading property is recognised as revenue when the buyer obtains control of the property. Total costs incurred in respect of trading property are recognised simultaneously as a cost of sale.

Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the profit and loss because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are also recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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 profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the profit and loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Share capital

Ordinary shares are classified as equity. Any incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

7. Disposal of subsidiaries

On 12 October 2020 (effective 31 August 2020), the Group sold the entire equity in One Heritage Tower Limited and Harley Street Developments Limited as part of the restructuring in advance of listing. Following the disposal, the Group signed a development management agreement with One Heritage Tower Limited and advanced a profit participation loan to Harley Street Developments Limited.

Results of disposed entities

£ unless stated	Two months to 31 August 2020 Unaudited
Revenue	3,522
Expenses	(29,548)
Results from operations	(26,026)

Assets and liabilities of disposed of entities

£ unless stated	As at 31 August 2020 Unaudited
Cash and cash equivalents	108,488
Inventory - developments	13,959,006
Inventory - trading property	768,651
Related party receivable	490,455

Trade and other receivables	156,515
Total assets	15,483,115
Interest bearing borrowings	(4,000,000)
Related party payable	(10,960,325)
Trade and other payables	(506,755)
Total liabilities	(15,467,080)
Net assets	16,035
Disposal price	42,458
Profit on disposal	26,423

8. Revenue

The Group generates its revenue primarily from development management agreements and co-living profit participation payments. Other sources of revenue include rental income from Trading Properties.

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
Revenue		
Co-living	340,168	220,000
- Trading property	-	220,000
- Profit participation	340,168	-
Development management	124,199	-
	464,367	220,000
Cost of sales		
Co-living	26,400	197,558
- Trading property	-	197,558
- Profit participation	26,400	-

The Group has three development management agreements with One Heritage Tower Limited, ACT Property Holding Limited and One Heritage North Church Limited. The Group earns a management fee of 0.75% (£101,467) of costs incurred to date per month and a 10% share of net profit generated by the development through the agreement with One Heritage Tower Limited. The Group is also entitled to 1% of any external debt or equity funding raised on behalf of the development. The ACT Property Holding Limited agreement has a 20% profit share of the net profit generated by the development.

The One Heritage North Church Limited agreement splits the fees into three: 1. 2% of total development cost (£7,732) , paid monthly over the period of the development; 15% of net profit, paid on completion; 1% on any debt finance raised. During the year the Group earned a 1.0% fee (£15,000) in relation to the signing of the One Heritage North Church Limited Investment Agreement, agreed by the parties.

The Group has not recognised any revenue linked to the profit share element of these agreement as the transaction price is variable and the amount cannot be reliably determined at this time.

The Group has 3 profit participation agreements that entitle the Group to a 15% share of profits on completed Co-living housing sales. Revenue is recognised when a sale is complete. In the period the Group generated revenue of £340,168 (30 June 2020: nil) from these agreements with Robin Hood Property Development Limited (£276,593, 30 June 2020: nil), Mosley Limited (£57,682, 30 June 2020: nil) and Harley Street Property Developments Limited (£5,893, 30 June 2020: nil).

In the prior period the Group sold a Trading Property, which represented all of the Co-living revenues in that period and corresponding cost of sale recognised. No Trading Property's were sold in the financial year.

The development management and Co-living revenues in the current year have been generated through related parties. Further details can be found in note 25.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Development management	Development management recognition is split into three elements; management fee, arrangement fees and a profit share on a final transaction. Management fee The performance obligation is that the Group remains the development manager on the site and undertakes the scope of works in the agreement. Payment is due on a monthly basis after the service has been undertaken. Arrangement fee The performance obligation is at the point that the service is completed. Payment is due after completion. Profit share Assuming that the Group has performed the scope of works effectively (its performance obligation), it is entitled to a share of the profits at the end of the project. The payment for this is made at the end of the project. No warranties are provided.	Revenue for the management fee is recognised monthly as long as the group continues to be the development manager during the relevant calculation period. Assuming that the Group continues to be the development manager the group will look to recognise income from a profit share once the costs and proceeds of a particular site can be reliably estimated and unlikely to be reversed.
Co-living	The Group offers a profit participation loan (the obligation) to the relevant entity and in return it expects 15.0% of the net profit on completed property transactions (its compensation). These are defined as the Proceeds, less the acquisition and project costs Completed transactions are defined as at exchange, where the rights and responsibilities of the property fall to another party. The payment for these amounts are made after the calendar quarters the amount relates to. No warranties are provided.	Revenue is recognised on completion of a property sale where it is irreversible.

9. Administration expenses

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
Staff costs	544,980	63,823
Depreciation	42,106	35,440

Auditors remuneration	62,500	28,500
Other administration expenses	312,926	188,942
	962,512	316,705

10. Staff costs and employees

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
The aggregate remuneration comprised:		
- Wages and salaries	488,082	58,181
- National insurance	51,679	5,089
- Pension costs	5,219	553
Average number of employees	11	4

11. Finance costs

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
Interest charged on lease liabilities	6,207	5,356
Interest paid on borrowings	460,253	344,889
Amount capitalised in disposed subsidiaries	(68,000)	-
Amount capitalised	(346,078)	(285,817)
	52,382	64,428

12. Income tax expense

The Group has generated a loss in the year and the period before, and therefore has not recognised any taxation charge or credit.

Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
Tax (losses)	(569,661)	(242,794)
Accumulated carried forward losses	812,455	242,794

The carried forward losses do not expire as they relate to trading activity that is expected to continue.

Reconciliation of effective tax rate

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
Loss for the year/period	(808,977)	(374,660)
Total tax expense	-	-
Loss excluding taxation	(808,977)	(374,660)
Tax using the UK corporate tax rate of 19%	153,706	71,185
Current year losses for which no deferred tax asset was recognised	(108,236)	(46,131)
Non-deductible expenses	(45,470)	(25,054)
Total taxation expense	-	-

13. Property, plant and equipment

As at 30 June 2021

£ unless stated	Right of use	Office Equipment	Fixtures and fittings	Motor vehicles	Total
Cost					
At 30 June 2020 (unaudited)	154,149	4,169	8,433	33,990	200,741
Additions	288,463	9,904	20,500	644	319,511
At 30 June 2021	442,612	14,073	28,933	34,634	520,252
Accumulated depreciation					
At 30 June 2020 (unaudited)	28,261	407	1,107	5,665	35,440
Charge for the period	30,829	1,271	1,436	8,570	42,106
At 30 June 2021	59,090	1,678	2,543	14,235	77,546
Carrying amount					
At 30 June 2020 (unaudited)	125,888	3,762	7,326	28,325	165,301
At 30 June 2021	**383,522**	**12,395**	**26,390**	**20,399**	**442,706**

As at 30 June 2020

£ unless stated	Right of use	Office Equipment	Fixtures and fittings	Motor Vehicles	Total
Cost					
At Period	-	-	-	-	-
Additions	154,149	4,169	8,433	33,990	200,741
At 30 June 2020 (unaudited)	154,149	4,169	8,433	33,990	200,741
Accumulated depreciation					
At Period	-	-	-	-	-
Additions	28,261	407	1,107	5,665	35,440
At 30 June 2020 (unaudited)	28,261	407	1,107	5,665	35,440

Carrying amount					
At Period	-	-	-	-	-
At 30 June 2020 (unaudited)	125,888	3,762	7,326	28,325	165,301

On 11 June 2021 the Group leased additional office space at its registered office. It recognised a right-of-use of £288,463 (2020: 154,149) in relation to this.

Right of use asset

£ unless stated	30 June 2021	30 June 2020 Unaudited
Amount recognised in the statement of financial position:		
Right of use		
Buildings	383,522	125,888
	383,522	
Lease liability		
Non-current	337,742	117,403
Current	64,967	23,568
	402,709	140,971

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
Amount recognised in the profit and loss:		
Depreciation on right of use building	30,829	28,261
Interest expense	6,207	5,346
Amount recognised in the statement of cash flow:		
Lease payments made	32,932	18,534

Break options

The lease for the office has an option to break the lease after 5 years. The right-of-use asset has been calculated on the assumption that the break clause is taken up.

14. Inventory - developments

£ unless stated	30 June 2021	30 June 2020 Unaudited
Residential developments		
- Land	4,112,644	11,788,736
- Construction and development costs	2,277,902	2,674,195
- Capitalised interest	400,130	266,696
	6,790,676	14,729,627

As at 30 June 2021 there was a charge on the inventory held within One Heritage Lincoln House Limited. The value of this was £1,650,031 (30 June 2020: £14,677,347) and was pledged as security for bank loan.

The Group has a non-refundable right to purchase land at Churchgate, Leicester, which will result in the Group paying an additional £120,000 on the successful approval of planning on the property. The Group has recognised £131,235 (30 June 2020: £52,280) in inventory in relation to this in the period.

15. Inventory - trading properties

£ unless stated	30 June 2021	30 June 2020 Unaudited
Opening	1,179,657	-
Disposals	(768,651)	(197,558)
Additions	24,814	1,377,215
Closing	435,820	1,179,657

As at 30 June 2021 £27,368 (30 June 2020: £19,121) of interest was capitalised.

16. Investment in associate

On 17 March 2019, the Group invested £258,512 to acquire a 47.0% stake in One Heritage Complete Limited. One Heritage Complete provides letting and facilities and property management for investors in Co-living properties. Post year end a subsidiary of One Heritage Complete Limited, namely One Heritage Maintenance Limited was put into liquidation and the investment in associate has been written down to nil.

Reconciliation of investment in associate

£ unless stated	30 June 2021	30 June 2020 Unaudited
Opening	258,512	-
Additions	-	258,512
Write down of investment in associate	(239,316)	-
Dividend received	(19,196)	-
Closing	-	258,512

The Group has not disclosed financial information for the associate due to the lack of reliable financial information.

Due to the uncertainty around the profitability of One Heritage Maintenance Limited, the Group has taken a provision against the dividends received from this entity in the year totalling £24,368.

17. Financial assets at FVTPL

£ unless stated	30 June 2021	30 June 2020 Unaudited
Opening	897,002	-
Drawdown	-	897,002
Repayment	(839,374)	-
Profit recognised in the period	340,168	-
	397,796	897,002

The Group has loans outstanding to related parties outside of the Group to Robin Hood Property Development Limited for £397,796 (30 June 2020: £517,277) and repaid loans to Harley Street Developments Limited (30 June 2020: £379,727). The loan agreements entitle the Group to 15% of the net profits on each Co-living property sale. These have been classified as assets at FVTPL and are level 3 in fair value hierarchy. The loans can be repaid at any time by the borrower.

These financial assets are considered due from related parties, further details can be found in note 25.

18. Trade and other receivables

£ unless stated	30 June 2021	30 June 2020 Unaudited
Trade receivables	150,052	11,038
Other debtors	206,168	-
VAT receivable	292,204	120,584
Related party receivable	19,335	1,000
	667,759	132,622

Loan facility fees of £178,743 were paid to cover the negotiation and arrangement of facilities which will be offset against the respective loans when drawn. Such fees are deferred if it is probable that a facility will be drawn down.

The amounts due from One Heritage Tower Limited of £19,335 is both interest free and repayable on demand. The Company has an outstanding loan of £1,000 (30 June 2020: £1,000) to the directors. No interest is charged on these amounts and are repayable on demand.

Trade receivables includes £121,760 due from One Heritage Tower Limited and £27,278 due from One Heritage North Church Limited, in relation to development management services (see Note 8).

These financial assets are considered due from related parties, further details can be found in note 25.

Management consider that the credit quality of the various receivables is good in respect of the amounts outstanding, there have been no increases in credit risk and therefore credit risk is considered to be low. Therefore, no expected credit loss provision has been recognised.

19. Capital management

The Group defines capital as the Group's shareholder equity and borrowings. The Group's policy is to maintain a strong capital base so as to maintain, investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of external debt in the business.

The Group monitors capital using a ratio of 'net debt' to shareholder equity. Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. The Group's policy is to keep the ratio below 3.0. The Group's net debt to equity at 2.0 was as follows:

£ unless stated	30 June 2021	30 June 2020 Unaudited
Total borrowings	5,580,182	17,783,165
Less: cash and cash equivalents	(204,147)	(711,798)
Net debt	5,376,035	17,071,367
Total equity	2,709,371	(374,660)
Net debt to equity ratio	**2.0**	**(45.6)**

20. Loans and borrowings

£ unless stated	30 June 2021	30 June 2020 Unaudited
Non-current		
Lease liability *(note 13)*	337,742	117,403
Related party borrowings	1,748,927	-
Loan	189,410	4,000,000
	2,276,079	4,117,403
Current		
Lease liability *(note 13)*	64,967	23,568
Related party borrowings	2,469,136	12,872,194
Loan	770,000	770,000
	3,304,103	13,665,762
		-
	5,580,182	17,783,165

On 28 February 2020 a subsidiary, Lincoln House Property Development Limited, drew down on a £770,000 12-month loan with Wright (Holdings) Pension Scheme. The loan has a fixed rate of interest of 0.95% interest per calendar month and the full amount is repayable on expiry. A legal mortgage has been taken out by the borrower over the land and there is a guarantee from the Company. On 05 March 2021 this was extended for a further 12 months.

On 20 May 2021 a subsidiary, One Heritage Oscar House Limited, signed a loan agreement with Lyell Trading Limited. This was for a gross amount of construction finance totalling £3,514,557. This had a term of 18 months and is to be drawn down to fund costs incurred by the development in that subsidiary. As at 30 June 2021, the balance of the loan was £139,360. The Group incurs an interest cost on drawdown funds of 9.6% per annum. On signing of the agreement the Group paid an arrangement fee of £80,701 and will pay an exit fee of £40,351 on final repayment. The Company has provided a financial guarantee of £1,008,764 over the loan. The loan has two covenants that are linked to the underlying development, the loan to development cost of 71.0% and a loan to value of 65.0%, which have both been complied with during the reporting period.

On 18 June 2021 a subsidiary, One Heritage Bank Street Limited, signed a loan agreement with Together Commercial Finance Limited. This was for a gross amount of construction finance totalling £1,985,000. This had a term of 18 months and is to be drawdown down to fund costs incurred by the development in that subsidiary. As at 30 June 2021, the Group had drawn down £50,050 of the loan. The Group incurs an interest cost on drawdown funds of 10.7% per annum. On signing of the agreement the Group paid an arrangement fee of £9,850 and will pay an exit fee of £17,084 on final repayment. The loan has two covenants that are linked to the underlying development, the loan to development cost of 70.0% and a loan to value of 70.0%, which have both been complied with during the reporting period.

Related party borrowings

During the year the Group repaid loans from One Heritage Tower Limited amounting to £653,972 and Mosley Property Limited of £260,616. The Group owes ACT Property Developments Limited amounting to £92,285 (30 June 2021: £229,487). The loans are interest free and are repayable on demand.

On 22 July 2020 and 11 August 2020 the Trading Group received loans worth £1,135,000 and £1,007,000 respectively from One Heritage SPC. As at 30 June 2021, £127,992 and £106,935 respectively of interest had been accrued against the loans. Each has a term of 18 months with an annual interest rate of 12 per cent.

The Group has signed a £5.0 million loan facility with One Heritage Property Development Limited on 21 September 2020. This can be drawn down as required and is to be repaid on 31 December 2024. The facility has an interest rate of 7.0%. On 18 February 2021 the facility was increased by £2.5 million to £7.5 million, with the additional amount having a repayment date of 31 December 2022. As at 30 June 2021 the Group had drawdown £1,748,852 of the facility.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

£ unless stated	Currency	Nominal interest rate	Maturity Date	30 June 2021 Face value	30 June 2021 Carrying amount	30 June 2020 Unaudited Face value	30 June 2020 Unaudited Carrying Amount
Wright (Holdings) Pension Scheme	GBP	12.0%	Mar 22	770,000	770,000	770,000	770,000
Together Commercial Finance[1]	GBP	10.7%	Jul 22	-	-	4,000,000	4,000,000
ACT Property Holding	GBP	0.0%	n/a	92,285	92,285	229,487	229,487
One Heritage Property Development	GBP	0.0%	n/a	-	-	2,411,482	2,411,482
One Heritage Development	GBP	0.0%	n/a	-	-	10,231,225	10,231,225
One Heritage SPC	GBP	12.0%	Jan 22	1,262,992	1,262,992	-	-
One Heritage SPC	GBB	12.0%	Feb 22	1,113,935	1,113,935	-	-

Lyell Trading Limited	GBP	9.6%	Nov 22	139,360	139,360	-	-
Together Commercial Finance	GBP	10.7%	Dec 22	50,050	50,050	-	-
One Heritage Property Development	GBP	7.0%	Dec 24	1,748,852	1,748, 852	-	-
				5,177,473	5,177,473	17,642,194	17,642,194

[1]This loan was disposed of when the Group sold the entire equity in One Heritage Tower Limited, see note 7.

Reconciliation of movements of liabilities to cash flows from financing activities

	Liabilities			Equity	
£ unless stated	Other loans and borrowings	Lease liabilities	Share capital/ Premium	Retained earnings	Total
Balance as at 01 July 2020 (unaudited)	**16,745,192**	**140,971**	**-**	**-**	**16,886,163**
Changes from financing cash flows					
Proceeds from issue of share capital	-	-	3,893,008	-	3,893,008
Proceeds from loans and borrowings	189,410	-	-	-	189,410
Proceeds from related party borrowings	2,294,633	-	-	-	2,294,633
Payment of lease liabilities	-	(32,932)	-	-	(32,932)
Total changes from financing cash flows	2,484,043	(32,932)	3,893,008	-	6,344,119
Changes arising from obtaining or losing control of subsidiaries or other businesses	(13,972,457)	-	-	-	(13,972,457)
Other changes	-	-	-	-	-
Liability related					
New leases	-	288,463	-	-	288,463
Capitalised borrowing costs	346,078	-	-	-	346,078
Interest expense	46,175	6,207	-	-	52,382
Interest paid	(460,253)	-			(460,253)
Total liability-related other changes	(68,000)	294,670	-	-	226,670
Total equity-related other changes	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2021	**5,188,778**	**402,709**	**3,893,008**	**-**	**9,484,495**

	Liabilities			Equity	
£ unless stated	Other loans and borrowings	Lease liabilities	Share capital/ premium	Retained earnings	Total
Balance as at 01 July 2020 (unaudited)	**-**	-	-	-	-
Changes from financing cash flows					
Proceeds from issue of share capital	-	-	-	-	-
Proceeds from loans and borrowings	4,770,000	-	-	-	4,770,000
Proceeds from related party borrowings	11,975,192	-	-	-	11,975,192
Payment of lease liabilities	-	(18,534)	-	-	(18,534)
Total changes from financing cash flows	16,745,192	(18,534)	-	-	16,726,658
Changes arising from obtaining or losing control of subsidiaries or other businesses	-	-	-	-	-
Other changes					
Liability related					
New leases	-	154,149	-	-	154,149
Capitalised borrowing costs	285,817	-	-	-	285,817
Interest expense	59,072	5,356	-	-	64,428
Interest paid	(344,889)	-	-	-	(344,889)
Total liability-related other changes	-	159,505	-	-	159,505
Total equity-related other changes	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2021	**16,745,192**	**140,971**	**-**	**-**	**16,886,163**

21. Trade and other payables

£ unless stated	30 June 2021	30 June 2020 Unaudited
Trade payables	549,317	378,417
Accruals and prepayments	56,341	283,650
Provision	24,368	-
PAYE payable	19,325	3,947
	649,351	666,014

Trade payables and accruals relate to amounts payable at the reporting date for services received during the period.

During the year the Group made a provision against the dividends received from an associate (note 16).

The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

22. Financial instruments - fair value and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 30 June 2021

	Carrying value			Fair value			
£ unless stated	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade and other receivables	667,759	-	667,759	-	-	667,759	667,759
Cash and cash equivalents	204,147	-	204,147	204,147	-	-	204,147
	871,906	-	871,906	204,147	-	667,759	871,906
Financial liabilities not measured at fair value							
Secured bank loans	-	959,410	959,410	-	-	959,410	959,410
Related party borrowings	-	4,218,063	4,218,063	-	-	4,218,063	4,218,063
Lease liability	-	402,709	402,709	-	-	402,709	402,709

Trade and other payables	-	649,351	649,351	-	-	649,351	649,351
	-	6,229,533	6,229,533	-	-	6,229,533	6,229,533

As at 30 June 2020 (unaudited)

	Carrying value			Fair value			
£ unless stated	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade and other receivables	132,622	-	132,622	-	-	132,622	132,622
Cash and cash equivalents	711,798	-	711,798	711,798	-	-	711,798
	844,420	-	844,420	711,798	-	132,622	844,420
Financial liabilities not measured at fair value							
Secured bank loans	-	4,770,000	4,770,000	-	-	4,770,000	4,770,000
Unsecured bank loans	-	-	-	-	-	-	-
Related party borrowings	-	12,872,194	12,872,194	-	-	12,872,194	12,872,194
Lease liability	-	140,971	140,971	-	-	140,971	140,971
Trade and other payables	-	666,014	666,014	-	-	666,014	666,014
	-	18,449,179	18,449,179	-	-	18,449,179	18,449,179

Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value.

The valuation is equivalent to cost as it can be repaid at any time by the borrower and therefore no sensitivity is provided.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Groups risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Groups risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limited. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations. Group policy is that surplus cash, when not used to repay borrowings, is placed on deposit with the Group's main relationship banks and with other banks or money market funds based on a minimum credit rating and maximum exposure.

The significant concentrations of credit risk are to related parties (refer notes 17, 18 and 25).

Management consider that the credit quality of the various receivables is good in respect of the amounts outstanding and therefore credit risk is considered to be low.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk at the reporting date assuming that any security held has no value.

Cash and cash equivalents

The Group held cash and cash equivalents of 204,147 at 30 June 2021 (2020: 711,798).

Bank	Amount held (£)	Standard and Poor's	Moody's	Fitch
Barclays Bank UK Plc	197,064	A	A1	A+
Bank of China	4	A+	AA3	A
Santander Bank	6,445	A	A2	A-

The Group also holds petty cash of £634 as at 30 June 2021 (30 June 2020: £1,000).

Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 30 June 2021, the Company has issued a guarantee to certain banks in respect of credit facilities granted to One Heritage Oscar House Limited £122,447 (30 June 2020: nil) and One Heritage Lincoln House Limited, £770,000 (30 June 2020: £770,000), subsidiaries, see note 20.

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources available to meet its obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, matching the expected cash flow timings of financial assets and liabilities with the use of cash and cash equivalents, borrowings, overdrafts and committed revolving credit facilities with a minimum of 12 months to maturity.

Future borrowing requirements are forecast on a monthly basis and funding headroom is maintained above forecast peak requirements to meet unforeseen events. At 30 June 2021, the Group's borrowings and facilities had a range of maturities with an average life of 19 months.

In addition to fixed term borrowings, the Group has access to a shareholder loan facility. At the reporting date, the total unused committed amount available for general purposes was £5.7 million and cash and cash equivalents were £204,147.

The maturity profile of the anticipated future cash flows including interest, using the latest applicable relevant rate, based on the earliest date on which the Group can be required to pay financial liabilities on an undiscounted basis, is as follows:

As at 30 June 2021

£ unless stated	Carrying amount	Total	On demand	Within 1 year	1-2 years	2-5 years	5+ Years
Non-derivative financial liabilities							
Secured bank debt	959,410	959,410	959,410	-	-	-	-
Other borrowings*	4,218,063	4,836,075	-	2,619,845			2,216,230

Lease payables	402,709	486,482	-	86,980	99,228	300,274	-
Trade payables	649,351	649,351	-	649,351	-	-	-
	6,229,533	6,931,318	959,410	3,356,176	99,228	300,274	2,216,230

As at 30 June 2020 (unaudited)

£ unless stated	Carrying amount	Total	On demand	Within 1 year	1-2 years	2-5 years	5+ Years
Non-derivative financial liabilities							
Secured bank debt*	4,770,000	4,770,000	770,000	4,000,000	-	-	-
Other borrowings*	12,872,194	12,872,194	-	12,872,194	-	-	-
Lease payables	140,971	140,971	-	23,568	32,302	85,101	-
Trade payables	666,014	666,014	-	666,014	-	-	-
	18,449,179	18,449,179	770,000	17,561,776	32,302	85,101	-

*excludes future interest on the borrowings that have been disposed of as part of the Group restructuring

The secured bank debt contains loan covenants, disclosed in note 20. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table.

Market risk

Market risk is the risk that changes in market prices will affect the Group's income. The objective of market risk management is to manage and control risk exposures within acceptable exposures within acceptable parameters, while optimising the return. The Group does not hold any equity positions, loans with variable interest rates and trade in foreign currencies, it considers the market risk to be low.

The Group holds a profit participation loan, see note 17. The value of this is based on cost, which is equivalent to fair value, as the loan is repayable at any point by the borrower.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting.

Interest rate risk management

The Group has a policy to have fixed interest rate borrowings where possible. Where this is not possible, the Group will look to hedge interest variability if cost effective.

Interest rate sensitivity

The Group does not currently have any outstanding variable interest rate arrangements and therefore returns are not sensitive to movements in the interest rates in the next financial period on existing borrowing obligations.

23. Director's remuneration

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
During the period remuneration payable to directors was as follows:		
Jason Upton	45,118	6,271
Yiu Tak Cheung	10,742	3,000
Jeffrey Pym	73,487	-
David Izett	13,173	-
	142,520	9,271

The Directors' did not receive any other benefits or post-employment remuneration. Jeffery Pym was paid £4,613 (30 June 2020: nil) as a consultant before becoming Director on 21 July 2020.

24. Share capital

£ unless stated	30 June 2021	30 June 2020 Unaudited
Share capital (1p per share)	324,283	-
Share premium	3,568,825	-
	3,893,108	-

All shares issued by the Company are ordinary shares and have equal voting and distribution rights.

The earning per share calculation has been calculated on the basis that the opening balance of shares in issue was 20,700,000, on the assumption the £2.75 million loan, which was received in the prior period, was converted under the merger method of preparation.

£ unless stated	30 June 2021	30 June 2020 Unaudited
Number of shares in issue at 01 July	-	-
Shares issued on Period on 22 July 2020	100	-
Shares issued on 27 October 2020	20,699,900	-
Shares issued on 23 December 2020	9,300,000	-
Shares issued on 18 February 2021	1,828,333	-
Shares issued on warrant exercise on 28 June 2021	600,000	-
	32,428,333	-

On 22 July 2020 100 shares were issued for £1.00 per share.

On 27 October 2020 the Company issued 20,699,900 ordinary shares for £2,750,000 as part of the Company's restructuring. This was a debt for equity transaction regarding a shareholder loan for £2.75 million, as described in Note 2.

On 23 December 2020 the Company issued 9,300,000 ordinary shares for 10p per share. The Company incurred listing fees of £303,581. The Company also issued 600,000 warrants to Hybridan LLP, the Company's financial advisor and broker, at a strike price of 10p with an expiry on 23 December 2025. These were valued at listing at £4,989 by using the Black-Scholes-Merton Model and recognised as part of the equity component. These were exercised on 28 June 2021.

On 18 February 2021 the Company issued 1,828,333 shares for 30p per share during a placing and subscription. This raised gross proceeds of £548,500 and the Company incurred fees of £78,786.

On 28 June 2021 the Company issued 600,000 shares in relation to the warrants issued to Hybridan LLP at 10p per share. This raised gross proceeds of £60,000 and the Company incurred fees of £13,125.

The total shares in issue as at 30 June 2021 is 32,428,333 and are fully paid up.

Earnings per share reconciliation

The Group undertook a restructuring, see note 2, where the merger method was used. Under this methodology the debt to equity transaction on 27 October 2020 was assumed to have taken place throughout the prior period. To give a comparable earnings per share for the Group an adjustment was made, as below, to take into account the interest that was paid on the loan.

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
Comprehensive income	(808,977)	(374,660)
Adjustment for interest on £2.75m debt	-	59,072
Adjusted comprehensive income	(808,977)	(315,588)
Weighted average shares in issue	26,204,555	20,700,000
Earnings per share (GBp)	(3.1)	(1.5)

25. Related parties

Parent and ultimate controlling party

At the reporting date 63.8% of the shares are held by One Heritage Property Development Limited, which is incorporated in Hong Kong. No other shareholder holds more than 5.0% of the shares in the Company. One Heritage Holding Group Limited, incorporated in the British Virgin Island, is considered the ultimate controlling party through its 100% ownership of One Heritage Property Development Limited.

Transactions with key management

Key management personnel compensation comprised the following:

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
Short term employee benefits	215,511	9,271
	215,511	9,271

Compensation of the Group's key management personnel is short term employee benefits.

The Company has an outstanding loan of £1,000 (30 June 2020: £1,000) to Yiu Tak Cheung. No interest is charged on these amounts and are repayable on demand.

Key management personnel transactions

The key management control 31.0% of the voting shares of the Company.

Other related party activity

Below is a table that sets out the entities that are related parties to the Group:

Company	Note	Description
ACT Property Developments Limited	8,20	Common directors
Harley Street Developments Limited	7,17	Common directors, owned by the beneficial owners of the Group
Mosley Property Limited	20	Common directors, owned by the beneficial owners of the Group
One Heritage North Church Limited	8	Common directors, majority stake held by the beneficial owners of the Group
One Heritage Property Development Limited	20	Common director, owned by the beneficial owners of the Group
One Heritage Property Management Limited	7	Common director, owned by the beneficial owners of the Group
One Heritage SPC	20	Managed by the beneficial owners of the Group
One Heritage Tower Limited	7,8,18,20	Common directors, part owned by the beneficial owners of the Group
Robin Hood Property Development Limited	8,17	Common directors, owned by the beneficial owners of the Group

26. Events after the reporting date

On 23 September 2021 a subsidiary of the Group's associate, One Heritage Maintenance Limited was put into compulsory voluntary liquidation (CVL), and a further subsidiary of the associate, One Heritage Design Limited, was put into a CVL on 27 September 2021.

27. New Standards and amendments to Standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

Effective date	New standards or amendments
01 January 2020	Amendments to Reference to Conceptual Framework in IFRS Standards
	Definition of Material (Amendments to IAS 1 and IAS 8)
	Definition of a Business (Amendments to IFRS 3)
	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
	Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)
01 June 2020	COVID-19 Related Rent Concessions (amendment to IFRS16)

Standards available for early adoption that have not been adopted by the Company

Effective date	New standards or amendments
01 January 2021	Interest Rate Benchmark Reform -Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
01 April 2021	COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
01 January 2022	Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
	Annual Improvements to IFRS Standards 2018 - 2020
	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	Reference to the Conceptual Framework (Amendments to IFRS 3)
01 January 2023	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
	IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
	Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)
	Definition of Accounting Estimate (Amendments to IAS 8)

28. Disclosures relating to subsidiary undertakings

The Company's subsidiaries and other related undertakings at 30 June 2021 are listed below. All Group entities are included in the consolidated financial results. All companies listed below undertake all of their activity in the United Kingdom.

The share capital of each of the companies, where applicable, comprises ordinary shares unless otherwise stated.

Company name	Business activity	Company number	Ownership

One Heritage Oscar House Limited	Property development	11331256	100.0%
Lincoln House Building Management Limited	Dormant	12710283	100.0%
One Heritage Lincoln House Limited	Property development	12434625	100.0%
Nicholas Street Developments LTD	Co-living property	12058412	100.0%
One Heritage Bank Street Limited	Property development	12763845	100.0%
One Heritage Churchgate Limited	Property development	12114319	100.0%
One Heritage Group PLC	Public company	12757649	100.0%
One Heritage Property Development (UK) Limited[1]	Operating company	11982934	100.0%
One Heritage Property Services Limited	Property services	13426415	100.0%
One Heritage Red Brick Limited	Property services	13178461	100.0%

There are loans between these entities, which are all interest free and repayment on demand.

Below is a list of former subsidiaries that were disposed of in the period.

Company name	Company number	Previous ownership
Harley Street Developments Limited	12102827	100.0%
One Heritage Tower Limited	11780660	100.0%

[1]Direct subsidiary of the OHG plc
*these entities were disposed of on 31 August 2020 but were previously 100.0% subsidiaries.

29. Audit exemption taken for subsidiaries

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act.

Company name	Company number
One Heritage Oscar House Limited	11331256
Lincoln House Building Management Limited	12710283
One Heritage Lincoln House Limited	12434625
Nicholas Street Developments LTD	12058412
One Heritage Bank Street Limited	12763845
One Heritage Churchgate Limited	12114319
One Heritage Group PLC	12757649
One Heritage Property Development (UK) Limited[1]	11982934
One Heritage Property Holding Limited	12376110
One Heritage Property Management Limited	12258993
One Heritage Property Services Limited	13426415
One Heritage Red Brick Limited	13178461

Company balance sheet

As at 30 June 2021

£ unless stated	Notes	As at 30 June 2021
TANGIBLE ASSETS		
Investments	2	2,750,100
		2,750,100
CURRENT ASSETS		
Debtors	3	1,115,752
Cash at bank		-
		1,115,752
Creditors: amounts falling within one year	4	(95,998)
Net current assets		1,019,754
Total assets less current liabilities		3,769,854
Creditors: amounts due after one year		-
Net assets		**3,769,854**
CAPITAL AND RESERVES		
Called up share capital	5	324,183
Share premium account		3,568,825
Profit and loss account		(123,154)
Shareholders' funds		**3,769,854**

These financial statements were approved by the board of directors on 19 October 2021 and were signed on its behalf by:

Jason David Upton
Company registration number: 12757649

The accompanying notes on pages 79 to 83 form an integral part of the financial statements

Company statement of changes in equity

£ unless stated	Called up share capital	Share premium	Profit and loss account	Shareholders Funds
Balance at incorporation	100	**-**	**-**	**100**
Loss for the period	-	-	(123,154)	(123,154)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**100**	**-**	**(123,154)**	**(123,054)**

Transactions with owners, recorded directly in equity				
Issue of share capital	324,183	3,964,217	-	4,288,400
Cost of share issuance	-	(395,492)	-	(395,492)
Balance at 30 June 2021	**324,283**	**3,568,725**	**(123,154)**	**3,769,854**

The accompanying notes on pages 79 to 83 form an integral part of the financial statements.

Notes to the Company financial statements

For the period ended to 30 June 2021

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

General information

One Heritage Group plc is a public limited company, limited by shares, incorporated in England and Wales under the Companies Act 2006 on 21 July 2020. The address of its registered office and principle place of trading is 80 Mosley Street, Manchester, M2 3FX. The principle activity of the Company is a property development holding company. The Company does not have any employees and is funded through the issuance of share capital to investors.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Under section s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measuring convention

The financial statements are prepared on the historical cost.

Financial guarantees

A financial guarantee contract is initially recognised at fair value. At the end of each subsequent reporting period, financial guarantees are measured at the higher of:

- The amount of the loss allowance, and
- The amount initially recognised less cumulative amortisation, where appropriate.

The amount of the loss allowance at each subsequent reporting period equals the 12-month expected credit losses. However, where there has been a significant increase in the risk that the specified debtor will default on the contract, the calculation is for lifetime expected credit losses.

Foreign currencies

These financial statements are presented in Pound sterling, which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial statement date, monetary assets and liabilities that are denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing at the statement of financial statement date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the net profit or loss for the period.

Investment in subsidiary

Investment in and loans to subsidiaries are stated at cost less impairment.

Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Investment in subsidiaries

£ unless stated	30 June 2021
One Heritage Property Development (UK) Limited	2,750,100
	2,750,100

The Company assesses the subsidiaries for any indicators of impairment by looking at the individual performance of the underlying entities, including their budgets, development progress and forecast profitability. There are no indicators of impairment.

The share capital of each of the companies, where applicable, comprises ordinary shares unless otherwise stated.

Company name	Jurisdiction	Company number	Ownership
One Heritage Property Development (UK) Limited	England and Wales	11982934	100.0%

Below is a list of the key subsidiaries of One Heritage Property Development (UK) Limited.

Company name	Jurisdiction	Company number	Ownership
One Heritage Oscar House Limited	England and Wales	11331256	100.0%
Lincoln House Building Management Limited	England and Wales	12710283	100.0%
One Heritage Lincoln House Limited	England and Wales	12434625	100.0%
Nicholas Street Developments LTD	England and Wales	12058412	100.0%
One Heritage Bank Street Limited	England and Wales	12763845	100.0%
One Heritage Churchgate Limited	England and Wales	12114319	100.0%
One Heritage Group PLC	England and Wales	12757649	100.0%
One Heritage Property Holding Limited	England and Wales	12376110	100.0%
One Heritage Property Management Limited	England and Wales	12258993	100.0%
One Heritage Property Services Limited	England and Wales	13426415	100.0%
One Heritage Red Brick Limited	England and Wales	13178461	100.0%

3. Debtors

£ unless stated	30 June 2021
Intercompany loan	1,070,770
Trade and other receivables	11,521
Tax receivable	33,461
	1,115,752

The Intercompany loan payable by One Heritage Property Development (UK) Limited and is interest free and payable on demand.

The Company assesses the intercompany loans for any indicators of impairment by looking at the individual performance of the underlying entities, including their budgets, development progress and forecast profitability. There are no indicators of impairment and therefore no expected credit losses.

4. Creditors: amounts failing within one year

£ unless stated	30 June 2021
Trade and other payables	39,958
Accruals	56,040
	95,998

5. Called up share capital

£ unless stated	Ordinary Shares
Issued for cash during the financial period	32,428,333
In issue at 30 June 2021	32,428,333

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 22 July 2020 the Company issued 100 £0.01 ordinary shares for a consideration of £1.00, settled in cash.

On 27 October 2020 the Company issued 20,699,900 ordinary shares for £2,750,000 as part of the Company's restructuring. This was a debt for equity transaction regarding a shareholder loan for £2.75 million.

On 23 December 2020 the Company issued 9,300,000 ordinary shares for 10p per share and issued a warrants for 600,000 shares.

On 18 February 2021 the Company issued 1,828,333 shares for 30p per share during a placing and subscription.

On 28 June 2021 the warrants issued on 23 December 2020 where fully exercised at 10p per share.

6. Audit exemption taken for subsidiaries

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act. Under the Act the Company has undertaken guarantees for all outstanding liabilities to which the subsidiary company is subject at the end of the financial year to which the guarantee relates, until they are satisfied in full.

Company name	Company number
One Heritage Oscar House Limited	11331256
Lincoln House Building Management Limited	12710283
One Heritage Lincoln House Limited	12434625
Nicholas Street Developments LTD	12058412
One Heritage Bank Street Limited	12763845
One Heritage Churchgate Limited	12114319
One Heritage Group PLC	12757649
One Heritage Property Development (UK) Limited[1]	11982934
One Heritage Property Holding Limited	12376110
One Heritage Property Management Limited	12258993
One Heritage Property Services Limited	13426415
One Heritage Red Brick Limited	13178461

7. Post balance sheet events

On 23 September 2021 a subsidiary of the Company's associate, One Heritage Maintenance Limited was put into compulsory voluntary liquidation (CVL), and a further subsidiary of the associate, One Heritage Design Limited, was put into a CVL on 27 September 2021.

8. Related party disclosures

£ unless stated	Creditors outstanding 30 June 2021	Debtors outstanding 30 June 2021
Subsidiaries	-	1,070,770
	-	1,070,770

The Directors of the Company were paid through One Heritage Property Development (UK) Limited, a subsidiary.

£ unless stated	12 months to 30 June 2021	Period to 30 June 2020 Unaudited
During the period remuneration payable to directors was as follows:		
Jason Upton	45,118	6,271
Yiu Tak Cheung	10,742	3,000
Jeffrey Pym	73,487	-
David Izett	13,173	-
	142,520	9,271

Parent and ultimate controlling party

At the reporting date 63.8% of the shares are held by One Heritage Property Development Limited, which is incorporated in Hong Kong. No other shareholder holds more than 5.0% of the shares in the Company. One Heritage Holding Group Limited, incorporated in the British Virgin Island, is considered the ultimate controlling party through its 100% ownership of One Heritage Property Development Limited.

ISIN: GB00BLF79495
Category Code: FR
TIDM: OHG
LEI Code: 2138008ZZUCCE4UZHY23
OAM Categories: 1.1. Annual financial and audit reports
Sequence No.: 124736
EQS News ID: 1241971

End of AnnouncementEQS News Service

fncls.ssp?fn=show_t_gif&application_id=1241971&application_name=news&site_id=acquiremedia3