ONE HERITAGE GROUP PLC

Annual report for the year ended 30 June 2022

24 OCTOBER 2022

Who We Are

One Heritage Group PLC is a property development and management company. We focus on the residential sector primarily in the North of England, seeking out value and maximising opportunities for our investors.

We are a team of dedicated and experienced professionals with a proven track record in complex property development and investment. In December 2020, One Heritage Group PLC became one of the first publicly listed residential developers with a focus on co-living.

Our Mission

To develop high-quality apartments and co-living housing in urban centres in the UK with high demand from professional tenants and to provide a first class letting and management service to create a socially sustainable living environment.

Our Vision

To become an acknowledged market leader in the provision and management of high-quality apartments and co-living spaces in our chosen geographies.

Our Values

We follow best practice, so that our developments provide a safe and environmentally friendly living experience. We treat all stakeholders with respect and we ensure that our leadership and governance are effective and transparent and adhere to the highest standards of ethical practice.

CONTENTS

STRATEGIC REPORT

Chairman's statement

I am pleased to report good progress in our second full year of trading, this despite there being a number of industry challenges, which have combined to delay and, in two instances, impair our development projects, and some internal challenges which have caused us to change the way in which we deliver our developments and co-living projects. The agile, measured and decisive way in which we responded to these challenges puts us in a very good position to continue to evolve and grow into a market leading full service residential property developer in the North and the Midlands.

It is a decisive moment in the life of a relatively young property development company when it completes its first major development. This moment has arrived for us with the practical completion of Lincoln House Bolton, a former part-built office building which we have transformed into residential use, providing 88 apartments.

This development marks the first of such 'developer as principal' project completions with three more to follow during calendar year 2023. Moreover, we have taken opportunities to add to our development pipeline in Stockport and post year end in July 2022, Eccleshill in West Yorkshire.

I was also pleased to see the signing of a further development management agreement, another core part of our business, on a 129 unit project in Manchester. We now have four of these management agreements in place namely One Victoria, One Heritage Tower, North Church House and the former Oldham County Court.

Ours is a people business, and from time to time, people come and people go. During the period, at senior level, we were sorry to say goodbye to our Finance Director Luke Piggin and Independent Non-Executive Director Jeffrey Pym. In their places, without delay, we hired Anthony Unsworth (Chief Financial Officer) and Jeremy Earnshaw (Independent Non-Executive Director) and welcomed both to the board of directors. Their positive influence and contributions have been immediate and impressive. We also made further key hires with a Head of Lettings, Head of Projects and an Acquisitions Lead post year end June 2022. Our team overall has expanded and strengthened to take advantage of the opportunities that lie ahead. A creative and collaborative corporate culture is fast emerging.

ESG is at the heart of our business and we are continuously seeking to move forward in this area. I was delighted to agree and publish our commitments to ESG during the period under review. We now have the right foundations in place to build on this policy and expect further improvements during the calendar year 2023.

I would like to thank our shareholders and other stakeholders for their ongoing support. Additionally, I appreciate the efforts of our Directors and Employees who continue to adapt to and learn from the challenges they face. I am looking forward to the next chapter in the Group's journey but recognise these are uncertain times with rising energy prices, interest rates and the cost of living. We are well positioned to continue to execute our strategy and remain committed to providing residential accommodation and property services to the highest standard possible.

David Izett

Chairman

24 October 2022

STRATEGIC REPORT
Chief Executive's statement

The Group has made positive progress with our strategy over the period, despite the challenges caused by cost pressures and labour shortages that continue to impact the industry. We have demonstrated our resilience and agility to adapt to these challenges to date but remain cautious during these uncertain times.

The headline results for the Group again reflect our infancy as a business and are partly a result of our first development, Lincoln House in Bolton, being delayed until August 2022 which is post year end. With the Group due to complete a further three development projects before year end 30 June 2023, and having added new development projects to our pipeline, along with new revenue streams, we have strong foundations in place which will contribute towards further growth over the forthcoming period. Our property services division has undergone a restructure which saw the Group dispose of its shares in One Heritage Complete in July 2022 for an initial payment of £42,500 after legal costs and a further £200,000 if certain performance milestones are achieved. One Heritage Complete was a subsidiary of the Group (shareholding 47%), which provided property management, lettings, refurbishment, design, fit out and furnishing services. Following a strategic review by the Group, we decided to bring these same services in-house and they are now provided by One Heritage Property Services Limited and One Heritage Construction Limited.

The Group signed a service agreement with Robin Hood Property Development Limited in January 2022 for Co-Living services. Furthermore, the Group also signed an additional Development Management agreement for a 129-unit development called One Victoria in Manchester City Centre. Both agreements demonstrate further diversification of income for the Group.

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

1. SUCCESSFULLY DELIVER OUR DEVELOPMENT PROJECTS

Our first development reached practical completion in August 2022, Lincoln House, Bolton. Acquired in March 2020, this part-built office building had been left unfinished and vacant for nine years. Following our successful planning application in April 2021, we have transformed it into residential use providing 88 apartments with net revenue of £10 million.

We are expecting our Liberty House (Bank Street), Sheffield development, a former courthouse with Grade II listed status being converted into 23 apartments, to finish within the first half of 2023. As announced in our interim results, the Group terminated its build contract with the principal contractor Emerald Construction (North West) Limited ("Emerald"), due to poor performance. They have since entered liquidation. It is important to add that the Group had no cash tied up in Emerald. The outstanding works are now being completed in-house by One Heritage Construction. However, inflationary increases and additional works being required due to the historic nature of the building, have meant a significant increase in development costs. This cost increase has regrettably resulted in an impairment of the asset.

Our Oscar House, Manchester development (27 Apartments) and our St Petersgate, Stockport development (18 Apartments and one Commercial Unit) are also forecasted to finish behind schedule in the first half of 2023. Oscar House has experienced delays to date due to design changes and procurement challenges, but recent progress and the quality of work have been encouraging. Our St Petersgate development is being delivered in-house by One Heritage Construction due to the smaller size of the project (18 Apartments), however, along with Liberty House, has seen cost challenges arising from inflationary increases in materials and design changes which has also resulted in an impairment of the asset. The absence of a principal contractor and a fixed cost contract on both our Liberty House and St Petersgate projects has been the sole contributing factor in the impairment of these projects. Despite these setbacks, it is encouraging to see progress on all our construction sites and the way in which the team have overcome technical challenges. Our greatest test continues to be mitigating against industry-wide cost pressures in respect of building materials, which has consequently impacted two of our developments (Liberty House and St Petersgate).

Cost increases, to some extent, have been offset by increases in values. For example, value appreciation influenced our decision to remarket 47 units at Lincoln House when a bulk purchaser failed to commit to the purchase. The increase in property prices in the area, and the reduced construction risk for buyers as the development is now completed, means we should be able to increase GDV by around £600,000.

The Group had two outstanding planning applications awaiting determination at the start of the year. St Petersgate, Stockport was granted approval in February 2022 and Churchgate, Leicester was granted approval in August 2022 following several extensions of time requests by the planning authority. An application was also submitted in June 2022 for the Group's Seaton House, Stockport development and a decision is expected later this year.

In July 2022, the Group announced the acquisition of land on Victoria Road, Eccleshill, West Yorkshire. The land has planning approval for 24 homes and will be the Group's first new build housing development. We are pleased to add some diversification to our development pipeline. The location of Eccleshill, between Bradford and Leeds, is well suited for new build housing and demand is already demonstrated with Barratt and Keepmoat having new build housing developments close by. Below is a current summary of our existing development projects as of 5 October 2022:

Project	Location	Residential units	Commercial units	Expected Net Revenue * (£m)	Reservations	Previous Expected Completion[1]	Expected Completion
Lincoln House	Bolton	88	0	10	52	Q3 2022	Complete
Churchgate	Leicester	15	1	3.2	Development Not Started	Q4 2023	H2 2024
Oscar House (Chester Road)	Manchester	27	0	6.2	27	Q4 2022	H1 2023
Bank Street	Sheffield	23	0	3.9	22	Q4 2022	H1 2023
St. Petersgate (Plus House)	Stockport	18	1	3.1	18	Q4 2022	H1 2023
Seaton House	Stockport	30	0	5.6	Development Not Started	Q4 2023	H2 2024
Victoria Road	Eccleshill	24	0	6.5	Development Not Started	Q3 2024	H2 2024
		225	2	38.5			

*Expected Net Revenue defined as expected Gross Sales less Selling Costs

[1] *As at RNS Announcement in a Trading Update on 15th July 2022*

Overall we have experienced delays across all of our projects for a variety of reasons. Those projects within the construction phase have primarily seen delays due to design changes and procurement challenges, whereas projects pre-construction have been impacted by planning delays. Considering the current economic and market conditions, we are taking a cautious approach on our projects that are yet to start construction. As such, Churchgate, Seaton House and Victoria Road will commence construction later than hoped. It is expected that we will invest further time and resource in the design and procurement of these projects to mitigate against the risk of future cost challenges.

Further to the above, we have made good progress with the developments where we are acting as Development Manager. In April 2022, the Group signed its fourth Development Management agreement for a 129-apartment development named One Victoria in central Manchester. Works are expected to commence in Q4 2022 with completion in Q3 2024. The project has a gross development value of £43.3 million. This development is in addition to development management projects at One Heritage Tower, Salford (542 apartments), Former Court House, Oldham (42 apartments) and Queen Street, Sheffield (58 apartments). We are delighted to continue to expand our development management services over the period and to secure additional sources of revenue. As a result, projects under our management have a Gross Development Value totalling £215 million.

2. SECURE SALES FOR OUR PROPERTIES UNDER CONSTRUCTION

We continue to experience positive demand for our properties but have adjusted our sales strategy over the period to delay some sales to achieve a better balance between reducing sales risk (by securing sales early) and selling later when values could be higher. On reflection, both our Liberty House, Sheffield and St Petersgate, Stockport developments were sold out too soon and, as a result, we failed to fully benefit from sales price increases offsetting rising development costs. In light of this, we have now implemented new internal processes and controls to improve how we launch a development for sales in the future. At Lincoln House, Bolton we agreed to sell 47 units to a fund in Q4 2021 but due to their failure to commit contractually, we decided to re market these units in June 2022. The increase in property values, along with the reduced construction risk for buyers with the development near completion, indicated that around £600,000 of additional revenue could be generated increasing Net Revenues from £9.4 million to £10 million.

Our sales network also expanded and partnerships strengthened during the period. This has created a larger pool of buyers, from Hong Kong to the Middle East and Africa. Whilst we continue to experience the highest demand from Hong Kong due to the wider One Heritage network, we will continue to build our network and reputation overseas. In a time of rising interest rates, we benefit from the fact that the majority of our purchasers are cash buyers. Additionally, weak sterling has increased the purchasing power of our overseas investors.

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

It was hugely disappointing that One Heritage Maintenance and One Heritage Design, two subsidiaries of One Heritage Complete, became insolvent in September 2021. The Group owned a 47% stake in One Heritage Complete. We have subsequently taken steps to undertake a strategic review and decided to bring the same services in house and in so doing, incorporating One Heritage Property Services and One Heritage Construction. Additionally, further steps were taken to protect investors and landlords against further consequential issues, which our majority shareholder supported directly. Following a restructure, we agreed a sale of our 47% ownership of One Heritage Complete in July 2022 for an initial £42,500 after legal fees, which could generate a further £200,000 if certain performance milestones are achieved.

We made some key hires within our property services division during the period under review appointing a Property Operations Director, and more recently in August 2022 a Head of Residential Lettings. Both will oversee growth of our property services activity. The Group already has in excess of 250 co-living rooms under management and we will recruit further to effectively manage the units from our completed developments.

Our presence in Hong Kong and recent demand from Hong Kong nationals for UK residential property as a second residence, for future migration or as investment, means the Group is well positioned to support this demand. Operating under the brand ‘Red Brick’, the Group has been providing a property sourcing service to Hong Kong nationals and is seeing a steady month on month increase in requests. This sourcing service is tailored to an individual’s requirement and identifies property across the whole of the UK, with the Group receiving a fee for an initial search, and fee for any properties purchased.

We are looking forward to further expansion of our property services offer over the forthcoming period with more properties under management and new opportunities being identified to generate and diversify sources of income. Our new property services website is due to be launched later in the year and further enhancements to our services continue to be made as we aim to provide a first-class service to both landlords and tenants.

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

We have added some exceptional talent during the period and have increased our headcount resulting in a move into larger office space in July 2021. Further hires are anticipated over the forthcoming period as we refine our delivery particularly in our development team as we bring in-house certain outsourced services such as project management and enhance our acquisition resource to enable us to grow our pipeline. Two key development hires have been made post year end namely a Head of Projects, as we place more emphasis on delivery and closer control in the face of rising cost pressures, and an Acquisitions Lead, to give greater emphasis on our long-term development pipeline.

With the volume of workload and the number of financial transactions increasing as a result of bringing more services in-house, our finance function has also evolved. In June 2022 our Finance Director, Mr Luke Piggin tendered his resignation. The board were quick to react to identify and secure his replacement by appointing Mr Anthony Unsworth who we were delighted to see join us on 01 August 2022 as Chief Financial Officer. Anthony brings a wealth of finance and industry experience having been Divisional Finance Director, Partnerships North at Countryside Properties PLC for 3 and a half years, and Finance Director North West for Barratt Developments PLC for 11 years. Further appointments have been made to our Finance Team in an experienced Financial Controller and a Management Accountant.

We know that our new recruits will add significant value to the company. However, at the same time, we continue to focus on our cost base to ensure that we are operating cost-effectively whilst sustaining performance levels.

GROW THE PIPELINE OF NEW DEVELOPMENT OPPORTUNITIES

It has been pleasing to add two new developments to our pipeline with the acquisition of Seaton House, Stockport, and post year end in July 2022, Victoria Road, Eccleshill, West Yorkshire. The delays to our existing developments and industry challenges have meant that we have remained cautious as to not over commit or commit too early to acquisitions without the security of successfully completing our existing projects. As we are expecting to have completed four of our developments within the financial year end 30 June 2023, we have recently appointed an Acquisitions Lead as we look to secure new projects to build our pipeline.

2023 STRATEGIC OBJECTIVES

The Group has evolved well over the period under review and objectives will remain broadly similar for the forthcoming period. We continue to focus on our developments including our pipeline, delivery and sales, along with growing additional revenue streams. With resource added and a solid infrastructure in place the Group’s objectives are focused on delivery to leverage the capacity now available.

The following four objectives will be in place for the forthcoming period.

1. Successfully deliver our development projects
2. Secure sales for our properties under construction
3. Grow the pipeline of new development opportunities
4. Create diverse sources of revenue generated through the Group’s service provisions

INDUSTRY OVERVIEW

The outlook for the UK economy in the remainder of 2022 and 2023 is far from certain with a combination of inflationary pressures driven by cost increases across energy and food, limited labour availability and supply chain challenges. Key to the months ahead will be Government economic policies and the Bank of England's decisions around interest rates to control inflation. Revised Office for National Statistics figures released in October showed that UK gross domestic product for the three months to June this year remained 0.2% below the level it achieved in the final quarter of 2019 and is the only G7 economy that remains smaller than it was before the pandemic. The ONS now says the economy grew 0.2 per cent between the first and second quarters of 2022. Some details in the data release revealed that households had been hurt by high inflation. Real household disposable income fell 1.2 per cent in the second quarter, the largest of the four successive drops as fast-rising prices diminished the value of wages.

Since the recent mini budget, there has been significant turmoil in financial markets. Many experienced investors are struggling to see how the government would finance the £45bn in tax cuts and £72bn of new borrowing, in the absence of a financial forecast or fiscal strategy. The extreme volatility in the gilts market left some pension funds facing a liquidity crisis, the Bank of England launched a £65bn emergency intervention to stabilise markets. Lending markets have also seen a shift in recent times. Following a significant withdrawal of mortgage products whilst lenders digest the impact of the mini-budget, new products have now emerged and the interest rate on a typical five-year fixed rate has topped 6% for the first time in 12 years. A significant proportion of the tax cuts have since been reversed following a change in Chancellor with a financial forecast yet to be announced.

The supply of land through the planning system is critical to the housebuilding sector. The latest provisional figures show that permission for 280,000 homes was given in the year to 30 June 2022, down 16.2% from the 334,000 homes granted permission in the year to 30 June 20211 [Gov.uk planning application statistics for England]. It should be noted that the latest figures are often revised upwards in later quarters. The latest figures for the year to March 2022 was for 307,000 homes, down 2.2% from the 314,000 homes granted permission in the year to March 2021. The temporary legislation allowing local authorities to hold virtual planning committee meetings was removed in May 2021 and could have impacted levels of approvals.

Savills' long term forecast to 2026 for the UK rental market is projecting an increase in the capital value of the second-hand market across the UK of 17.4%, and the two leading regions for growth are the North West and Yorkshire with forecasted increases of 24.3%. The rental value forecast is for an increase of 18.8% over the five year period for the UK excluding London.

There was less Government support seen in the year to June 2022 for the housing market with the revised Help to Buy scheme not available for reservations after 31 October 2022, and the SDLT holiday, which was introduced in July 2020 began to taper in July 2021 before ending on 30 September 2021. The impacts of the SDLT holiday have impacted mortgage approval levels, but they remain ahead of those in the five-year period pre-pandemic. Of concern is housing affordability, reflecting house price inflation since the pandemic and the recent increase in interest rates. The Halifax Mortgage Affordability Index has the purchase of a new home at 35% of after-tax income, which is ahead of the long-term average at 32.7%. The full impact of the recent market turmoil is yet to be seen.

Despite the mounting risks, one big positive for the sector remains the fact that housing is chronically undersupplied in the UK. Also, in the 12 months to 30 June 2022, the average UK house price increased by 13.0% according to the Halifax. In the same period, the average household rent has increased by 10.5%, affecting every region of the UK according to the Home Let Rental Index. New build housing additions were at 194,060 in the year to 31 March 2021 and this was lower than the pre pandemic levels of 219,120 (a decline of 11.4%) and below the Government target of 300,000 per year. Commentators are suggesting the levels in the year to 31 March 2022 will be closer to pre pandemic levels. The under supply of homes, has been a big driver of house price inflation over the last 30 years.

There are changes impacting the housebuilding industry in the coming years, which we are mindful of in our planning, including:

- The Government Help to Buy scheme will close on 31 March 2023 with reservations under the scheme closing in October 2022.
- New building regulations with Parts L, F, O and S required on new developments from the 15 June 2022 and all developments from 14 June 2023 covering carbon emission reductions of 31% from previous standards.
- From mid-November legislation will require all national developments to deliver a biodiversity net gain of 10%. This means our developments will need to create a 10% measurable improvement in the biodiversity of the site developed relative to the site had development not occurred: and
- From 2025, the Future Homes Standard will require new homes to produce 75–80% less carbon emissions than standards applicable during FY22.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE EVALUATION (ESG)

We announced in November 2021 our ESG policy which outlined our commitments to conducting our business activities ethically and responsibly, and our commitment to embedding ESG initiatives both in our day-to-day operations and across our developments. An update on each commitment is outlined below.

1. Supporting local communities and charitable organisations, particularly in regions where our developments are located.

We are pleased to have supported a number of local charities including homelessness charities in Manchester; Lifeshare, and Mustard Tree which our employees raised over £2,000 for and contributed to initiatives such as food collections. Further fundraising saw contributions made to charities which include Worldwide Radiology and RAF Benevolent Fund. We continue to offer all employees up to two days paid leave towards charitable commitments per year.

2. Investing in the training and education of our workforce, as well as engaging with local schools and colleges to support students with their career pathways.

Investment was made in training, with employees being funded towards AAT and CIMA qualifications, and external training provided throughout the year to all staff.

A presentation was held for Manchester University by our Development Director to their students, discussing the business and providing career advice for property development. Additionally, a Development Surveyor attended a discussion at Trafford College which was focused on the United National Climate Change Conference (COP26) and careers, attendees were from six schools and sixth forms in the local area.

3. Being an inclusive employer, committed to encouraging equality, diversity and inclusion.

We were pleased to support International Women's Day earlier in the year with Women making up over 60% of our workforce. Furthermore, we have become a supporter of the Greater Manchester Good Employment Charter and expect to become a full member in 2023 following an assessment. We value the importance placed on the value and quality of the workplace, along with providing opportunities for our people to grow, develop and thrive; the Greater Manchester Good Employment charter is aligned towards these values.

Changes have been made to our recruitment process with external recruiters expected to remove personal details prior to interview shortlists to encourage fairness.

4. Tackling the UK's shortage of quality residential accommodation.

In August 2022, we saw our first development complete in Bolton offering high quality accommodation in an area that lacks residential housing. We are delighted to have entered an agreement with Bolton NHS foundation who will house key workers in 62 of the 88 apartments for at least the next 12 months.

Our Co-Living properties, which include bills within rental payments for tenants, are providing affordable accommodation which is significant considering the current cost of living crisis including rising energy costs. Co-Living room rates average around £420 a month inclusive of internet and bills. Running costs of a traditional property would likely exceed this amount which makes Co-Living affordable and an essential accommodation class we remain committed to provide.

5. Considering its environmental impact, seeking ways to improve the environmental performance of our developments and reduce our carbon footprint.

Increases to material costs have caused additional pressure which has impacted the whole industry, and decisions will have greater commercial emphasis when looking at initiatives to improve environmental performance. Despite these pressures, the Group has taken steps to establish an internal committee to review its environmental impact, and objectives placed which include actions to improve energy rating and energy saving in particular. Considering the energy price crisis at present, there is an even greater urgency for enhancements to improve energy efficiency, which will in turn reduce energy usage.

6. Raising the awareness of our tenants and occupiers in respect of how they can reduce their environmental impact.

We are working closely with our building managers on the strategy to engage our tenants and occupiers relating to environmental impact. To encourage the right behaviours, environmental impact is considered within our design at an early stage, which has resulted in changes such as a bio diverse (brown) roof on our Queen Street, Sheffield development, energy efficient lighting, and recycling areas.

7. Engaging with its tenants, investors, and principal advisors to ensure awareness of their expectations and responding accordingly.

We believe in building a culture which has ESG at its core, this has resulted in changes across all areas of the business and how decisions are made. Processes incorporate ESG which include budget allowances where appropriate, lessons learnt exercises, and regular audits of the advisors and consultants the Group uses to ensure they are aligned with our values and expectations.

8. Upholding the Quoted Companies Alliance Corporate Governance Code (QCA).

Further details can be found on page 18.

9. Reviewing One Heritage's ESG strategy and initiatives against the United Nation's Sustainable Development Goals, and monitoring and reporting on this.

The Group is reviewing ways to monitor and report effectively against the United Nation's Sustainable Development Goals. A further update will be provided next year in relation to how the Group intends to do this.

OUTLOOK

In our last annual report, I provided an update on building material price increases and a year later we continue to face the same challenge which shows little sign of immediate improvement. This is further exacerbated by current economic pressures, including an energy price crisis. The Group is preparing for cost pressures to continue throughout the forthcoming period and is looking at ways to mitigate against this e.g. taking steps to diversify revenue sources for the Group. As development profits are impacted by cost increases and other changes in the market, consistent sources of additional revenue continue to be sought and generated from services the Group provides such as development management and Co-Living construction in particular. These revenue sources are important in that they help us maintain a resilient and sustainable business. As such, they constitute a clear strategic objective for the period.

With our first, and largest, development completed, along with a further three developments expected within our year end 30 June 2023, the Group will have strong cash reserves which we intend to deploy into new development opportunities. Our financial position was further supported in July 2022 where we raised £1.25m through a subscription which demonstrates the continued support for the company's strategy.

The North of England continues to be our core market, but we are evaluating other areas of England such as towns and cities in the Midlands, that offer similar characteristic to the North in terms of values and expected economic growth. We remain positive on the outlook for the sector of the UK housing market in which we operate. We understand the challenges ahead and are agile enough to adapt where necessary. Moreover, the diversity of revenue sources that the Group now has offers us a further degree of insulation against the economic and industry challenges we may face.

Jason Upton

Chief Executive

24 October 2022

STRATEGIC REPORT

Group's Financial Review

Trading

Our development projects continue primarily to demonstrate the effectiveness of the business strategy. Many of the development units under construction have been sold off plan ahead of completion, and on the majority of projects, One Heritage Group PLC expects to generate very healthy profits. We have however experienced some setbacks on specific developments where, despite implementing mitigating strategies, originally anticipated costs have increased, and construction delays have impacted overall returns. Unit sales however have been maintained at very positive levels, evidencing the success of the geographical focus of the Group. As the business progresses in to its third full year of operation, we are confident that the development programme will continue to deliver the planned investment returns.

The financial results for the year ended 30 June 2022 are the second full year of trading and continue to reflect the start of the journey for the Group following incorporation on 21 July 2020 and subsequent placing and full listing on 23 December 2020. More significant revenues are expected in the new financial year, starting with the completion of our first development, Lincoln House, Bolton which practically completed in August 2022 and had recorded 22 legal completions by 30 September 2022.

Current year Revenue increased by £1,283k (276.3%) from £464k to £1,747k. The disposal of Nicholas Street Developments, a related party, generated £650k of revenue in the year. The remaining increase in Revenue is primarily due to the volume of refurbishment activity taking place within Co-Living, converting purchased houses to Houses of Multiple Occupancy (HMO) prior to making the property available for letting. The PLC generates a 5% profit on cost of this activity, and overall Construction activity accounted for £665k of total Revenue in the year.

Gross Profit has decreased from £438k to a loss of £705k. The disposal of Nicholas Street delivered a profit of £189k in the year. An impairment to inventory has been recognised in the year at Bank Street £880k and St Petersgate £418k, a total impact of £1,298k. The Bank Street development has experienced significant delays and unforeseen costs, due to the non-performance and subsequent liquidation of the previous contractor. This, coupled with the increase in rising material costs, created a significant increase in total cost to complete for this development. The development has 23 units generating net revenue of approximately £3.9m, with one unit remaining to be sold. It is expected that the development will complete in H1 2023. The St Petersgate development has experienced the same setbacks as those of Bank Street on rising material cost. The development has 18 units, all of which have been sold, generating net revenue of £3.9 m. It is expected that this development will complete in H1 2023. The remaining impact was the insolvency in the year of One Heritage Maintenance and One Heritage Design, in which the Group owned a stake. Following a strategic review, the same services were brought in house to control the pipeline of Co-Living properties and an agreement was signed with Robin Hood Limited in December benefitting the Group with management fees and transaction fees. Unfortunately this liquidation and period of change resulted in activity delays and a reduction in fees.

Operating Loss has increased by £1,328k, from £783k to £2,111k (169.5%), predominantly due to the Impairment of Inventory. Administration expenses increased in the year by £(479)k due to the increased headcount from 11 to 22 to ensure controlled growth of the business. The reversal of a write-down in investment in associate benefitting profit by £74k in the year (2021: a loss of £239k)

Overall the Group generated a pre-tax loss of £2,135k (2021: a loss of £809k) impacted by the above factors but mitigated by a profit on the disposal of Nicholas Street. The weighted average number of shares in issue in the years to June 2021 and June 2021 was 26,204,555 and 32,428,333 respectively. Underlying basic earnings per share for the year was (6.6p), a 112.4% decrease compared to the prior period (2021:(3.1p)).

As the Group commences the new financial year, there is a clear focus on the core operational areas of Developments, Co-Living, and Property Services. Roles and responsibilities across the business are aligned to the sources of revenues and profits. With a growing pipeline of developments and the strengthening of the teams to deliver, the Group is in a strong position to achieve controlled growth and shareholder returns

Balance Sheet

The Balance Sheet structure reflects the anticipated impacts of forward funding development projects with a combination of increased debt and equity instruments. Ahead of completing significant developments in the financial year that commenced on 1 July 2022, the Group increased its borrowing levels in accordance with the strategy adopted by the group, supported by focused equity placements where appropriate. As the Group continues to progress, and with development projects reaching completion and realising sales, the Balance Sheet will in due course reflect the positive cash impact of such transactions.

Net assets have decreased by £2,135k from £2,709k to 574k due to an increase in borrowings funding future growth, but also recognising the prudent impairment of assets as described earlier. The completion of the properties at Lincoln House, Bolton that have taken place in September and October 2022 have commenced a significant shift in the balance sheet as the Group moves to returning profits. As anticipated, no dividends have been declared in this year or the previous year with losses being reported in the first two year's trading.

Developments Inventory has increased by £7,901k from £7,226k to £15,128k. This is predominantly due to expenditure on the 4 developments that are expected to complete in the financial year to 30 June 2023, being Lincoln House, Bank Street, St Petersgate and Oscar House. The other movements relate to the following acquisitions and disposals in the year:

- Acquisition of Seaton House, Stockport on 11 January 2022, where we paid an initial 10% deposit of £67,500. The remainder is to be paid in the current calendar year;
- Disposal of Nicholas Street, a trading property, on the 10 May 2022

On 8 July 2022, post the current balance sheet date, Group also acquired land on Victoria Road Bradford.

Reported Net Assets per closing shares in issue of 1.8p represents a 78.9% decrease from 8.4p at 30 June 2022.

Liquidity

The capital structure of the Group continued to evolve with the issuance of a corporate bond and the signing of new construction debt facilities in the period. These additional sources of finance create further diversity in the Group's financing options, reducing refinancing risk in the future, and also create a path to lower finance costs in the future.

Net Debt has increased by £9,571k from £5,376k to £14,947k. This increase is supporting the planned growth of the Group and includes:

- Issuance and admission of a £1,500k unsecured Corporate Bond on the Standard List of the Main Market of the London Stock Exchange;
- Signing of a construction finance facility to cover the remaining construction costs of our Lincoln House, Bolton development. This development has seen the first tranche of units legally completing in September;
- Utilisation of a further £5,442k of the £7,500k facility with One Heritage Property Development. At year end £ 7,190k had been utilised leaving head room of £ 309k;
- The repayment of a loan of £ 1,135k;

- During the period the Group drew down a further £5.5 million in debt via Construction Finance Facilities which was used to pay for development expenditure and operating costs;
- The repayment of the profit participation loan with Robin Hood Property Development Limited and the signing of a new service agreement on 23 December 2021. This agreement covers a combination of management, transaction, sourcing and construction services and will provide regular income to the Group. The new agreement also allows the Group to provide services in-house in relation to its development projects and forms part of the restructure of services previously provided by One Heritage Complete Limited.

In summary, Net Cash outflow used in operating activities was £9,028k, primarily due to the reported loss of £2,135k and the increase in inventories of £6,454k relating to developments being completed in the year to 30 June 2023.

Anthony Unsworth

Chief Financial Officer

24 October 2022

DIRECTORS' REPORT

Board of Directors

EXECUTIVE DIRECTORS

JASON UPTON
Chief Executive
Appointed: 21 July 2020

Committees: Audit and Risk Committee

Jason has extensive management experience, specialising in Operations Management and Business Development with experience in Debt Management, Financial Services, Banking and Property Development Industries.

From 2009 to 2016, he was Operations Manager for Totemic Financial Services Limited in the United Kingdom. Subsequent to that role, from 2016 to 2019, he was CEO of J Upton Limited, working as a management consultant in the Financial Services and Banking Industry, notably within Nationwide Building Society. In June 2019 Jason became the CEO of One Heritage Property Development (UK) Limited.

Jason graduated from the University of Lincoln in the United Kingdom with an Honours bachelor's degree in Business and Marketing.

YIU TAK CHEUNG
Chief Investment Officer
Appointed: 21 July 2020

Committees: Audit and Risk Committee

Peter is based in the UK and Hong Kong. He has extensive experience in Business Development, budget planning and Operations Management in the Wealth Management industry. From 2009 to 2014, he was an Associate Director of Convoy Financial Services Limited, a listed financial services company on the Hong Kong Stock Exchange. Following that he was a Senior Vice President of Hong Kong based Get Mdream Wealth Management Limited. The company is a diversified Wealth Management business focusing on the Asian market. In 2016, Peter became CEO of One Heritage Property Development Limited.

Peter graduated from the University of Lincoln in the UK with an Honours bachelor's degree in Business and Marketing.

ANTHONY UNSWORTH
Chief Financial Officer
Appointed: 1 August 2022

Anthony is an Associate of the Chartered Institute of Management Accountants and has over 14 years' experience with FTSE 100 and 250 listed House Builders. His most recent role was at Countryside Partnerships PLC where he was the Divisional Finance Director, Partnerships North and oversaw significant change through organic and acquisitive growth. Prior to joining Countryside, Anthony held the role of Finance Director North West from 2007 until 2018 at Barratt Developments PLC and was responsible for financial leadership through this period of considerable growth.

Anthony also has a further 20 years of financial and commercial experience across multiple sectors including retail, banking and manufacturing with senior finance roles held at Asda Stores Ltd, Iceland Foods Ltd and The Very Group Ltd. He is highly experienced in financial matters and his core disciplines include strategic planning and forecasting, treasury, working capital control, governance, and risk management.

NON-EXECUTIVE DIRECTORS

DAVID IZETT RICS
Independent non-executive Chairman
Appointed: 17 December 2020

Committees: Audit and Risk Committee, Remuneration Committee, Nomination Committee

David is a fellow of The Royal Institution of Chartered Surveyors, with more than 40 years' experience of the real estate industry, both in the UK and internationally, including Russia and Central Asia. He was Chief Executive Officer of Colliers International UK plc from 2001 to 2010, including being EMEA Chairman of Colliers International UK plc from 2005 to 2010.

David subsequently became a Business Development Partner for Cushman & Wakefield plc London in 2011 prior to becoming Chief Operating Officer of Cushman & Wakefield Moscow in 2012. He was Chair of the Cushman & Wakefield affiliate in Georgia and Kazakhstan before returning to the UK in 2016 where he now holds a number of board and consultancy roles with businesses in the real estate industry and the third sector.

JEREMY EARNSHAW
Independent non-executive
Appointed: 21 July 2022

Committees: Audit and Risk Committee, Remuneration Committee, Nomination Committee

Jeremy is a Fellow of The Institute of Chartered Accountants in England & Wales, has over 30 years' senior treasury, finance and governance expertise, in both public and private sector organisations. He has worked across multiple sectors including Housing, Healthcare, Pharmaceuticals, Printing, Retail Marketing and Online E-Commerce. Jeremy is highly experienced in all Main Board and CFO matters, with specialisms in funding, M&A, stakeholder communication and value creation. With international experience in Europe, North America and Asia, Jeremy's roles have always encompassed a wide range of responsibilities, including legal, governance, risk, financial PR and procurement. Additionally, Jeremy is a Non-Executive Director at Leeds & Yorkshire Housing Association who manage nearly 1,600 homes located across Leeds, Barnsley, Whitby, Scarborough and Settle, plus two Early-Stage technology-led businesses.

DIRECTORS' REPORT: GOVERNANCE

Senior leadership team

MARTIN CREWS RICS
Development Director
Joined: September 2020

Martin is a Chartered Building Surveyor with over 10 years' experience in project delivery and property development across a number of sectors. Having trained at international consultancy practices, Martin spent a number of years working for the Mansion Group, developing an expertise in purpose-built student accommodation. He then set up his own property development business delivering student accommodation to institutional investors before joining CityBlock Group as Development Director in April 2016.

Martin has a Bachelor of Science degree in Geography from Liverpool University, a Master of Science degree in Building Surveying from Liverpool John Moores University and a post graduate diploma in the Conservation of the Historic Environment from the College of Estate Management.

ALIE HORTON
Property Operations Director
Joined: September 2021

Alie has a career spanning 18 years in property which includes both commercial and residential leasing, development consultancy, property, and asset management. Prior to joining One Heritage, Alie spent 15 years at CBRE acting for a number of large-scale portfolio Landlords and PLC's in Central London. During this time, Alie was deployed on secondment to Capital & Counties as Head of Residential Leasing where she was responsible for the overall performance of the residential portfolio and developed her passion for enhancing the customer experience.

DIRECTORS' REPORT

QCA Corporate Governance Code

The Board recognises the value of good corporate governance and adopted the QCA Corporate Governance Code on listing. The Code sets out ten principles that are designed to help deliver long term growth in shareholder value. Below we set out each of the principles and how the Group sets out to achieve them.

	Principle	Application
DELIVER GROWTH		
1	Establish a strategy and business model which promote long-term value for shareholders	The Group's strategy is focused on developing high quality apartments and co-living housing in urban areas in the UK with high demand from professional tenants. We provide first class letting and full management services to create a socially sustainable living environment. The Group aims to deliver shareholder value by investing in developments in areas of high demand and growth. The Group also believes that it can create value in the residential market and are excited to be part of the solution to tackling the UK's shortage of quality accommodation.
2	Seek to understand and meet shareholder needs and expectations	The Group provides its shareholders with contact information such as a dedicated email address (investors@one-heritage.com), Group phone number and address which is available on the Group's website. The Group holds an annual general meeting which all investors can attend, and time will be set aside for questions. Due to the size of the Group, there is no dedicated investor relations department. The CEO is responsible for reviewing all communications received from investors and will determine the most appropriate response. Individual contact details of the CEO, CFO and Hybridan, the Group's financial adviser are published on all RNS releases which are also uploaded to the Company website.
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Group believes its main stakeholders in addition to its investors are its employees, suppliers, consultants, purchasers of the Group's properties, members of local communities where the Group undertakes development activities, and our tenants. The Group is committed to understand the requirements and needs of its stakeholders, monthly meetings are held by management to discuss engagement and feedback and the Group takes time to review these requirements. It is important for the Group to be making a positive contribution to local economies, communities, and

	Principle	Application
DELIVER GROWTH		
		the housing shortage. The Group recognises its social responsibility and the impact it has on providing sustainable housing, follow best practice so that developments provide a safe and environmentally friendly living experience. Development proposals are in line with planning regulations and recommendations where future regulations may change, and where advisable, the Group will hold public consultation events as part of any planning applications.
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Group maintains a risk register and monitors risks associated with the business including finance, legal, personnel, and macro and micro environmental factors. Risks are assessed and discussed at management and board level on a regular basis, assessing the impact, likelihood and the mitigation strategies are carefully considered. The risk register is tabled at the Group's audit committee for further assurance as to the strength and sustainability of its management strategy to risk. The audit committee is expected to meet at least three times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.
MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK		
5	Maintain the board as a well-functioning, balanced team led by the chair	One Heritage Group PLC has a board of directors that comprises three executive directors and two Independent non-executive directors which includes an Independent non-executive chairman. The board is committed to meeting at least monthly formally or informally, and each director will be required to stand for re-election at the Group's Annual General Meeting. The Executive directors consist of a full-time CEO and CFO along with a part time CIO. The Independent Non-executive directors consist of an Independent Non-Executive Chairman and an Independent Non-Executive Director with service contracts that require a minimum of 2 days a month dedicated towards their duties as directors of the Group. Each director of the Group has particular regard to the QCA corporate governance code in respect of the role of the board and the role of its Independent non-executive directors. As the Company continues to grow board membership will be continually assessed to reflect the skills and attributes required. Audit and Risk Committee The Company has established an audit and risk committee, which comprises all of the Directors and Jeremy Earnshaw as the chairman. The audit committee will meet at least three times a year and will assist the board in observing its responsibility for ensuring that the Company's financial systems

	Principle	Application
MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK		
		provide accurate and up-to-date information on its financial position and that the published financial statements represent a true and fair reflection of this position. It will also assist the board in ensuring that appropriate accounting policies, internal financial controls and compliance procedures are in place. The audit committee will receive information from the external auditors and will seek to challenge the management where necessary. The Committee will also consider any new or potential risks posed to the Company and will identify the mitigants and controls necessary to ensure that such risks are managed in a manner appropriate to the size and complexity of the Company's operations at that time. Remuneration Committee The Company has established a remuneration committee, which will comprise the two independent non-executive directors, those being Jeremy Earnshaw and David Izett. The remuneration committee will meet at least once a year and otherwise as required. The remuneration committee has responsibility for making recommendations to the board on the Group's policy on the remuneration of the executive directors. The remuneration committee is responsible for reviewing the scale and structure of the executive directors' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The entire board sets the terms and conditions of the remuneration of the Directors. Nominations Committee The nominations committee will meet at least once a year and otherwise as required. The committee consists of two members. The chairman of the nominations committee must either be an independent director or the chairman of the board (save when discussing his succession). Accordingly, David Izett has been appointed as chairman of the nominations committee, the other member being Jeremy Earnshaw. The nominations committee considers the composition of the board, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the board. In addition, the nominations committee will recommend changes to the board where specific skills and experiences are required to achieve the Company's future development plans.

	Principle	Application
MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK		
6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	The board bring relevant experience in the property sector, finance sector, business operations and the public markets. The directors of the Group comprise a mixture of young, entrepreneurial, and dynamic executive directors who founded the Group which is balanced by the experience of two Independent non-executive directors with significant public markets experience. The Group believes that this cognitive diverse experience of the board provides a sufficient balance to promote the success of the business. Each director is identified on the Company's website along with a clear description of their role and experience. The Group has access to a financial advisor to update the board on key business, legal and regulatory issues facing the Group. The board also has access to the Company Secretary, who advises them on board and governance matters. The Group has not to date sought external advice on keeping directors' skills up to date but believes that the mixture of experience provides them with the relevant up to date skills needed to act as board members for a small Group.
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	The Group's directors are evaluated against the Group strategy as outlined in the prospectus dated 23 December 2020. The board intend to consider how formal assessments of board performance will be conducted in the future and will also consider succession planning as and when necessary. The longer-term performance of the board is being considered by the Group and announcements will be made on this matter when appropriate.
8	Promote a corporate culture that is based on ethical values and behaviours	The board believes that the promotion of a corporate culture based on sound ethical values and behaviours is critical to gain a competitive advantage and maximise shareholder value. The Group maintains a handbook which is available to all employees which sets out standards expected which are a benchmark for the evaluation of performance during periodic employee reviews which are undertaken at least annually. Senior management hold an Employee Engagement meeting monthly with staff matters, employee feedback, employee engagement and professional training/development all standing agenda items. The CEO also reports on any notable examples of actions within the Group that are misaligned with the Group's stated values at every board meeting.

	Principle	Application
MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK		
		The directors believe its corporate culture encourages ethical behaviours that benefit its stakeholders and promote the success of the business.
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	The Chairman is responsible for leadership of the board, ensuring its effectiveness and setting the agenda for board meetings. Once strategic objectives have been agreed by the board, it is the Chief Executive Officer's responsibility to ensure they are delivered upon and consistently to be accountable to the board. The day to day operations of the Group are managed by the Chief Executive Officer and the wider management team comprising the Chief Investment Officer, Chief Financial Officer and Development Director. There is a clear division of responsibilities between the Chairman, Chief Executive Officer, and Non-Executive Directors. The roles of the Chairman and the Chief Executive Officer are separate with a distinct division of responsibilities. The separation of authority enhances independent oversight of the executive management by the board and helps to ensure that no one individual on the board has unfettered authority. The board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the board is responsible for the overall management and corporate governance of the Group including its strategic direction, establishing goals for management and monitoring the achievement of these goals. In addition to overall Group strategy, the board approves the annual budget and retains control over corporate activity, material contracts and financing decisions. Management's role is to implement the strategic plan established by the board and to work within the corporate governance and internal control parameters established by the board. The role of each of the Group's committees have been explained in Principle 5 above.
BUILD TRUST		
10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Group publishes all RNS announcements, prospectus, and investor presentations on the Group's website. The Group releases Annual Reports, holds Annual General Meeting, and all circulars, dates and content will be posted directly to all shareholders and nominees, and published on the Group's website. The Group website allows investors, stakeholders and other interest parties to contact the Group. The Group intends to create a mailing list to contact stakeholders directly

DIRECTORS' REPORT

Board Leadership and Company Purpose

ROLE OF THE BOARD

The responsibility of the Board is to promote the success of the Company for the long term benefit of its shareholders and other stakeholders, including employees, suppliers and the wider community. The Board see its role as reviewing and approving key policies, setting the strategy and operating plans, ensuring governance and compliance with laws and regulations, and through its committees the financial reporting and risk management, and, importantly, the culture of the Company.

The Board has regular scheduled and ad hoc meeting as well as committee meetings to ensure that Director's allocate sufficient time to discharge their duties effectively. The agenda of these meetings is managed to ensure that shareholder value, the considerations of stakeholders and governance play a key part in the decision making of the Company.

Meetings are scheduled to coincide with key events in the Company's financial calendar, including interim and final results and the AGM. The Board also schedule other meetings during the year that review budgets, financial and operating performance, strategy as well as major transactions.

PURPOSE

The Company's purpose is to expand and enhance residential property, primarily in the North . This is through investing in the refurbishment or construction of accommodation that matches the needs of the local area. The Board receives regular updates on the performance and given the limited trading history of the Group, using a range of different KPI's to build a picture of performance and ensure that shareholder and stakeholder value is maximised. The Board reviews all proposed developments and is encouraged to visit sites to gain a better understanding of the environment and local area.

SECTION 172(1) STATEMENT

In accordance with section 172 of the Companies Act 2006, the Board regularly considers the likely consequences of our strategy and long-term decisions, taking into account the interests of employee colleagues, suppliers, customers, communities and the environment.

The table below considers key stakeholder groups, methods of engagement and the impact of feedback on Board discussions and decisions.

Matters considered by the Board	**Where to read more in the Annual report**
The interests of the Group's employees	Page 7, 32
The impact of the Group's operations on the community and the environment	Page 9
Maintaining high levels of Corporate Governance	Page 18
The long term strategy of the Group	Page 7

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

CULTURE

The Board believe that building the right culture in the Company that is aligned with the strategy and purpose of the Company is pivotal to creating value. It aims to foster an open environment, where all staff understand the strategic direction of the business and contribute towards reaching its goals. This is through regular communication by the Board and Senior Leadership to all staff to encourage strategic engagement across the Company. The Board receives regular updates and has input on how the Company's culture and its values create an environment for collaborative engagement, creative thinking and integrity. The Board is of the view that the culture is open, supportive and transparent, is led from the top, and works across the business.

SHAREHOLDER RELATIONS

The Company listed on the London Stock Exchange in December 2020 and has ongoing dialogue with its investors, which became part of the story of a rapidly growing business. The Board uses Investor Meet Company, which allows shareholders to watch and ask questions. The Company is yet to hold its first in person AGM. Meeting shareholders in person is a key priority in the new financial year.

WORKFORCE ENGAGEMENT

The Board believe passionately that engagement with the whole workforce is pivotal to the future success of the Company. It promotes improved decision making at all levels and ultimately is key to attracting and retaining the best staff. The pandemic has demonstrated how important engagement is when employees are expected to be more flexible and adaptive than they ever have.

CONFLICTS OF INTEREST

Directors are required to report actual or potential conflicts of interests to the Board for consideration and the Company maintains a register of authorised conflicts of interest. The Chairman notes the Register and reminds Directors' of their duties under the Companies Act 2006 relating to the disclosure of any conflicts of interest at the beginning of each Board meeting.

INDEPENDENT ADVICE

Directors can raise concerns at Board meetings and have access to the advice of the Company Secretary. There is an established procedure for Directors, in relevant circumstances, to obtain independent professional advice at the Company's expense. No such requests were made in financial period to 30 June 2022.

Directors' and Officers' Liability Insurance is maintained for all Directors.

BOARD BALANCE AND INDEPENDENCE

Details of the Directors, including their qualifications and experience, are set out on pages 15 and 16. The Board currently comprises the Chairman, three Executive Directors and a Non-Executive Director.

The Board reviews the independence of its Non-Executive Directors on an annual basis and has concluded that all Non-Executive Directors continue to demonstrate their independence.

In the Company's view, the breadth of experience and knowledge of the Chairman and the Non-Executive Director and their detachment from the day-to-day issues within the Company provide a sufficiently strong and experienced balance with the executive members of the Board.

CHAIRMAN

- Provide effective leadership and maintain a culture of openness, debate and constructive challenge
- Set the agenda, style and tone of Board meetings and ensure Directors receive timely, accurate and clear information to assist decision-making
- Monitor the Board's effectiveness

CHIEF EXECUTIVE OFFICER

- Day-to-day responsibility for managing the business of the Group
- Recommend the Group's strategy to the Board and implement the agreed strategy across the Group
- Provide regular updates to the Board on all operational matters of significance
- Deliver the Group's ESG strategy
- Ensure effective communication with the Group's shareholders and stakeholder

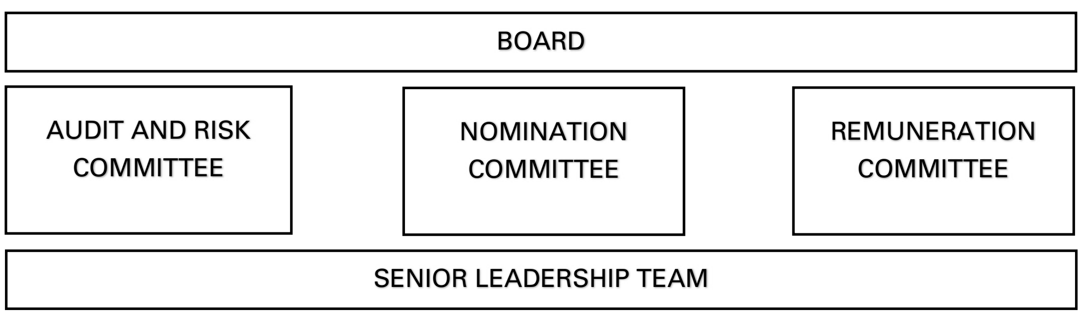
CHIEF FINANCIAL OFFICER

- Day-to-day responsibility for managing the financial actions of the Group
- Track and manage cash flows
- Deliver short, medium and long term financial plans aligned to the strategy
- Analyse the Group's financial strengths and weaknesses and propose corrective actions
- Ensure the Group's financial reports are accurate and compiled in a timely manner

NON-EXECUTIVE DIRECTOR

- Act as a sounding board to the Chairman
- Evaluate the Chairman's performance as part of the annual Board evaluation process
- Provide independent judgement, knowledge and commercial experience to discussions and decision-making
- Provide constructive challenge to Executive Directors and scrutinise the performance of management against key objectives
- Provide oversight of the Group's strategy

BOARD AND COMMITTEE STRUCTURE



Audit and Risk Committee Meets at least twice a year	Chairman – Jeremy Earnshaw Members – David Izett, Jason Upton, Yiu Tak Cheung
Nomination Committee Meets at least once a year	Chairman – David Izett Members – Jeremy Earnshaw
Remuneration Committee Meets at least once a year	Chairman – David Izett Members – Jeremy Earnshaw

Terms of reference for all committees are available on the Company's website

BOARD AND COMMITTEE MEETINGS

The number of scheduled meetings of the Board in the year to 30 June 2022

	Board	Audit and Risk	Nomination	Remuneration
Number of meetings	5	3	2	2
David Izett	5	3	2	2
Jason Upton	5	3		
Yiu Tak Cheung	5	3		
Jeremy Earnshaw (1)	1(1)	1(1)	1(1)	1(1)
Jeff Pym (2)	4(4)	3(3)	1(1)	1(1)

1 Appointed 1st April 2022

2 Resigned 31st March 2022

In advance of Board meetings, an agenda is sent out to each member along with up-to-date financial and commercial information, management accounts, budgets and forecasts, details of potential or proposed acquisitions and disposals, cash flow forecasts and details of funding availability.

Each Board meeting includes the Executive Directors and Senior Leadership providing key updates on their areas of responsibility.

The Committee Chairs highlight any matters that require consideration of the Board, which are added to the agenda of the next scheduled Board meeting, or if required an ad hoc meeting called.

DIRECTORS' INSURANCE AND INDEMNITY

The Group maintains Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. In accordance with Section 234 of the Companies Act 2006, qualifying third party indemnity provisions are in place for the Directors in respect of liabilities incurred as a result of their office to the extent permitted by law.

POLITICAL DONATIONS

No political donations have been made during this financial year.

AUDITOR

Our External Auditor is KPMG Audit LLC, and they were appointed in financial year 2021. The Committee considers the external Auditor to be independent. In the current financial year the External Auditor did not provide any non-audit services to the Group.

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit LLC as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

GOING CONCERN

Notwithstanding net current liabilities of £8.3 million (excluding inventory balances totalling £15.1 million) as at 30 June 2022, a loss for the year then ended of £2.1 million and operating cash outflows for the year of £9.0million, 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 a cash flow forecast for the period to 31 December 2023 which indicates that, taking account of reasonably possible downsides, the Group will have sufficient funds, through the proceeds from sale of four developments (net of repayment of related construction finance loans (note 19)), supplemented by continued financial support from its parent company, One Heritage Property Development Limited ("OHPD"), and a related party, One Heritage SPC Limited ("OHSPC"), to meet its liabilities as they fall due for that period. OHPD and OHSPC have confirmed that their respective loans due to mature in December 2022 and November 2022 will not be demanded for repayment until such a time that the Group can afford to repay them without impacting on its going concern. With respect to the two construction loans due to be repaid in November 2022 and December 2022 (note 19), the counterparties have indicated their intention to extend the maturity of the loans to match forecast completion dates of the related developments.

As with any company placing reliance on other group/related entities for financial support or third-party loan counterparties extending the maturity dates in line with their indications, 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 Group 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.

SHARE CAPITAL AND PRINCIPAL SHAREHOLDER

The number of shares in issue as at the date of publication of this report was 38,678,333 ordinary shares of 1 pence, each with one vote.

One Heritage Property Development Limited is the Company's principal shareholder, holding a total of 25,200,000 ordinary shares, representing 65.3% of the voting rights attached to the current issued share capital of the Company.

DIRECTORS' REPORT

Nomination committee report

The Nomination Committee supports the composition, succession and competences of the Board and Senior Leadership. This committee has two members; the chair, David Izett, and Jeremy Earnshaw.

PURPOSE AND KEY RESPONSIBILITIES

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board;
- Consider and recommend succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the board in the future;
- Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace; and
- Responsible for identifying and nominating for the approval of the board, candidates to fill board vacancies as and when they arise.

ACTIVITIES DURING THE YEAR

The Nomination Committee held two meetings in this financial year. Jeremy Earnshaw was appointed as Non-Executive Director and Chairman of the Audit Committee with effect from 1st April 2022. Post year-end the Nomination Committee also met on the 27th July 2022 to appoint Anthony Unsworth as Executive Director and Chief Financial Officer of the Company. Both were provided with reading material as part of their induction and met the other directors, the executive leadership team and other senior members of the Company. Succession planning was reviewed and discussed however given the size, stage of development and age of the Company no actions were recommended. While no formal structured continuing professional development programme has been established for the non-executive Directors, every effort is made to ensure that they are fully briefed before meetings on the Group's business. In addition, they receive updates from time to time from the executive Directors on specific topics affecting the Group and from the Company Secretary on recent developments in corporate governance and compliance.

The Company's articles of association provide for each director to retire from office at the third annual general meeting ("**AGM**") after the AGM at which he or she was previously appointed or reappointed. The Nomination Committee has recommended successfully that in line with best Corporate Governance practice, all Directors will offer themselves for re-election by the shareholders at each AGM.

Given the recent changes to Board composition during the year it was felt that a board evaluation would not provide added value, but this will be kept under review for the year ahead.

DIRECTORS' REPORT

Audit and risk committee report

The Audit and Risk Committee role is to assist the Board in discharging its duties and responsibilities for financial reporting, internal control and the appointment and remuneration of an independent external Auditor. This committee has four members; the chair, Jeremy Earnshaw; David Izett; Jason Upton; and Yiu Tak Cheung.

PURPOSE AND KEY RESPONSIBILITIES

- Monitor the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, preliminary announcements and any other formal statements relating to its financial performance
- review the effectiveness of the group's system of internal financial control systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems
- Consider and make recommendations to the Board, for it to put to shareholders for their approval at the general meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor
- Review the adequacy and security of the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters

ACTIVITIES DURING THE YEAR

The Audit and Risk Committee held two meetings during the financial period to 30 June 2022. The highlights included:

- Reviewing and recommending approval of the Interim Report to the Board for release to the market;
- Approving a detailed timetable for the annual audit and setting regular milestones to be met by the Executive Directors, Senior Leadership and Auditors; and,
- Reviewing the Company's risk register and ensuring that the Executive Director's and Senior Leadership are effectively managing risks in the Company.

SIGNIFICANT ISSUES CONSIDERED IN RELATION TO THE FINANCIAL STATEMENTS

- *Impairment of inventory - developments and trading property*: The Audit and Risk Committee highlighted that there is a significant risk around the carrying value of the inventory balances. The information required references to information that is inherently using different levels of estimation and therefore may be subject to Managements bias. During the period the Audit and Risk Committee reviewed all assumptions used and sought independent advice where required to ensure that the values used were in line with market expectations.
- *Going concern*: The Committee reviewed, challenged and concluded upon the Group's going concern review. This process included giving due consideration to the appropriateness of key judgements, assumptions and estimates underlying the budgets and projections that underpin the Group's going concern assessment.
- *Recoverability of Parent Company's loan to and investment in subsidiaries*: The Committee noted that 99% of the Parent Company's assets relate to the subsidiaries. It was considered due to the materiality of the balances. It was judged, after reviewing the financial information of the subsidiaries, that the risk was low.

RISK MANAGEMENT

The Board is responsible for maintaining a sound system of internal control and risk management. Such a system is designed to manage, but not eliminate, the risk of failure to achieve business objectives. There are inherent limitations in any control system and, accordingly, even the most effective system can provide only reasonable, and not absolute, assurance.

An ongoing process is in place for identifying, evaluating and managing risk and the Board is satisfied that this accords with relevant corporate governance guidance. Key features of the Group's system of internal control are as follows:

- Defined organisational responsibilities and authority limits. The day-to-day involvement of the Executive Directors in the running of the business ensures that these responsibilities and limits are adhered to;
- Financial and operating reporting to the Board, including the preparation of budgets and forecasts, cash management, variance analysis, property, taxation and reports on financing. Year-end and interim financial statements are reviewed by the Audit Committee and discussed with the Group's Auditor, KPMG Audit LLC, before being submitted to the Board for approval;
- Review and approval of the Group's risk register by the Group's Management Team, the Audit and Risk Committee and the Board;
- Anti-Bribery and Corruption policies which are communicated to all staff and for which compliance reviews are conducted on an annual basis; and
- The Group's whistleblowing policy.

DIRECTORS' REPORT

Remuneration committee report

The Remuneration Committee agrees the framework for the remuneration of the Chairman and the Executive Directors. The Committee approves salaries and sets the levels, conditions and performance objectives for the annual bonus and share awards for Executive Directors. The Committee also reviews the remuneration of the senior leadership below Board level. It also makes recommendations to the Board on matters that require shareholder approval. This committee has two members; the chair, David Izett and, Jeremy Earnshaw.

PURPOSE AND KEY RESPONSIBILITIES

- Responsibility for setting the remuneration policy for all Executive Directors and recommend and monitor the level and structure of remuneration for the Senior Leadership.
- Review and monitor any significant changes to the benefit structure of the Company and review its appropriateness to a Company of this size and scope.

ACTIVITIES DURING THE YEAR

The Remuneration Committee met twice in the financial period to 30 June 2022 It reviewed the overall Company's remuneration that was proposed by the Executive Directors.

REMUNERATION FOR THE YEAR (AUDITED)

During the financial year the Directors of the Company were paid short-term benefit payments in the form of cash and one director was paid a pension as described below. There was no other form of remuneration. A summary of the audited remuneration is below:

£ unless stated	12 months to 30 June 2022	12 months to 30 June 2021
Jason Upton*	76,321	45,118
Yiu Tak Cheung	15,000	10,742
Jeffrey Pym	19,172	73,487
David Izett	25,000	13,173
Jeremy Earnshaw	6,181	-
	141,674	142,520

These payments are in line with the disclosures in the Financial Statements.
*During the year Jason Upton received remuneration in the form of a pension for the amount of £1,321 included in the total remuneration of £76,321.

DIRECTORS' INTERESTS IN SHARES

The beneficial interests of the Directors in the ordinary shares of the Company are set out below:

£ unless stated	12 months to 30 June 2022
Jason Upton	998,000
Yiu Tak Cheung*	20,700,000
Jeffrey Pym	-
David Izett	-
	21,698,000

*Yiu Tak (Peter) Cheung has an indirect interest in the Company through his 38.33 per cent. shareholding in One Heritage Holding Group Limited, which owns 100 per cent of the Company's parent company, One Heritage Property Development Limited.

NON-EXECUTIVE DIRECTORS' LETTERS OF APPOINTMENT

The following table provides details of the Non-executive Directors' letters of appointment:

£ unless stated	Date of appointment letter
Jeffrey Pym (resigned 31 March 2022)	23 December 2020
David Izett	23 December 2020
Jeremy Earnshaw	18 March 2022

Each Non-executive Director is appointed for an initial term of three years, subject to agreement, satisfactory performance and re-election by shareholders. The Non-executive Directors' letters of appointment provide for termination by either party by giving the other not less than three months' notice in writing.

POLICY REPORT

This section of the Directors' remuneration report sets out the Group's remuneration policy for Directors, in line with industry best practice and the three-year Policy cycle the Company agreed at the AGM. The AGM held on 19 November 2021 and will apply for three years from this date.

The remuneration policy is designed to meet the following objectives:

- Promote the long-term success of the Company;
- Attract, motivate and retain high-performing employees;
- Strike an appropriate balance between risk-taking and reward;
- Reward the achievement of the overall business objectives of the Group;
- Align employees' interests with those of shareholders and other stakeholders; and,
- Be consistent with the Group's risk policies and systems to guard against inappropriate risk-taking.

Element	**Purpose and strategy**	**Operation**	**Maximum**	**Performance metrics**
Base Salary	Sufficient to attract, retain and motivate high calibre individuals.	Reviewed annually with any increases taking effect from 1st July.	Increases will normally be the equivalent to the average salary increase for employees, other than in exceptional circumstances.	Not applicable
Benefits	A package of benefits that reflects the businesses stage of development	Car allowance (1) No other benefits are currently advanced to Management that are not available to other members of staff	Cost of each benefit will be reviewed to ensure maximum value. It will depend on the individual in question and vary according to the market.	Not applicable

		New benefits may be considered if the Board believe it is a cost effective way to attract, retain and motivate.		
Pension	To provide a pension provision.	Individuals may either participate in a pension plan into which the Group contributes or receive a salary supplement in lieu of pension.	A Group contribution to a pension scheme in line with that which is available to other employees	Not applicable
Annual bonus	Incentivises high levels of personal and team performance, focused on the key business strategies and financial/operational measures which will promote the long-term success of the business.	Payment in shares. Deferral of one third of any bonus earned, which must be held for two years. Dividends or dividend equivalent payments accrue on deferred shares, payable normally in shares. Bonus may be subject to clawback or malus being applied, if appropriate, in the event of financial misstatement, error, misconduct, reputational damage or corporate failure, which has led to an over-payment.	Maximum bonus is set depending on the roles: CEO – 100% Development Director – 100% CFO – 50%	Achievement of agreed strategic and financial/operational annual business targets, weighted in line with business priorities. A majority of the performance conditions will be based on financial metrics. Sliding scales are used for each metric wherever practicable with 20% payable for achieving threshold performance. Normally 50% of the maximum bonus is payable for target performance for any financial metric. Within the maximum limit, the Committee may adjust bonus outcomes, based on the application of the bonus formula set at the start of the relevant year, if for instance it considers the quantum to be inconsistent with the Group's overall performance during the year.
Long term incentive plan "LTIP"	Incentivises and rewards Executives for the delivery of	LTIP awards may be granted each year in the	The maximum award is 150% of salary p.a. in	Targets are reviewed annually ahead of each grant to ensure

	longer-term strategic objectives and to reward substantial relative and absolute increases in shareholder value.	form of a conditional award of shares, a nil cost option. LTIP awards normally vest after three years. Dividend equivalent payments accrue on vested LTIP awards, payable normally in shares. Vested LTIP awards must be held for a further two years before the shares may be sold (other than to pay tax). LTIP awards may be subject to clawback or malus being applied, if appropriate, in the event of financial misstatement, error, misconduct, reputational damage or corporate failure, which has led to an over-payment.	normal circumstances but may be 175% of salary in exceptional circumstances.	they are aligned to the business strategy and performance outlook. A majority of the performance conditions are based on Group financial performance and shareholder value-based outcomes. No more than 25% of an award may vest for the threshold level of performance. Within the maximum limit, the Committee may adjust vesting outcomes, if it considers the quantum to be inconsistent with the Group's overall performance during the performance period or for other factors, at its discretion.
All-employee share plans	Support and encourage share ownership by employees at all levels.	HMRC approved SAYE and SIP participation is to be made available to all UK employees, including Executive Directors, on similar terms.	In line with HMRC limits or lower limits specified by the Group from time to time.	Not applicable
Share ownership requirements	Alignment of Executives interests with those of shareholders.	Executive Directors are expected to build and maintain a shareholding equivalent in	Not applicable	Not applicable

	value to no less than 200% of base salary. After ceasing employment Management must normally retain a level of shareholding for two years equivalent to the lower of 200% of salary, and the level of shareholding on ceasing employment with the Group. Self-purchased shares are excluded from this requirement.	

DIRECTORS' REPORT

Statement of Directors' Responsibilities

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 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

24 October 2022

FINANCIAL STATEMENTS

Independent Auditor’s Report to the Members of One Heritage Group PLC

Our opinion

We have audited the financial statements of One Heritage Group plc (the “Company”) and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position and the Company’s balance sheet as at 30 June 2022, the consolidated statements of comprehensive income, changes in equity and cash flows and the Company’s statement of changes in equity for the year ended 30 June 2022, and notes, comprising significant accounting policies and other explanatory information.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 25 January 2021. The period of total uninterrupted engagement is for the 2 financial years ended 30 June 2022. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These are unchanged from 2021. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Impairment of inventory - developments and trading property £15,127,758 (2021 £7,226,496) Refer to the Audit Committee Report on page 29, note 5 accounting policy and note 13 disclosures.	*Estimation uncertainty* There is a risk that the carrying value of inventory is overstated. The carrying value of inventory is assessed by management for impairment by reference to current market information and assumptions. In performing the assessment, management undertake quarterly valuations to	*Our audit procedures included:* ***Control design:*** Documenting and assessing the design and implementation of the processes and controls regarding impairment of inventory;

	The risk	Our response
	determine the expected outcome of each development and hence identify if any impairment is required. The carrying value of inventory is determined by reference to a number of assumptions such as sales values, costs to complete that are inherent in site forecasts and the level of provisioning, if any, required for impairment. These assumptions are inherently subjective and therefore may be open to management bias to over or understate inventory. The effect of these matters is that, as part of our risk assessment, we determined that the assumptions used in the impairment assessment have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	***Challenging managements' assumptions and inputs:*** We critically assessed the appropriateness of key assumptions and the commercial viability of sites as determined by management through comparison against historic data and consideration of current market conditions; ***Assessing impairment model:*** For each development site we compared the actual costs incurred to date to the budgeted costs and agreed the budgeted costs to construction contracts where they had been signed; Forecast sales for each development site were vouched to pre-sales and bookings where available and, where not available, to budgeted sales listings (and assessed for reasonableness based on market prices for similar developments); For each development we recalculated the impairment charge by deducting the estimated costs to complete from the estimated selling price; ***Assessing disclosures:*** We assessed the adequacy of the related disclosures in the Financial Statements. ***Our results:*** The results of our testing were satisfactory and we found the carrying value of inventory recognised to be acceptable.

	The risk	Our response
Going concern Refer to Audit Committee Report on page 29 and note 3 disclosures in the Group financial statements.	*Disclosure quality* The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and parent Company. That judgement is based on an evaluation of the inherent risks to the Group's and Company's business model and how those risks might affect the Group's and Company's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risks most likely to adversely affect the Group's and Company's available financial resources over this period were: • Continued support from the parent company and related company (in the nature of a confirmation from each company that their respective loans, due to mature in December 2022 and January 2023, will not be demanded for repayment until such a time that the Group can afford to repay them without impacting on its going concern); • The extension of the maturity of the two construction loans due to be repaid in November 2022 and December 2022 to match forecast completion dates of the related developments; and • The timely completion and sale of property developments. There are also less predictable but realistic second order impacts, such as the erosion of customer or supplier confidence, which could result in a rapid reduction of available financial resources.	Our audit procedures included: We considered whether these risks could plausibly affect the liquidity of the Group and Company in the going concern period by assessing the directors' sensitivities over the level of available financial resources indicated by the Group's and Company's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively. Our procedures also included: ***Funding assessment:*** • Agreeing the committed level of funding from the Company's parent company (One Heritage Property Development Limited, Hong Kong) to the facility agreement and confirmed the balance drawn and undrawn as at the year end; • Inspecting the financial support provided by the Company's parent company and related company (confirming deferral of repayment of respective loans until the Group can afford to repay them without impacting its going concern); • Assessing the ability of the Company's parent company to meet the committed facility by examining the latest unaudited management accounts of the ultimate parent company and a letter of support which had been provided by the ultimate parent company to the Company's parent company; • Assessing the appetite of the parent company to meet any further funding requests by examining the history of requests made and funding received in the year and post year end; • Inspecting the indication to extend maturity received from the lenders regarding the two

	The risk	Our response
	The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability of the Group and the Company to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.	construction loans due to be repaid in November 2022 and December 2022; • Agreeing post year-end receipts from sale of units in completed developments to bank statements or repayment of the related construction finance loans; • Assessing whether the forecast proceeds from the sale of developments projected to complete in the forecast period to 31 December 2023 (net of repayment of related construction finance loans), supplemented by continued financial support from the Company's parent company and related company (as detailed above) are sufficient to provide the Group and Company with sufficient liquidity to meet committed expenditure in the forecast period up to 31 December 2023); ***Sensitivity analysis:*** • Considering sensitivities over the level of available financial resources indicated by the Group's and Company's financial forecasts taking account of plausible (but not unrealistic) adverse effects that could arise from these risks individually and collectively. We did this by stress testing the identified critical factors, namely delaying the timing of the planned sales of developments by 3 months; ***Evaluating directors' intent:*** • Evaluating the achievability of the actions the directors consider they would take to improve the position should the risks materialise, which included delaying the planned

	The risk	Our response
		development of properties, taking into account the extent to which the directors can control the timing and outcome of these; ***Assessing transparency:*** • Considering whether the going concern disclosure in note 3 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and dependencies. ***Our results*:** We found the going concern disclosure in note 3 without any material uncertainty to be acceptable.
Recoverability of parent Company's loans to and investment in subsidiaries Loans to subsidiaries £2,183,153 (2021: £1,070,770) and investment in subsidiaries £2,750,100 (2021: £2,750,100). Refer to the Audit Committee Report on page 14, note 1 accounting policy and notes 2 and 3 disclosures in the Company financial statements.	*Low risk, high value* The carrying value of the parent Company's loans to and investment in subsidiaries represents 99% of the parent Company's total assets. The assessment of carrying value is not at a high risk of significant misstatement or subject to significant judgement as the carrying value is supported by the net asset value of the subsidiaries and the profits forecast to be made on sale of the development and trading properties owned by the subsidiaries (which are stated at cost in the financial statements). However, due to its materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	Our audit procedures included: ***Test of details:*** Comparing the carrying amount of 100% of the parent Company's loans to and investments in subsidiaries with the relevant subsidiaries' balance sheet and budgets for the underlying development and trading properties to identify whether their financial position supported the carrying amount of the parent Company's loans to and investments in those subsidiaries and evaluating budgeted forecasts in line with our knowledge of the entity. This procedure was also relevant for our assessment of going concern. ***Our results:*** The results of our testing were satisfactory and we found the carrying value of the parent Company's loans to and investment in subsidiaries recognised to be acceptable.

Our application of materiality and an overview of the scope of our audit
Materiality for the consolidated financial statements as a whole was set at £163,000 (2021: £65,000), determined with reference to a benchmark of Group total assets of £18,440,109 (2021: £8,938,904), of which it represents approximately 0.88% (2021: 0.73%).

Materiality for the Company financial statements was set at £42,000 (2021: £33,000), determined with reference to a benchmark of Company total assets of £5,067,679 (2021: £3,865,852), of which it represents approximately 0.83% (2021: 0.85%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Group was set at 65% of materiality for the financial statements as a whole, which equates to £106,000 (2021: £42,000). The level of performance materiality for the Group has been set at 65% (2021: £65%), which is lower than the maximum of 75% per our methodology. This was to take into account the Group nature of the audit and resulting increased level of aggregation risk from consolidation of the subsidiaries. For the Company, performance materiality was set at 75% (2021: 75%), which equates to £32,000 (2021: £24,000).

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £8,000 (2021: £3,000) for the consolidated financial statements and £2,000 (2021: £1,600) for the Company financial statements, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Group and Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

The group team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality level set out above and covered 100% of total Group revenue, total group profit before tax, and total group assets and liabilities.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (the “going concern period").

An explanation of how we evaluated management’s assessment of going concern is set out in the related key audit matter in the key audit matters section of this report.

Our conclusions based on this work:

- we consider that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and

- we have not identified, and concur with the Directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group’s or Company's ability to continue as a going concern for the going concern period. See the Key Audit Matter with respect to going concern for additional detail.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud
To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Group and the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information, which comprises the strategic report, the directors' report and the other information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 36, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

Edward Houghton (Senior Statutory Auditor)
For and on behalf of KPMG Audit LLC (Statutory Auditor)
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man
24 October 2022

FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

For the year ended 30 June 2022

£ unless stated	Notes	Year to 30 June 2022	Year to 30 June 2021
Revenue	7	1,747,221	464,367
Revenue – developments		1,097,221	464,367
Revenue – trading property		650,000	-
Cost of sales		(2,452,644)	(26,400)
Cost of sales - developments		(694,531)	(26,400)
Cost of sales – trading property		(460,553)	-
Cost of sales – Impairment of inventory	13	(1,297,560)	-
Gross profit		(705,423)	437,967
Reversal/(write-down) in investment in associate	15	74,368	(239,316)
Other income		2,386	21,223
Administration expenses	8	(1,481,896)	(1,002,892)
Operating (loss) for the year		**(2,110,565)**	**(783,018)**
Profit on disposal of subsidiary		-	26,423
Gain on disposal of fixed asset		5,096	-
Finance expense	10	(29,466)	(52,382)
(Loss) before taxation for the year		**(2,134,935)**	**(808,977)**
Taxation	11	-	-
(Loss) after taxation for the year		**(2,134,935)**	**(808,977)**
Other comprehensive income		-	-
COMPREHENSIVE INCOME attributable to shareholders		**(2,134,935)**	**(808,977)**
Weighted average shares in issue over the period		32,428,333	26,204,555
(Loss) per share (GBp)		(6.6)	(3.1)
Diluted (loss) per share (GBp)		(6.6)	(3.1)

The accompanying notes on pages 51 to 76 form an integral part of the financial statements.

FINANCIAL STATEMENTS

Consolidated statement of financial position

As at 30 June 2022

£ unless stated	Notes	30 June 2022	30 June 2021
ASSETS			
Non-current assets			
Property, plant and equipment	12	374,475	442,706
Intangible assets		2,324	-
		376,799	442,706
Current assets			
Cash and cash equivalents		974,201	204,147
Inventory – developments	13	15,127,758	6,790,676
Inventory – trading property	14	-	435,820
Investment in associate	15	50,000	-
Financial assets at fair value through profit or loss	16	-	397,796
Trade and other receivables	17	1,911,351	667,759
		18,063,310	8,496,198
TOTAL ASSETS		**18,440,109**	**8,938,904**
LIABILITIES			
Non-current liabilities			
Borrowings	19	6,679,902	2,276,079
		6,679,902	2,276,079
Current liabilities			
Trade and other payables	20	1,944,632	649,351
Borrowings	19	9,241,139	3,304,103
		11,185,771	3,953,454
TOTAL LIABILITIES		17,865,673	6,229,533
EQUITY			
Share capital	23	324,283	324,283
Share premium	23	3,568,725	3,568,725
Retained earnings		(3,318,572)	(1,183,637)
TOTAL EQUITY		574,436	2,709,371
TOTAL LIABILITIES AND EQUITY		**18,440,109**	**8,938,904**
Shares in issue		32,428,333	32,428,333
Net asset value per share (GBp)		1.8	8.4

These financial statements were approved by the board of directors on 21 October 2022 and were signed on its behalf by:

Jason David Upton
Company registration number: 12757649

The accompanying notes on pages 51 to 76 form an integral part of the financial statements.

FINANCIAL STATEMENTS

Consolidated statement of cash flows

For the year ended 30 June 2022

£ unless stated	Notes	Year to 30 June 2022	Year to 30 June 2021
Cash flows from operating activities			
Loss for the year/period before tax		(2,134,935)	(808,977)
Adjustments for:			
(Reversal)/write-down in equity accounted investee		(74,368)	239,316
Finance expense	10	29,466	52,382
Profit on disposal of subsidiary		-	(26,423)
Profit on disposal of fixed assets		(5,096)	-
Depreciation of property, plant and equipment		108,983	42,106
Movement in working capital:			
Increase in trade and other receivables		(1,583,472)	(166,439)
Increase in inventories		(6,443,437)	(5,564,921)
Increase in trade and other payables		1,074,785	71,719
Cash from operations		(9,028,074)	(6,161,237)
Income taxation paid	11	-	-
Dividend received from associate		-	43,564
Net cash used in operating activities		**(9,028,074)**	**(6,117,673)**
Cash flows from investing activities			
Disposal of subsidiaries, net of cash and cash equivalents		-	(66,030)
Purchases of property, plant and equipment		(56,313)	(31,048)
Disposal of property, plant and equipment		18,333	-
Net cash used in investing activities		**(37,980)**	**(97,078)**
Financing cash flows			
Issue of share capital		-	1,538,400
Cost of share issue		-	(395,492)
Interest paid		(1,044,771)	(460,253)
Proceeds from borrowings		7,131,436	10,667
Proceeds of related party borrowing		4,583,667	5,046,710
Borrowings repaid		(770,000)	-
Payments made in relation to lease liabilities		(64,224)	(32,932)
Net cash generated from financing activities		**9,836,108**	**5,707,100**
Net change in cash and cash equivalents		**770,054**	**(507,651)**
Opening cash and cash equivalents		204,147	711,798
Closing cash and cash equivalents		**974,201**	**204,147**

The accompanying notes on pages 51 to 76 form an integral part of the financial statements.

FINANCIAL STATEMENTS

Consolidated statement of changes in equity

For the year ended 30 June 2022

£ unless stated	Share capital	Share premium	Retained earnings	Total Equity
Balance at 01 July 2021	**324,283**	**3,568,725**	**(1,183,637)**	**2,709,371**
Loss for the period	-	-	(2,134,935)	(2,134,935)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	**324,283**	**3,568,725**	**(3,318,572)**	**574,436**
Issue of share capital	-	-	-	-
Cost of share issue	-	-	-	-
Balance at 30 June 2022	**324,283**	**3,568,725**	**(3,318,572)**	**574,436**

For the year 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**

The accompanying notes on pages 51 to 76 form an integral part of the financial statements.

FINANCIAL STATEMENTS

Notes to the consolidated financial statements

For the year ended 30 June 2022

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 2022 comprise of the Company and its subsidiaries. A full list of companies consolidated in these Financial Statements can be found in Note 28.

2. 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.

3. Basis of preparation

The Group's financial statements have been prepared and approved by the Directors in accordance with international accounting standards in accordance with UK-adopted international accounting standards ("UK-adopted IFRS"). The Company has elected to prepare its parent company financial statements in accordance with FRS 101. These are presented on pages 77 to 83. The significant accounting policies are set out in note 5. 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 21 October 2022.

Segment reporting

During the financial year the Group has begun operating with distinct Segments, having previously managed the Group as one distinct entity. This has been driven by the Group incorporating entities to manage construction and property services, which were previously outsourced. As a result, the Group is not reporting comparable information for the operating segments in the business.

The Group operates in four operating segments, each managed by a Director who sits on the Group's management team. In addition to these, there is a corporate segment which covers central operations. The following is a summary of the operations for each reportable segment.

Reportable segments	Operations
Developments	Internally financed and managed development activities
Construction	Construction services provided to internally owned and managed developments, as well as Co-living construction services offered to related parties.
Property Services	Property letting and management services
Corporate	Head office, fees to related parties and other costs

Management has determined the Group's operating segments based on the information reviewed by Senior Management to make strategic decisions. The chief operating decision maker is the Senior Management Team, comprising the Executive Directors and the Department Directors. The information presented to Senior Management Team includes reports from all functions of the business as well as strategy, financial planning, succession planning, organisational development and Group-wide policies.

There are various levels of integration between Development and Construction. This integration involves the services that Construction undertakes on the developments on behalf of the Development segment.

The Group's primary measure of financial performance for segments is the operating profit or loss in the period.

Going concern

Notwithstanding net current liabilities of £8.3 million (excluding inventory balances totalling £15.1 million) as at 30 June 2022, a loss for the year then ended of £2.1 million and operating cash outflows for the year of £9.0million, 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 a cash flow forecast for the period to 31 December 2023 which indicates that, taking account of reasonably possible downsides, the Group will have sufficient funds, through the proceeds from sale of four developments (net of repayment of related construction finance loans (note 19)), supplemented by continued financial support from its parent company, One Heritage Property Development Limited ("OHPD"), and a related party, One Heritage SPC Limited ("OHSPC"), to meet its liabilities as they fall due for that period. OHPD and OHSPC have confirmed that their respective loans due to mature in December 2022 and November 2022 will not be demanded for repayment until such a time that the Group can afford to repay them without impacting on its going concern. With respect to the two construction loans due to be repaid in November 2022 and December 2022 (note 19), the counterparties have indicated their intention to extend the maturity of the loans to match forecast completion dates of the related developments.

As with any company placing reliance on other group/related entities for financial support or third-party loan counterparties extending the maturity dates in line with their indications, 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 Group 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.

4. 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 has undertaken an impairment review of all of the Inventory and determined that an impairment is appropriate on two of the developments.

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,

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.

5. Significant accounting policies

Business Combinations

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.

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 gross profit are recognised as follows (note 7):

a. *Developments*

Revenue from housing sales 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. *Property services and developments*

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. *Construction* services

The Group primarily operates under cost plus margin agreements and therefore revenue is recognised when the relevant cost has been incurred.

d. *Corporate income*

The Group generates a monthly co-living management fee for services provided relating to day-to-day administration and office space. These fees are recognised as revenue in the period to which they relate when performance obligations are fulfilled based on agreed transaction prices

e. *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 recurring 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, the gain/(loss) on sale of subsidiaries and gain/(loss) on sale of fixed assets.

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, and lease liabilities are included 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.

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.

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.

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.

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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.

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.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date.

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.

6. Operating segments

The Group operates four segments; Developments, Construction, Property Services and Corporate.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 5.

All the revenues generated by the group were generated within the United Kingdom.

The revenue generated from Robin Hood Property Development Limited, a related party, amounted to £590,952 for the year. This amounted to 34% of the total revenue of the Group. This was derived from three segments of the Group, see note 7.

Segment information for these businesses are presented below. Segment operating profit or loss is used as a measure of performance as management believe this is the most relevant information when evaluating the performance of a segment.

For the financial year to 30 June 2022

£ unless stated	Developments	Construction	Property services	Corporate	Total
Revenue – developments	227,334	665,224	158,449	46,214	1,097,221
Revenue – trading property	650,000	-	-	-	650,000
Cost of sales - developments	-	(618,496)	(76,035)	-	(694,531)

Cost of sales – trading property	(460,553)	-	-	-	(460,553)
Gross profit	416,781	46,728	82,414	46,214	592,137
Reversal in investment in associate	-	-	-	74,368	74,368
Impairment of inventory	(1,297,560)	-	-	-	(1,297,560)
Other income	-	-	-	2,386	2,386
Administration expenses	(320,868)	(64,000)	(210,250)	(773,232)	(1,368,350)
Other expenses	-	-	-	(113,546)	(113,546)
Operating loss	**(1,201,647)**	**(17,272)**	**(127,836)**	**(763,810)**	**(2,110,565)**
Gain on disposal of fixed asset	-	-	-	5,096	5,096
Finance expense	-	-	-	(29,466)	(29,466)
(Loss) for the year	**(1,201,647)**	**(17,272)**	**(127,836)**	**(788,180)**	**(2,134,935)**

£ unless stated	Developments	Construction	Property services	Corporate	Total
Total assets	15,850,135	95,639	8,864	2,369,253	18,323,891
Total liabilities	(16,191,597)	(44,113)	(5,876)	(1,507,869)	(17,749,455)
Net assets	**(341,462)**	**51,526**	**2,988**	**861,384**	**574,436**

7. Revenue

£ unless stated	30 June 2022	30 June 2021
Revenue		
Developments	227,334	124,199
Trading property	650,000	-
Construction, Property Services & Corporate	869,887	340,168
Construction	665,224	-
Property services	158,449	-
Corporate	46,214	-
	1,747,221	464,367
Cost of sales		
Developments*	(1,297,560)	-
Trading property	(460,553)	-
Construction, Property Services & Corporate	(694,531)	(26,400)
Construction	(618,496)	-
Property services	(76,035)	-
Corporate	-	-
	(2,452,644)	(26,400)
Gross (loss)/profit	**(705,423)**	**437,967**

Developments consist of 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% £123,150 (2021: £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 (£104,184: 2021: £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 £nil (2021: £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. This is because the developments are in the early stages of construction and there is too much uncertainty to reliably estimate expected revenue.

Also included in the developments is the sale of the Nicholas Street trading property for £650,000. See note 14. The cost of sale was £460,553.

Construction generates revenue from two entities; Robin Hood Property Development Limited and One Heritage North Church Limited. During the financial year it signed an agreement with Robin Hood Property Development Limited to undertake works on Co-living properties. The Group receives a cost plus 5.0% margin on all works undertaken, recognising £534,619 of revenue in the year. The Group has undertaken work for One Heritage North Church Limited on a cost plus 7.0% margin basis, this generated revenue of £130,605 in the year.

The development and construction revenues have been generated through related parties. Further details can be found in note 24.

Property Services generated revenue from management fees that are based on a percentage of gross rental collected for clients and through transaction fees for each co-living property bought and sold for Robin Hood Property Development Limited, a related party (£55,057: 2021: £nil). Included in this is rent received from Nicholas Street Developments Limited, a related party (£56,333: 2021: £nil). The Group entered into a profit participation agreement with Robin Hood Property Development Limited and earned £26,163 for the year (2021: £nil). This agreement terminated in the year and was replaced by a management agreement.

It also includes any rental income collected for properties owned by the Group.

The Corporate revenue is from contracts signed with Robin Hood Property Development Limited and One Heritage Portfolio Rental Limited and is in consideration for a range of administration services and use of the Group's office. This is clarified as related party. Further details can be found in note 24.

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	Revenue for the management fee is recognised monthly as long as the group continues to be the development manager during the relevant calculation period.

	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.	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.
Construction revenue	The Group operates contracts where it charges based on a cost incurred plus margin basis. Revenue is recognised at the point that the cost is incurred. Payment is generally made within 30 days of the invoice being raised.	Revenue is recognised when the associated cost is incurred.
Property Services – Profit participation loan	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. The profit participation loan was repaid during the year.	Revenue is recognised on completion of a property sale where it is irreversible.
Property Services – Management fees and other services	The Group offers property management services to external landlords. These services are linked to a percentage of the gross	Revenue is recognised when service is provided for management fees and at the point

	rental collected and any additional services undertaken. Management fee income is recognised at the point that the service is provided. Other income is recognised at the point that the service is completed. Payments for these services are made within 90 days of the service being undertaken.	the service is completed for other services.
Corporate revenue	The Group provides services, which include administration, reporting, risk management, shared office space and other services, to related parties. Revenue is recognised for the period in which the service is undertaken.	Revenue is recognised monthly as long as the Group continues to provide the service during the relevant calculation period.

*Representing impairment of inventory (see note 13)

8. Administration expenses

£ unless stated	Year to 30 June 2022	Year to 30 June 2021
Staff costs	908,946	544,980
Depreciation	108,983	42,106
Auditors' remuneration	81,106	62,500
Other administration expenses	382,861	353,306
	1,481,896	1,002,892

£ unless stated	Year to 30 June 2022	Year to 30 June 2021
Services provided by the auditor		
- Interim audit of parent company and consolidated financial statements	20,441	19,665
- Audit of parent company and consolidated financial statements	56,925	42,835
- Audit of parent company and consolidated financial statements (under-provision in respect of prior year)	3,740	-
	81,106	62,500

9. Staff costs and employees

£ unless stated	Year to 30 June 2022	Year to 30 June 2021
The aggregate remuneration comprised:		
- Wages and salaries	816,982	488,082
- National insurance	78,414	51,679
- Pension costs	13,550	5,219
Average number of employees	23	11

10. Finance costs

£ unless stated	Year to 30 June 2022	Year to 30 June 2021
Interest charged on lease liabilities	15,263	6,207
Interest paid on borrowings	1,036,278	460,253
Amount capitalised in disposed subsidiaries	-	(68,000)
Amount capitalised	(1,022,075)	(346,078)
	29,466	52,382

11. Income tax expense

The Group has generated a loss in the year and the prior year, 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	Year to 30 June 2022	Year to 30 June 2021
Tax (losses)	(2,209,303)	(569,661)
Accumulated carried forward losses	3,021,758	812,455

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	Year to 30 June 2022	Year to 30 June 2021
Loss for the year/period	(2,134,935)	(808,977)
Total tax expense	-	-
Loss excluding taxation	(2,134,935)	(808,977)
Tax using the UK corporate tax rate of 19%	405,633	153,706
Current year losses for which no deferred tax asset was recognised	(419,763)	(108,236)
Non-deductible expenses	-	(45,470)
Non-taxable income	14,130	-
Total taxation expense	-	-

12. Property, plant and equipment

As at 30 June 2022

£ unless stated	Right of use	Office Equipment	Fixtures and fittings	Motor vehicles	Plant and equipment	Total
Cost						
At 30 June 2021	442,612	14,073	28,933	34,634	-	520,252
Additions	-	9,109	43,731	-	1,149	53,989
Disposals	-	-	-	(34,634)	-	(34,634)
At 30 June 2022	442,612	23,182	72,664	-	1,149	539,607
Accumulated depreciation						
At 30 June 2021	59,090	1,678	2,543	14,235	-	77,546
Charge for the period	88,522	3,341	9,929	7,162	29	108,983
Disposal	-	-	-	(21,397)	-	(21,397)
At 30 June 2022	147,612	5,019	12,472	-	29	165,132
Carrying amount						
At 30 June 2021	383,522	12,395	26,390	20,399	-	442,706
At 30 June 2022	**295,000**	**18,163**	**60,192**	**-**	**1,120**	**374,475**

As at 30 June 2021

£ unless stated	Right of use	Office Equipment	Fixtures and fittings	Motor vehicles	Total
Cost					
At 30 June 2020	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	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	125,888	3,762	7,326	28,325	165,301
At 30 June 2021	**383,522**	**12,395**	**26,390**	**20,399**	**442,706**

Right of use asset

£ unless stated	30 June 2022	30 June 2021
Amount recognised in the statement of financial position:		
Right of use		
Buildings	295,000	383,522
	295,000	383,522

£ unless stated	Year to 30 June 2022	Year to 30 June 2021
Lease liability		
Non-current	267,125	337,742
Current	86,623	64,967
	353,748	402,709
Amount recognised in the profit and loss:		
Depreciation on right of use building	88,522	30,829
Interest expense	15,263	6,207
Amount recognised in the statement of cash flow:		
Lease payments made	64,224	32,932

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.

13. Inventory - developments

£ unless stated	30 June 2022	30 June 2021
Residential developments		
- Land	4,394,799	4,112,644
- Construction and development costs	9,322,221	2,277,902
- Capitalised interest	1,410,738	400,130
	15,127,758	6,790,676

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 £246,523 (30 June 2021: £131,235) in inventory in relation to this in the period.

During the year, the Group has taken the decision to impair the value of its Bank Street and St Petersgate developments, which are owned by wholly owned subsidiaries, One Heritage Bank Street Limited and One Heritage St Petersgate Limited. This was a consequence of significant cost pressures and issues with the previous contractors. The impairment totalled £1,297,560 in the year (2021: £nil).

14. Inventory - trading properties

£ unless stated	30 June 2022	30 June 2021
Opening	435,820	1,179,657
Disposals	(444,331)	(768,651)
Additions	8,511	24,814
Closing	-	435,820

The Group disposed of Nicholas Street Development Limited during the financial year. This entity held the Nicholas Street property. This property was valued at £650,000 by Management, with the net proceeds received adjusted to reflect the other assets and liabilities in Nicholas Street Development Limited at the date of disposal. Nicholas Street Development Limited was sold to One Heritage Property Rental Limited, a related party.

15. 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. On 05 October 2021 two subsidiaries of One Heritage Complete Limited, namely One Heritage Maintenance Limited and One Heritage Design Limited were put into liquidation and the investment in associate was written down to nil in the 30 June 2021 annual financial statements.

Reconciliation of investment in associate

£ unless stated	30 June 2022	30 June 2021
Opening	-	258,512
(Reversal)/write down of investment in associate	50,000	(239,316)
Dividend received	-	(19,196)
Closing	50,000	-

Following the insolvency of two subsidiaries of our associate, One Heritage Complete Limited, the Group made the decision to write down the full value of our investment in associate and make a provision against £24,368 of dividends received in the year to 30 June 2021. Following the end of the financial year end, the Group agreed to sell our 47.0% stake in One Heritage Complete Limited for £50,000. Furthermore, the Group has decided that the £24,368 provision against prior dividends were no longer required and reversed this in the current financial year.

16. Financial assets at FVTPL

£ unless stated	30 June 2022	30 June 2021
Opening	397,796	897,002
Drawdown	-	-
Repayment	(423,959)	(839,374)
Profit recognised in the period	26,163	340,168
	-	397,796

During the year, the profit participation loan with Robin Hood Property Development Limited was cancelled and the outstanding funds due were repaid.

These financial assets are considered due from related parties, further details can be found in note 24.

17. Trade and other receivables

£ unless stated	30 June 2022	30 June 2021
Trade receivables	776,570	150,052
Other debtors	140,544	206,168
Prepaid sales fees and commissions	843,835	-
VAT receivable	109,811	292,204
Related party receivable	40,591	19,335
	1,911,351	667,759

Loan facility fees of £146,276 (30 June 2021: £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. Loan fees totalling £146,276 (2021: £178,743) were transferred to borrowing in the financial year.

Trade receivables includes £50,980 (30 June 2021: £121,760) due from One Heritage Tower Limited, £154,089 (30 June 2021: £27,278) due from One Heritage North Church Limited, £3,221 (30 June 2021: £nil) due from One Heritage Great Ducie Street Limited, £565,880 (30 June 2021: £nil) due from Robin Hood

Property Development Limited and £2,400 (30 June 2021: £nil) due from One Heritage Property Rental Limited, whom are all related parties.

These financial assets are considered due from related parties, further details can be found in note 24.

The prepaid sales fees and commissions relate to the sales agents fees and commissions paid on units from developments that have been exchanged but not yet completed. These relate to units exchanged on the Lincoln House, St Petersgate, Bank Street and Oscar House developments.

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.

18. 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. In the current year the ratio is significantly higher than the policy due to the delays in completion of three of the developments from the expected completion dates of June 2022 to August 2022 and March 2023 respectively, as well as the impairment of two developments. The Group's net debt to equity at 26 (30 June 2021: 2.0) was as follows:

£ unless stated	30 June 2022	30 June 2021
Total borrowings	15,921,041	5,580,182
Less: cash and cash equivalents	(974,201)	(204,147)
Net debt	14,946,840	5,376,035
Total equity	574,436	2,709,371
Net debt to equity ratio	**26.0**	**2.0**

19. Loans and borrowings

£ unless stated	30 June 2022	30 June 2021
Non-current		
Lease liability *(Note 12)*	267,125	337,742
Related party borrowings	5,000,000	1,748,927
Loan	1,412,777	189,410
	6,679,902	2,276,079
Current		
Lease liability *(Note 12)*	86,623	64,967
Related party borrowings	3,425,190	2,469,136
Loan	5,729,326	770,000
	9,241,139	3,304,103
	15,921,041	5,580,182

On 23 November 2021, the Group repaid its loan of £770,000 to Wright (Holdings) Pension Scheme in advance of its maturity date. This was a requirement for the Group to be able to sign the facility with Shawbrook Bank Limited.

On 16 December 2021 a subsidiary, One Heritage Lincoln House Limited, signed a loan agreement with Shawbrook Bank Limited. This was for a gross amount of construction finance totalling £3.5 million. This had a term of 20 months and is to be drawn down to fund costs incurred by the development in that subsidiary. As at 30 June 2022, the balance of the loan was £2,436,564. The Group incurs an interest cost on drawdown funds of 6.25% plus three month SONIA. On signing of the agreement the Group paid an arrangement fee of £35,000 and will pay an exit fee of £43,875 on final repayment. The loan has two covenants that are linked to the underlying development, the loan to development cost of 44% and a loan to value of 45%, which have both been complied with during the reporting period.

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 £4 million. 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 2022, the balance of the loan was £2,166,706. The loan bears interest at 9.6% per year. The loan has two covenants that are linked to the underlying development, the loan to development cost of 71% and a loan to value of 65%, which have both been complied with during the reporting period.

On 01 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 £2 million. 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 2022, the balance of the loan was £1,126,056. The loan bears interest at 0.85% monthly at a variable rate, based on the Bank of England base rate. The loan has two covenants that are linked to the underlying development, the loan to development cost of 70% and a loan to value of 70%, which have both been complied with during the reporting period.

On 18 March 2022 the Group had a £1.5 million corporate bond admitted to the Standard List of the London Stock Exchange. This had a 2 year term and an 8.0% coupon which is paid on 30 June and 31 December each year. The Group incurred listing costs of £102,040 which were capitalised and released over the term of the Bond.

Related party borrowings

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. The loan advanced on 22 July 2020 was repaid during the year with the accrued interest. As at 30 June 2022, £227,776 of interest had been accrued against the remaining loan. The remaining loan is repayable in January 2023.

The Group 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, this additional amount can only be drawn to fund property development activities where obtaining project financing is delayed or unavailable. The balance on this loan at 30 June 2022 was £5,000,000 (30 June 2021: £nil) and £2,190,414 (30 June 2021: £1,748,852) for the facilities that mature on 31 December 2024 and 31 December 2022 respectively.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				30 June 2022		30 June 2021	
£ unless stated	Currency	Nominal interest rate	Maturity Date	Fair value	Carrying amount	Fair value	Carrying Amount
Wright (Holdings) Pension Scheme	GBP	12.0%	Mar 22	-	-	770,000	770,000
ACT Property Holding	GBP	0.0%	n/a	-	-	92,285	92,285

One Heritage SPC	GBP	12.0%	Jan 22	-	-	1,262,992	1,262,992
One Heritage SPC	GBB	12.0%	Jan 23	1,234,776	1,234,776	1,113,935	1,113,935
Lyell Trading Limited	GBP	9.6%	Nov 22	2,166,706	2,166,706	139,360	139,360
Together Commercial Finance	GBP	10.7%	Dec 22	1,126,056	1,126,056	50,050	50,050
Shawbrook Bank*	GBP	6.3%	Aug 23	2,436,564	2,436,564	-	-
One Heritage Property Development	GBP	7.0%	Dec 24	5,000,000	5,000,000	-	-
One Heritage Property Development	GBP	7.0%	Dec 22	2,190,414	2,190,414	1,748,852	1,748, 852
Corporate bond	GBP	8.0%	Mar 24	1,412,777	1,412,777	-	-
				15,567,293	15,567,293	5,177,474	5,177,474

*The Shawbrook bank is repayable on the earlier of completion or August 2023. As the development reached practical completion in August 2022, the loan is repayable before August 2023 and as such is classified as a current liability.

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 2021	**5,177,473**	**402,709**	**3,893,008**	**-**	**9,473,190**
Changes from financing cash flows					
Proceeds from issue of share capital	-	-	-	-	-
Proceeds from loans and borrowings	6,182,693	-	-	-	6,182,693
Proceeds from related party borrowings	4,207,126	-	-	-	4,207,126
Payment of lease liabilities	-	(64,224)	-	-	(64,224)
Total changes from financing cash flows	10,389,819	(64,224)	-	-	10,325,595
Other changes					
Liability related					
New leases	-	-	-	-	-
Capitalised borrowing costs	1,022,075	-	-	-	1,022,075
Interest expense	14,203	15,263	-	-	29,466
Interest paid	(1,036,278)	-	-	-	(1,036,278)
Total liability-related other changes	-	15,263	-	-	15,263
Total equity-related other changes	**-**	**-**	**-**	**-**	**-**
Balance as at 30 June 2022	**15,567,293**	**353,748**	**3,893,008**	**-**	**19,814,049**

		Liabilities		Equity	
£ unless stated	Other loans and borrowings	Lease liabilities	Share capital/ Premium	Retained earnings	Total
Balance as at 01 July 2020	**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	2,283,328	-	-	-	2,283,328
Payment of lease liabilities	-	(32,932)	-	-	(32,932)
Total changes from financing cash flows	2,472,738	(32,932)	3,893,008	-	6,332,814
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	**5,177,473**	**402,709**	**3,893,008**	**-**	**9,473,190**

20. Trade and other payables

£ unless stated	30 June 2022	30 June 2021
Trade payables	794,181	549,317
Accruals and prepayments	115,392	56,341
Customer deposits	1,012,222	-
Provision	-	24,368
PAYE payable	22,837	19,325
	1,944,632	649,351

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

The Group has received deposits and reservation fees in relation to its developments, these totalled £1,012,222 (30 June 2021: £25,000). These relate to units that were exchanged on and are repayable. The deposits will be repayable if significant property damage occurs and reinstatement is not possible.

During the prior year the Group made a provision against the dividends received from an associate. This was reversed in the current year.

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

21. Financial instruments - fair value and risk management

Fair values

For all financial assets and financial liabilities not measured at fair value, the carrying amount is a reasonable approximation of fair value.

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 to monitor risks. 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 Note 24).

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 £974,201 at 30 June 2022 (30 June 2021: £204,147).

Bank	Amount held	Standard and Poor's	Moody's	Fitch
Barclays Bank UK Plc	965,800	A	A1	A+
Revolut Bank	7,729	-	-	-

The Group also held petty cash of £672 as at 30 June 2022 (30 June 2021: £634).

Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. At 30 June 2022, the Company has issued a guarantee to certain banks in respect of credit facilities granted to One Heritage Oscar House Limited £2,185,772 (30 June 2021: £122,447), see note 19.

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 2022, the Group's borrowings and facilities had a range of maturities with an average life of 26 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 £0.3million and cash and cash equivalents were £974,201.

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 2022

£ 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	7,142,103	7,677,341	-	5,887,687	1,789,563	-	-
Other borrowings	8,425,190	9,113,289	-	3,588,289	5,525,000	-	-
Lease payables	353,748	399,502	-	99,228	189,070	111,204	-
Trade payables	1,944,632	1,944,632	-	1,944,632	-	-	-
	17,865,673	19,134,764	-	11,519,836	7,503,633	111,204	-

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

The secured bank debt contains loan covenants, disclosed in Note 19. 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 therefore considers the market risk to be low.

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 currently has two variable interest rate arrangements and therefore returns are sensitive to movements in the interest rates in the next financial period on existing borrowing obligations.

If interest rates on the loans had been 1% per cent higher/lower and all other variables were held constant, the Group's loss for the year ended 30 June 2022 would (increase)/decrease by (£309,618)/£238,365. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

22. Directors' remuneration

£ unless stated	Year to 30 June 2022	Year to 30 June 2021
During the period remuneration payable to directors was as follows:		
Jason Upton	76,321	45,118
Yiu Tak Cheung	15,000	10,742
Jeffrey Pym	19,172	73,487
David Izett	25,000	13,173
Jeremy Earnshaw	6,181	-
	141,674	142,520

Apart from Jason Upton who received a pension of £1,321 for the year, the Directors did not receive any other benefits or post-employment remuneration.

23. Share capital

£ unless stated	30 June 2022	30 June 2021
Share capital (1p per share)	324,283	324,283
Share premium	3,568,725	3,568,725
	3,893,008	3,893,008

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

The total shares in issue as at 30 June 2022 is 32,428,333 (30 June 2021: 32,428,333) and are fully paid up.

24. 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	Year to 30 June 2022	Year to 30 June 2021
Short term employee benefits	311,061	215,511
	311,061	215,511

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

Key management personnel transactions

The key management control 31% (30 June 2021: 31%) 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		Common directors
Harley Street Developments Limited		Common directors, owned by the beneficial owners of the Group
Mosley Property Limited		Common directors, owned by the beneficial owners of the Group
One Heritage Great Ducie Street Limited		Common directors, owned by the beneficial owners of the Group
One Heritage North Church Limited		Common directors, majority stake held by the beneficial owners of the Group
One Heritage Property Development Limited		Common director, owned by the beneficial owners of the Group
One Heritage Property Management Limited		Common director, owned by the beneficial owners of the Group
One Heritage SPC		Managed by the beneficial owners of the Group
One Heritage Tower Limited		Common directors, part owned by the beneficial owners of the Group
Robin Hood Property Development Limited		Common directors, owned by the beneficial owners of the Group

25. Events after the reporting date

On 07 July 2022 the Group issued 6,250,000 new ordinary shares of 1.0 pence each at an issue price of 20.0 pence per share, raising gross proceeds of £1,250,000.

On 12 July 2022 the Group completed the acquisition of development land on Victoria Road, Eccleshill, West Yorkshire for £1,000,000. This was acquired through One Heritage Victoria Road Limited, a wholly owned subsidiary of the Group.

On 14 October 2022 the Group facility was increased by £2 million. This can be drawn down as required, has an interest rate of 7.0% and is repayable on demand. This additional amount can only be drawn to fund property development activities where obtaining project financing is delayed or unavailable.

26. New Standards and amendments to Standards

There are no new or amended standards that are expected to have a significant impact on the Group's consolidated financial statements when adopted.

27. Disclosures relating to subsidiary undertakings

The Company's subsidiaries and other related undertakings at 30 June 2022 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 Property Development (UK) Limited	Property developer	11982934	100.0%
One Heritage Churchgate Limited	Development company	12114319	100.0%
One Heritage Lincoln House Limited	Development company	12434625	100.0%
One Heritage Bank Street Limited	Development company	12763845	100.0%
One Heritage Oscar House Limited	Development company	11331256	100.0%
One Heritage St Petersgate Limited	Development company	13154858	100.0%
One Heritage Red Brick Limited	Property services	13178461	100.0%
One Heritage Property Services Limited	Property services	13426415	100.0%
One Heritage Seaton House Limited	Development company	13520340	100.0%
One Heritage Construction Limited	Construction company	13761479	100.0%
One Heritage Victoria Road Limited	Development company	14172104	100.0%
St Petersgate Building Management Limited	Dormant	13979905	100.0%
Oscar House Building Management Limited	Dormant	13981057	100.0%
Liberty House Building Management Limited	Dormant	13986387	100.0%
Lincoln House Building Management Limited	Dormant	12710283	100.0%

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

28. 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 Property Development (UK) Limited	11982934
One Heritage Churchgate Limited	12114319
One Heritage Lincoln House Limited	12434625
One Heritage Bank Street Limited	12763845
One Heritage Oscar House Limited	11331256
One Heritage St Petersgate Limited	13154858
One Heritage Red Brick Limited	13178461
One Heritage Property Services Limited	13426415
One Heritage Seaton House Limited	13520340
One Heritage Construction Limited	13761479
One Heritage Victoria Road Limited	14172104
St Petersgate Building Management Limited	13979905
Oscar House Building Management Limited	13981057
Liberty House Building Management Limited	13986387
Lincoln House Building Management Limited	12710283

FINANCIAL STATEMENTS

Company balance sheet

As at 30 June 2022

£ unless stated	Notes	As at 30 June 2022	As at 30 June 2021
INTANGIBLE ASSETS			
Trademark		2,324	-
		2,324	2,324
TANGIBLE ASSETS			
Investments	2	2,750,100	2,750,100
		2,750,100	2,750,100
CURRENT ASSETS			
Debtors	3	2,310,872	1,115,752
Cash at bank		4,383	-
		2,315,255	1,115,752
Creditors: amounts falling within one year	4	(55,975)	(95,998)
Net current assets		2,259,280	1,019,754
Total assets less current liabilities		5,011,704	3,769,854
Creditors: amounts due after one year	5	(1,412,777)	-
Net assets		**3,598,927**	**3,769,854**
CAPITAL AND RESERVES			
Called up share capital	6	324,283	324,283
Share premium account		3,568,725	3,568,725
Profit and loss account		(294,081)	(123,154)
Shareholders' funds		**3,598,927**	**3,769,854**

These financial statements were approved by the board of directors on 21 October 2022 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.

FINANCIAL STATEMENTS

Company statement of changes in equity

For the year ended 30 June 2022

£ unless stated	Called up share capital	Share premium	Profit and loss account	Shareholders Funds
Balance at incorporation	**324,283**	**3,568,725**	**(123,154)**	**3,769,854**
Loss for the period	-	-	(170,927)	(170,927)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**324,283**	**3,568,725**	**(294,081)**	**3,598,927**
Transactions with owners, recorded directly in equity	-	-	-	-
Issue of share capital	-	-	-	-
Cost of share issuance	-	-	-	-
Balance at 30 June 2022	**324,283**	**3,568,725**	**(294,081)**	**3,598,927**

For the year ended 30 June 2021

£ 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.

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 principal place of trading is 80 Mosley Street, Manchester, M2 3FX. The principal 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 2022	30 June 2021
One Heritage Property Development (UK) Limited	2,750,100	2,750,100
	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 Churchgate Limited	England and Wales	12114319	100.0%
One Heritage Lincoln House Limited	England and Wales	12434625	100.0%
One Heritage Bank Street Limited	England and Wales	12763845	100.0%
One Heritage Oscar House Limited	England and Wales	11331256	100.0%
One Heritage St Petersgate Limited	England and Wales	13154858	100.0%
One Heritage Red Brick Limited	England and Wales	13178461	100.0%
One Heritage Property Services Limited	England and Wales	13426415	100.0%
One Heritage Seaton House Limited	England and Wales	13520340	100.0%
One Heritage Construction Limited	England and Wales	13761479	100.0%
One Heritage Victoria Road Limited	England and Wales	14172104	100.0%
St Petersgate Building Management Limited	England and Wales	13979905	100.0%
Oscar House Building Management Limited	England and Wales	13981057	100.0%
Liberty House Building Management Limited	England and Wales	13986387	100.0%
Lincoln House Building Management Limited	England and Wales	12710283	100.0%

3. Debtors

£ unless stated	30 June 2022	30 June 2021
Intercompany loan	2,183,153	1,070,770
Trade and other receivables	90,000	11,521
Tax receivable	37,719	33,461
	2,310,872	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 2022	30 June 2021
Trade and other payables	16,393	39,958
Accruals	37,500	56,040
Tax payable	2,082	-
	55,975	95,998

5. Creditors: amounts due after one year

£ unless stated	30 June 2022	30 June 2021
Corporate bond	1,412,777	-
	1,412,777	-

On 18 March 2022 the Group had a £1.5 million corporate bond admitted to the Standard List of the London Stock Exchange. This had a 2 year term and an 8.0% coupon which is paid on 30 June and 31 December each year. The Group incurred listing costs of £102,040, which were capitalised and released over the term of the Bond.

6. Called up share capital

£ unless stated	Ordinary Shares
Issued share capital as at 30 June 2022	32,428,333
	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.

The Company has not issued any share capital in the year to 30 June 2022.

7. 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 Property Development (UK) Limited	11982934
One Heritage Churchgate Limited	12114319
One Heritage Lincoln House Limited	12434625

One Heritage Bank Street Limited	12763845
One Heritage Oscar House Limited	11331256
One Heritage St Petersgate Limited	13154858
One Heritage Red Brick Limited	13178461
One Heritage Property Services Limited	13426415
One Heritage Seaton House Limited	13520340
One Heritage Construction Limited	13761479
One Heritage Victoria Road Limited	14172104
St Petersgate Building Management Limited	13979905
Oscar House Building Management Limited	13981057
Liberty House Building Management Limited	13986387
Lincoln House Building Management Limited	12710283

8. Post balance sheet events

On 18 March 2022 the Group had a £1.5 million corporate bond admitted to the Standard List of the London Stock Exchange. This had a 2 year term and an 8.0% coupon which is paid on 30 June and 31 December each year.

9. Related party disclosures

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

£ unless stated	Year to 30 June 2022	Year to 30 June 2021
During the period remuneration payable to directors was as follows:		
Jason Upton	76,321	45,118
Yiu Tak Cheung	15,000	10,742
Jeffrey Pym	19,172	73,487
David Izett	25,000	13,173
Jeremy Earnshaw	6,181	-
	141,674	142,520

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. Keith Crews held 9.6% of the shares at the reporting date.

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.

ONE HERITAGE GROUP PLC

Notice of Annual General Meeting

NOTICE IS GIVEN that the Annual General Meeting (the "AGM") of One Heritage Group plc (the "Company") will be held at 11.30 a.m. on 23rd November 2022 at the offices of Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, EC3V 0HR to consider and if thought fit, pass the following resolutions. Resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 and 12 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. To receive the Company's annual report and accounts for the year ended 30 June 2022.
2. To approve the remuneration report set out on pages 31 to 35 of the annual report for the year ended 30 June 2022.
3. To re-appoint Jeremy Earnshaw as a director.
4. To re-appoint Anthony Unsworth as a director.
5. To re-appoint David Izett as a director.
6. To re-appoint Peter (Yiu Tak) Cheung as a director.
7. To re-appoint Jason Upton as a director.
8. To re-appoint KPMG Audit LLC as auditor of the Company.
9. To authorise the Directors to determine the auditor's remuneration.
10. That, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') and in substitution for all existing authorities under that section, to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount of £193,391.67 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the next Annual General Meeting of the Company or on 31 December 2023, whichever is earlier, and provided further that the Company shall be entitled before such expiry to make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights under such offer or agreement as if this authority had not expired.

SPECIAL RESOLUTIONS

11. THAT, subject to and conditional upon the passing of Resolution 10 the Directors be and they are hereby authorised pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by resolution 10 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    a) the allotment of equity securities in connection with an issue in favour of shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (or as nearly as may be practicable) to the respective number of Ordinary Shares in the capital of the Company held by them on the record date for such allotment, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange, in any territory;

    b) the allotment of equity securities arising from the conversion of any other convertible securities outstanding at the date of this resolution; and

    c) the allotment (otherwise than pursuant to sub-paragraph (a) and (b) above) of further equity securities up to an aggregate nominal amount of £193,391.67;

    provided that this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the conclusion of the Annual General Meeting of the Company to be held in 2023. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

12. That a general meeting of the Company (other than an annual general meeting) may be called on not less than 14 clear days' notice.

By Order of the Board

Shaun Zulafqar
Company Secretary

24 October 2022

Registered Office
6th Floor, 60 Gracechurch
Street
London EC3V 0HR

Notice of Meeting Notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1) Pursuant to the Company's Articles of Association, a member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf.

2) If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.

3) A proxy may only be appointed using the procedures set out in these notes and the notes to the form of proxy. To validly appoint a proxy, a member must complete, sign and date the enclosed form of proxy and deposit it at the office of the Company's registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, by 11.30 a.m. on 21st November 2022 (or, in the event that the meeting is adjourned, not less than 48 hours, excluding non-working days, before the time fixed for the holding of the adjourned meeting). Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be enclosed with the form of proxy.

4) In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD prior to commencement of the meeting. If the revocation is received after the time specified, the original proxy appointment will remain valid unless the member attends the meeting and votes in person.

5) Pursuant to the Articles of Association, any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD prior to the commencement of the meeting. If the revocation is received after the time specified, the original corporate representative appointment will remain valid unless the member attends the meeting and votes in person.

6) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy in respect of the same shares, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

7) The right to vote at the meeting shall be determined by reference to the register of members of the Company. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those persons whose names are entered on the register of members of the Company at 6.00 p.m. on 21st November 2022 (or, in the event of any adjournment, at 6.00 p.m. on the date which is two days prior to the adjourned meeting) shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to vote at the meeting.

8) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9) In order for a proxy appointment or instruction made by means of the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 7RA11) by the latest time for proxy appointments set out in paragraph 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time

any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

11) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

12) Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

13) You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

14) A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at https://www.oneheritageplc.com/.

15) At 28th October 2022, (being the latest practicable date prior to the publication of this notice) the issued share capital of the Company consisted of 38,678,333 Ordinary Shares of 1 pence each in the capital of the Company. Each share carries one vote. The Company held no shares in treasury, therefore the total voting rights in the Company as at 28th October 2022 were 38,678,333.

EXPLANATION OF BUSINESS

Resolution 1: To receive the annual report and accounts
Company law requires the Directors to present the annual report and accounts of the Company to shareholders in respect of each financial year.

Resolution 2: To approve the remuneration report
The remuneration report is set out on pages 31 to 35 of the annual financial report. It gives details of the Directors' remuneration for the year ended 30 June 2022. The vote is advisory and does not affect the actual remuneration paid to any individual Director.

Resolutions 3 to 7: To elect Directors
The Company's articles of association provide for each director appointed during the year to retire at the next annual general meeting and for each director to retire from office at the third annual general meeting after the AGM at which he/she was previously appointed or reappointed. However, in line with the recommendations set out in the UK Corporate Governance Code, all Directors will be standing down and offering themselves for re-election by shareholders at this year's AGM. Directors' biographical details are given on pages 15 to 16 of the annual financial report.

Resolution 8 and 9: To reappoint the auditor and authorise the Board to determine their remuneration
The Company is required to appoint an auditor at each general meeting at which accounts are laid before the members, to hold office until the conclusion of the next such meeting. Resolution 8 is for members to reappoint KPMG Audit LLC as auditors of the Company and resolution 9 proposes that shareholders authorise the Board to determine the remuneration of the auditors. In practice, the audit committee will consider the audit fees and recommend them to the Board.

Resolution 10: Directors' authority to allot shares
Resolution 10 authorises the Directors to allot shares in the Company until the conclusion of the next AGM or 31 December 2023, whichever is earlier. The resolution would give the Directors authority to allot ordinary shares, and grant rights to subscribe for or convert any security into shares in the Company, up to an aggregate nominal value of £193,391.67. This amount represents half of the issued ordinary share capital of the Company as at 28th October 2022, the latest practicable date prior to the publication of this document.

Resolution 11: Disapplication of pre-emption rights
If Directors of a Company wish to allot shares in the Company, or to sell treasury shares, for cash (other than in connection with an employee share scheme) company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The purpose of Resolution 11 is to authorise the Directors to allot ordinary shares in the Company, or sell treasury shares, for cash (i) in connection with a rights issue; and, otherwise, (ii) up to a nominal value of £193,391.67, equivalent to half of the total issued ordinary share capital of the Company as at 28th October 2022 without the shares first being offered to existing shareholders in proportion to their holdings.

Resolution 12: Approval for calling of general meetings (other than AGMs) on 14 days' notice
Under company law, the Company is required to give 21 clear days' notice for a general meeting of the Company unless shareholders approve a shorter notice period, which cannot be less than 14 clear days (AGMs must continue to be held on at least 21 clear days' notice).

Resolution 12 proposes a special resolution, and seeks shareholder approval to enable the Company to call general meetings, other than AGMs, on at least 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider to be appropriate in relation to the business to be considered at the meeting in question and where it is thought to be to the advantage of shareholders as a whole. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.