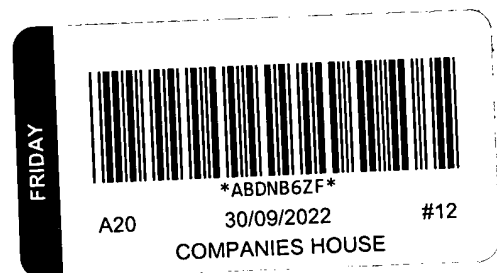


**REGISTERED NUMBER: 04072979 (England and Wales)**

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2021**  
**for**  
**IP2IPO Limited**



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for the Year Ended 31 December 2021**

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**IP2IPO Limited**

**Company Information  
for the Year Ended 31 December 2021**

**DIRECTORS:**

D G Baynes  
G Smith  
C E Glasson  
A Leach

**SECRETARY:**

IP2IPO Services Limited

**REGISTERED OFFICE:**

2nd Floor, 3 Pancras Square  
Kings Cross, London,  
England  
N1C 4AG

**REGISTERED NUMBER:**

04072979 (England and Wales)

**AUDITORS:**

KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

## **IP2IPO Limited**

### **Strategic Report for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

The principal activity of IP2IPO Limited ("the Company") during the period was commercialisation of intellectual property via its relationships with UK universities, other research institutions and our broader sourcing network. The Company continues to create spin-out companies and to provide development services to such spin-out companies.

#### **REVIEW OF BUSINESS**

The results for the year are set out on page 11. The Company's profit for the period was £357,477k (year ended 31 December 2020: £217,637k). The directors do not propose a final dividend for the year ended 31 December 2021 (year ended 31 December 2020: £nil).

#### **MARKET ENVIRONMENT**

While COVID-19 remained a major feature of 2021, equity markets continued their recovery in the year before coming under pressure again in 2022 due to geo-political uncertainties, heightened by the events in Ukraine, the ongoing pandemic-related economic issues as well as supply chain issues and inflationary pressures. Many IP Group-founded companies have played a key role in the response to the pandemic, including Oxford Nanopore which provided tools for an unprecedented global effort to sequence and monitor the virus. Science as a driver for innovation is now widely understood and accepted and there is widespread recognition that scientific solutions are needed to address the major challenges facing the world. Record levels of capital have been committed to venture capital and growth focused funds in recent years with much yet to be deployed.

There remains, of course, significant short-term uncertainty with rising inflation and interest rates as well as geopolitical concerns, greatly exacerbated by Russia's recent invasion of Ukraine, which is causing volatility in equity markets globally including a rotation out of growth companies. Increased protectionism and nationalism around funding, owning, and developing 'innovations of strategic importance' also remains a theme and there is evidence of increased competition for investment opportunities and talent. Having acted to ensure that the Group has a strong level of liquidity, IP Group remains well placed to support its portfolio companies through this period of uncertainty and is confident that appetite for growth companies will return.

#### **STRATEGY**

The Company's business plan is to continue to create and develop spin-out companies via its relationships with UK universities, other research institutions and our broader sourcing network.

The Company provides financial and operation support to its Limited Partnerships IP2IPO Portfolio LP and IP Venture Fund II LP to enable the continued growth of their portfolio of equity and debt investments. The Company intends to continue providing such support in line with the relevant Limited Partnership Agreements.

#### **KEY PERFORMANCE INDICATORS**

*The directors of IP Group plc manage the group's operations on a consolidated basis. For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of IP Group plc, which includes the Company, is discussed in IP Group plc's 2021 annual report and financial statements which do not form part of this report.*

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to the protection of intellectual property and market risk in respect of its equity investments held directly or indirectly via limited liability partnership investments. The principal risks and uncertainties are integrated with the principal risks and uncertainties of the larger group and are not managed separately. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided on pages 52 to 63 of IP Group plc's 2021 annual report and financial statements which does not form part of this report.

#### **FINANCIAL INSTRUMENTS**

The Company's primary exposure to financial instruments is in relation to the holding of equity and debt instruments in spin-out companies, cash and trade debtors.

The directors manage the risks inherent in the holding of equity and debt instruments through the establishment, at a Group-wide level, of investment appraisal processes and asset monitoring procedures which are subject to overall review by the Board. The Group has also established corporate finance and communications teams dedicated to supporting portfolio companies with fundraising activities and investor relations.

Furthermore, the Company maintains adequate liquid capital such that it is not reliant on external providers of liquidity to support its operations.

#### **FUTURE OUTLOOK**

The directors believe the Company will continue to trade for the foreseeable future.

## **IP2IPO Limited**

### **Strategic Report for the Year Ended 31 December 2021**

#### **Statement by the Directors in performance of their duties in accordance with s172(1) Companies Act 2006**

The directors of IP2IPO Limited (the "Company") consider, both individually and together as a Board, that they have acted in the way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. This statement sets out how the Board has had regard to the matters set out in s172(1) Companies Act 2006 when performing its duties under s172 Companies Act 2006 ("s172") for the year ended 31 December 2021.

The directors determined that the Company is required to produce a s172 statement for 2021 as it exceeds the thresholds for a small company and is part of an ineligible group (as defined in The Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018/860)) as its parent company, IP Group plc, has shares admitted to trading on the Main Market of London Stock Exchange.

#### **Identifying key stakeholders**

The Company's stakeholders are people, communities, and entities with an interest in the Company's purpose, strategy and business and who are or may be impacted by the Board's decisions. The Board is responsible for creating sustainable value for the Company's sole shareholder and in order to ensure the Company's long-term success, it is critical that the Board engages with and considers the interests of the Company's wider stakeholders when making decisions.

During 2021, the Company undertook a complete analysis of its stakeholders, to ensure that those stakeholders whom it had previously identified remained accurately characterised and relevant in 2021. Following such analysis, the Board determined that the Company's key stakeholders are IP Group plc (as its sole shareholder) together with the following stakeholders (which are also the stakeholders of IP Group plc):

- Employees
- Portfolio companies
- Co-investors
- Universities and other research partners
- The environment and wider community
- The European Investment Bank and the European Investment Fund
- Regulators
- Brokers and advisors (including industry analysts)
- Governance bodies including proxy advisors
- Suppliers of professional services
- Third-party fund managers
- Media

The Board is aware that when considering potential decisions, there may be other stakeholders not included in the key stakeholder list above whose interests may be relevant and the Company will engage with and consider such stakeholders' views in its deliberations as necessary.

Engagement with those stakeholders that the Company shares with IP Group plc, are carried out by IP Group plc on behalf of its wider group ("Group"). Details of these engagements with stakeholders, examples of stakeholder engagement in action and how stakeholder views are reported to the IP Group plc Board and influence its agenda are set out in the annual report of IP Group plc to 31 December 2021 which can be found at <https://www.ipgroupplc.com/investor-relations/reports-and-presentations>.

#### **Consideration of long-term consequences in decision-making**

The long-term strategy of IP Group plc and the wider Group is to develop and support intellectual property-based businesses that will have a positive impact on the environment and society into robust businesses, from concept to maturity, with the aim of delivering attractive financial returns for the group. The Company adopted the strategy of IP Group plc for 2021 without amendment.

The Group considers environmental, social and governance (ESG) factors at both group level and across its portfolio and investment approach. Further details can be found in the annual report of IP Group plc to 31 December 2021.

The Company also plays a role as a 'responsible steward' to its portfolio companies. This includes setting expectations of high levels of corporate governance, taking up director positions on the boards of the Company's focus companies to ensure robust corporate governance processes are in place, facilitating introductions to external advisors and sharing any best practice or helpful tips on new legislation.

#### **Culture**

The Company's is increasingly focussing capital, resources, and expertise on clear thematic areas, focusing on companies whose products and services will meaningfully contribute to a cleaner, healthier, tech-enriched future. The Company prides itself on its high standards of business conduct and expects that its portfolio companies, co-investors and suppliers hold the same high standards when conducting their respective businesses.

## **IP2IPO Limited**

### **Strategic Report for the Year Ended 31 December 2021**

#### **Training**

All of the directors of the Company are also directors of IP Group plc. During 2021, the Board of IP Group plc received training on the s172 requirements, and all directors have therefore received training on their director duties.

#### **Board's decision-making**

The Board considers s172 factors in all of its decisions and once a decision has been made, the decision is documented in the Board minutes and the Board feeds back to the relevant stakeholders as appropriate as part of its continued meaningful stakeholder engagement process. Where appropriate and being mindful of legislative obligations, together with confidentiality, the Board (via IP Group plc) seeks feedback from stakeholders prior to a decision being implemented. The Board then documents its decision-making process for its principal decisions in its s172 statement.

The Board meets once per quarter to formally adopt the strategy of IP Group plc and will hold additional meetings as required to debate and agree any principal decisions.

#### **Principal Decisions**

Detailed in the case study below is an overview of the relevant stakeholder interests which were considered by the Board when it took the decisions to dispose of certain assets.

#### **Disposal of certain assets**

The Board debated the disposal or partial disposal of certain investments in portfolio companies, including certain strategic assets for which the Board of IP Group plc or the Group's Executive Committee, has direct oversight. In relation to decisions regarding disposals, the Board considered the following factors to be relevant:

- IP Group plc as sole shareholder, the shareholders of IP Group plc and consideration of long-term effects of the decision and link with Group's strategy: Alongside the specific stakeholder interests, the Directors considered any long-term effects of the disposal and how this linked to the Group's strategy. One consideration was how these assets fit in with the Group's ESG policy and ethical framework whilst noting that a key part of the Group's strategy is to return financial value from its investee companies to shareholders and a disposal would meet this aim.

The Directors considered how a short-term decision to sell an asset and achieve a financial return linked into the longer-term strategy to create long-term value for its shareholders. In certain circumstances, the Directors concluded that a partial disposal was the most appropriate action, achieving a financial return and strengthening the Group's cash position whilst allowing the Group to retain a significant shareholding (by size and value) in the company to further grow in value over the longer term.

- Portfolio companies: As any disposal decision relates to a sale of the Group's shares in another company, the interests of the underlying company are highly relevant and need to be considered. The Directors considered in each case whether the disposal of the investment could be beneficial to the company, for example by allowing new investors to be introduced to the portfolio company, or whether it may have a possible negative effect, perhaps due to the perception in the market of the Group selling its shares. Engagement with the portfolio company would most typically take place by a direct communication prior to the decision taking place.

- Co-investors: The Directors also considered the interests of any co-investors invested in the relevant portfolio company. Depending on the portfolio company in question, a disposal may be beneficial for co-investors, for example, giving them the opportunity to increase their own shareholdings in the company or alternatively co-investors may be concerned about the wider perception as a result of the Group's sale of shares.

- Employees: When considering disposals, the Directors considered the impact on its employees generally and in particular any employees who may be working with the asset being discussed or acting as a director of such company. In addition, the impact on any other internal teams providing services to portfolio companies (such as IP Capital) were considered. To understand the views of employees, where appropriate, the directors sought feedback via IP Connect or otherwise liaised directly with specific employees.

#### **Consideration of any conflicts**

When making decisions, the directors were aware of the duty to act fairly between members of the company. This was relevant in particular where a shareholder of the Group was also a shareholder in the portfolio company or otherwise had an interest in the disposal. Any Director who had or may have a conflict declared this conflict, and if necessary, was excluded from the decision-making process.

#### **Feedback:**

Once the Board had agreed to dispose of certain of its shares in an asset, direct feedback was delivered to the portfolio company, employees, and any co-investors.


**IP2IPO Limited**

**Strategic Report  
for the Year Ended 31 December 2021**

**Capital Allocation and Dividend Policy**

The Board seeks to ensure that the Company has sufficient capital to optimally pursue its long-term strategic aims. Please refer to the annual report of IP Group plc to 31 December 2021 for further details of the Group's long-term strategic aims and capital allocation. The Company does not currently pay a dividend.

**ON BEHALF OF THE BOARD:**

  
Chris Glasson (Sep 29, 2022 17:59 GMT+1)  
C E Glasson - Director

Date: Sep 29, 2022

## **IP2IPO Limited**

### **Report of the Directors for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

#### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The Directors' report should be read in conjunction with the Strategic report on page 2 (which is incorporated in this Directors' report by reference), which together, include information about the Company's business, its financial performance during the year, and developments in the future.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2021.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

D G Baynes  
G Smith

Other changes in directors holding office are as follows:

A J Aubrey - resigned 9 November 2021  
M C N Townend - resigned 8 November 2021  
C E Glasson - appointed 8 November 2021  
A Leach - appointed 8 November 2021

#### **POLITICAL DONATIONS AND EXPENDITURE**

During 2021 the Company made no political donations (2020: £nil) and charitable donations of £57,650 (2020: £20,961).

#### **PAYMENT OF CREDITORS**

It is the Company's current policy to establish payment terms with suppliers when agreeing terms of supply, to ensure that suppliers are made aware of the terms of payment, and to adhere to those terms. The Company's average creditor payment period at 31 December 2021 was 16 days (2020: 35 days).

#### **GOING CONCERN**

Notwithstanding net current liabilities of £315,891,354 as at 31 December 2021, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's ultimate parent company, IP Group plc not seeking repayment of the amounts currently due to the group, which at 31 December 2021 amounted to £565,399,649. IP Group plc has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.



**IP2IPO Limited**

**Report of the Directors  
for the Year Ended 31 December 2021**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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


**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditor KPMG LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

  
Chris Glasson (Sep 29, 2022 17:59 GMT+1)

C E Glasson - Director

Date: Sep 29, 2022

## **Report of the Independent Auditors to the Members of IP2IPO Limited**

### **Opinion**

We have audited the financial statements of IP2IPO Limited ("the company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- 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 have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that 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 its 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").

In our evaluation of the partners' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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;
- 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 company's ability to continue as a going concern for the going concern period.

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 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 directors as to the Company's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading the Board and Audit & Risk Committee minutes;
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

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 revenue is generated from few sources and transactions are easily verifiable to external 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 to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to revenue and cash.

#### **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 general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

## **Report of the Independent Auditors to the Members of IP2IPO Limited**

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits 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.

Secondly, the Company is subject to many 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. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law and certain aspects of Company's legislation recognising the nature of the Company'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 the directors and other management and inspection of regulatory 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 remained a higher risk of non-detection of fraud, as these 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.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 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.

### **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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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 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 Company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of  
IP2IPO Limited**

**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](http://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 the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Martin (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 29 September 2022

**IP2IPO Limited**

**Statement of Comprehensive Income  
for the Year Ended 31 December 2021**


	Notes	2021 £'000	2020 £'000
<b>TURNOVER</b>	3	745	907
Administrative expenses		<u>(20,469)</u>	<u>(22,730)</u>
		(19,724)	(21,823)
Change in fair value of investments	13	<u>366,432</u>	<u>215,212</u>
<b>OPERATING PROFIT</b>		<b>346,708</b>	<b>193,389</b>
Profit/(loss) on disposal of investments	5	<u>12,265</u>	<u>306</u>
		358,973	193,695
Gain on release of loan obligation	5	-	23,858
Interest receivable and similar income	6	<u>322</u>	<u>658</u>
		359,295	218,211
Interest payable and similar expenses	7	<u>(34)</u>	<u>(58)</u>
<b>PROFIT BEFORE TAXATION</b>	8	<b>359,261</b>	<b>218,153</b>
Tax on profit	10	<u>(1,784)</u>	<u>(516)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>357,477</b>	<b>217,637</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>357,477</b></u>	<u><b>217,637</b></u>

The notes on pages 14 to 31 form part of these financial statements

Balance Sheet  
31 December 2021

	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Intangible assets	11	64	24
Tangible assets	12	155	714
Investments	13	<u>1,097,547</u>	<u>789,358</u>
		1,097,766	790,096
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	14	3,012	1,972
Debtors: amounts falling due after more than one year	14	95,496	75,944
Deposits	15	201,000	118,500
Cash at bank		<u>41,304</u>	<u>66,932</u>
		340,812	263,348
<b>CREDITORS</b>			
Amounts falling due within one year	16	<u>656,703</u>	<u>634,477</u>
<b>NET CURRENT LIABILITIES</b>		<u>(315,891)</u>	<u>(371,129)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		781,875	418,967
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(863)	-
<b>PROVISIONS FOR LIABILITIES</b>	20	<u>(5,362)</u>	<u>(2,956)</u>
<b>NET ASSETS</b>		<u>775,650</u>	<u>416,011</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	40	40
Share premium		3,960	3,960
Retained earnings		<u>771,650</u>	<u>412,011</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>775,650</u>	<u>416,011</u>

The financial statements were approved by the Board of Directors on Sep 29, 2022 and were signed on its behalf by:

  
Chris Glasson (Sep 29, 2022 17:59 GMT+1)

C E Glasson - Director

**IP2IPO Limited****Statement of Changes in Equity  
for the Year Ended 31 December 2021**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2020</b>	40	192,491	3,960	196,491
<b>Changes in equity</b>				
Total comprehensive income	-	217,637	-	217,637
Share-based payment charge	-	<u>1,883</u>	-	<u>1,883</u>
<b>Balance at 31 December 2020</b>	<u>40</u>	<u>412,011</u>	<u>3,960</u>	<u>416,011</u>
<b>Changes in equity</b>				
Total comprehensive income	-	357,477	-	357,477
Share-based payment charge	-	<u>2,162</u>	-	<u>2,162</u>
<b>Balance at 31 December 2021</b>	<u>40</u>	<u>771,650</u>	<u>3,960</u>	<u>775,650</u>

The notes on pages 14 to 31 form part of these financial statements

## **IP2IPO Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1. STATUTORY INFORMATION**

IP2IPO Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of transactions with wholly owned subsidiaries; disclosures in respect of capital management; the effects of new but not yet effective IFRSs; and disclosures of transactions with a management entity that provides key management personnel services to the company. The Company has also applied the exemption from the requirements of IFRS 7 Financial Instruments: Disclosures, the equivalent disclosures are included in the IP Group plc consolidated financial statements.

The financial statements are prepared on a going concern basis, as the directors are satisfied that the Group and parent Company have the resources to continue in business for the foreseeable future. In making this assessment, the directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

##### **Changes in accounting policies**

###### **(i) New standards, interpretations and amendments effective from 1 January 2021**

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that have had a material impact on the Company's financial statements.

###### **(ii) New standards, interpretations and amendments not yet effective**

No new standards, interpretations and amendments not yet effective are expected to have a material effect on the Group's future financial statements.

##### **Going concern**

Notwithstanding net current liabilities of £315,891,354 as at 31 December 2021, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's ultimate parent company, IP Group plc not seeking repayment of the amounts currently due to the group, which at 31 December 2021 amounted to £565,399,649. IP Group plc has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

**Portfolio return and revenue**

**Change in fair value**

Change in fair value of equity and debt investments represents revaluation gains and losses on the Company's portfolio of investments. Gains on disposal of equity investments represent the difference between the fair value of consideration received and the carrying value at the start of the accounting period on the disposal of equity investments. Change in fair value of Limited Partnership investments represents revaluation gains and losses on the Company's investments in Limited Partnership funds. Changes in fair values of assets do not constitute revenue.

**Revenue from services and other income**

All revenue from services is generated primarily from within the United Kingdom and is stated exclusive of value added tax, with further revenue generated in the Group's Australian and US operations. Revenue is recognised when the Company satisfies its performance obligations, in line with IFRS 15. Revenue from services and other income comprises:

**Advisory fees**

Fees earned from the provision of business support services including IP Assist and IP Exec services and fees for IP Group representation on portfolio company boards are recognised as the related services are provided. Corporate finance advisory fees are generally earned as a fixed percentage of total funds raised and recognised at the time the related transaction is successfully concluded. In some instances, these fees are settled via the issue of equity in the company receiving the corporate finance services at the same price per share as equity issued as part the financing round to which the advisory fees apply.

**Financial assets**

In respect of regular way purchases or sales, the Company uses trade date accounting to recognise or derecognise financial assets. The Company classifies its financial assets into one of the categories listed below, depending on the purpose for which the asset was acquired.

**(i) At fair value through profit or loss**

Held for trading and financial assets are recognised at fair value through profit and loss. This category includes equity investments, debt investments and investments in limited partnerships. Investments in associated undertakings, which are held by the Company with a view to the ultimate realisation of capital gains, are also categorised as at fair value through profit or loss. This measurement basis is consistent with the fact that the Company's performance in respect of investments in equity investments, limited partnerships and associated undertakings is evaluated on a fair value basis in accordance with an established investment strategy.

Financial assets at fair value through profit or loss are initially recognised at fair value and any gains or losses arising from subsequent changes in fair value are presented in profit or loss in the statement of comprehensive income in the period which they arise.

**Fair value hierarchy**

The Company classifies financial assets using a fair value hierarchy that reflects the significance of the inputs used in making the related fair value measurements. The level in the fair value hierarchy, within which a financial asset is classified, is determined on the basis of the lowest level input that is significant to that asset's fair value measurement. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices that are observable, such as prices from market transactions.

Level 3 - One or more inputs that are not based on observable market data.

**Equity investments**

Fair value is the underlying principle and is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date" (IPEV guidelines, December 2018).

Where the equity structure of a portfolio company involves different class rights in a sale or liquidity event, the Partnership takes these different rights into account when forming a view on the value of its investment.

**Valuation techniques used**

The fair value of unlisted securities is established using appropriate valuation techniques in line with IPEV guidelines and including IPEV's special guidance issued in March 2020 in response to Covid-19. The selection of appropriate valuation techniques is considered on an individual basis in light of the nature, facts and circumstances of the investment and in the expected view of market participants. The Partnership selects valuation techniques which make maximum use of market-based inputs. Techniques are applied consistently from period to period, except where a change would result in better estimates of fair value. Multiple valuation techniques may be used so that the results of one technique may be used as a cross check/corroboration of an alternative technique.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**2. ACCOUNTING POLICIES - continued**

Valuation techniques used include:

- o Quoted investments: the fair values of quoted investments are based on bid prices in an active market at the reporting date.
- o Milestone approach: an assessment is made as to whether there is an indication of change in fair value based on a consideration of the relevant milestones typically agreed at the time of making the investment decision.
- o Last funding round (per IPEV a form of price of recent investment) involving significant funds from third parties not involved in previous rounds, or where funding was not prorated to previous rounds, is considered by the designated members to provide indicator of fair value
- o Scenario analysis: a forward-looking method that considers one or more possible future scenarios. These methods include simplified scenario analysis and relative value scenario analysis, which tie to the fully diluted ("post-money") equity value, as well as full scenario analysis via the use of the probability-weighted expected return method (PWERM).
- o Current value method: the estimation and allocation of the equity value to the various equity interests in a business as though the business were to be sold on the Measurement Date.
- o Discounted cash flows: deriving the value of a business by calculating the present value of expected future cash flows.
- o Multiples: the application of an appropriate multiple to a performance measure (such as earnings or revenue) of the Investee Company in order to derive a value for the business.

The fair value indicated by a recent transaction is used to calibrate inputs used with valuation techniques including those noted above. At each measurement date, an assessment is made as to whether changes or events subsequent to the relevant transaction would imply a change in the investment's fair value. The Price of a Recent Investment is not considered a standalone valuation technique (see further considerations below). Where the current fair value of an investment is unchanged from the price of a recent financing, the Partnership refers to the valuation basis as 'Recent Financing'.

Price of recent investment as an input in assessing fair value

The Partnership considers that fair value estimates which are based primarily on observable market data will be of greater reliability than those based on assumptions. Given the nature of the Partnership's investments in seed, start-up and early-stage companies, where there are often no current and no short-term future earnings or positive cash flows, it can be difficult to gauge the probability and financial impact of the success or failure of development or research activities and to make reliable cash flow forecasts. Consequently, in many cases the most appropriate approach to fair value is a valuation technique which is based on market data such as the price of a recent investment, and market participant assumptions as to potential outcomes.

Calibrating such scenarios or milestones may result in a fair value equal to price of recent investment for a limited period of time. Often qualitative milestones provide a directional indication of the movement of fair value.

In applying a calibrated scenario or milestone approach to determine fair value consideration is given to performance against milestones that were set at the time of the original investment decision, as well as taking into consideration the key market drivers of the investee company and the overall economic environment. Factors that the Partnership considers include, inter alia, technical measures such as product development phases and patent approvals, financial measures such as cash burn rate and profitability expectations, and market and sales measures such as testing phases, product launches and market introduction.

**Limited Partnerships and Limited Liability Partnerships**

Valuations in respect of Limited and Limited Liability Funds are based on IP Group's share of the Net Asset Value of the fund as per the audited financial statements prepared by the fund manager. The key judgments in the preparation of these accounts relate to the valuation of unquoted investments. Investments in these Limited and Limited Liability Partnerships are recognised at fair value through profit and loss in accordance with FRS 101.

**Debt investments**

Debt investments are generally unquoted debt instruments which are convertible to equity at a future point in time. Such instruments are considered to be hybrid instruments containing a fixed rate debt host contract with an embedded equity derivative. The Partnership designates the entire hybrid contract at fair value through profit or loss on initial recognition and, accordingly, the embedded derivative is not separated from the host contract and accounted for separately. The price at which the debt investment was made may be a reliable indicator of fair value at that date depending on facts and circumstances. Any subsequent remeasurement will be recognised as changes in fair value in the statement of comprehensive income.

2. ACCOUNTING POLICIES – continued

**Deposits**

Deposits comprise longer-term deposits held with financial institutions with an original maturity of greater than three months and, in line with IAS 7 are not included within Cash and cash equivalents. Cash flows related to amounts held on deposit are presented within Investing activities in the Consolidated statement of cash flows.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment: Over 3 to 5 years

Computer equipment: Over 3 to 5 years

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Full provision is made for deferred tax on all temporary differences resulting from the carrying value of an asset or liability and its tax base. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or deferred tax liability settled. Deferred tax assets are recognised to the extent that it is probable that the deferred tax asset will be recovered in the future.

**Employee benefits**

**(i) Pension obligations**

The Company operates a company defined contribution pension scheme for which all employees are eligible. The assets of the scheme are held separately from those of the Company in independently administered funds. The Company currently makes contributions on behalf of employees to this scheme or to employee personal pension schemes on an individual basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

**(ii) Share-based payments**

The Company engages in equity-settled share-based payment transactions in respect of services receivable from employees, by granting employees conditional awards of ordinary shares subject to certain vesting conditions.

Conditional awards of shares are made pursuant to the Company's Long-Term Incentive Plan ("LTIP") awards and/or the Group's Annual Incentive Scheme ("AIS"). The fair value of the shares is estimated at the date of grant, taking into account the terms and conditions of the award, including market-based performance conditions.

The fair value at the date of grant is recognised as an expense over the period that the employee provides services, generally the period between the start of the performance period and the vesting date of the shares. The corresponding credit is recognised in retained earnings within total equity. The fair value of services is calculated using the market value on the date of award and is adjusted for expected and actual levels of vesting. Where conditional awards of shares lapse the expense recognised to date is credited to the statement of comprehensive income in the year in which they lapse.

Where the terms for an equity-settled award are modified, and the modification increases the total fair value of the share-based payment, or is otherwise beneficial to the employee at the date of modification, the incremental fair value is amortised over the vesting period.

**Related party transactions**

In accordance with IAS 24 "Related Parties Disclosures", the Company discloses details of material transactions between the reporting entity and related parties. However, transactions between the Company and other Group companies have not been disclosed in accordance with the exemption in IAS 24 paragraph 16.

3. TURNOVER

The total turnover of the Company for the period has been derived from the provision of business support and advisory services wholly undertaken in the United Kingdom.

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**4. EMPLOYEES AND DIRECTORS**

	2021 £'000	2020 £'000
Wages and salaries	9,079	8,168
Social security costs	1,392	1,220
Share based payment charge	2,161	1,884
Other pension costs	565	555
	<u>13,197</u>	<u>11,827</u>

The average number of employees during the year was as follows:

	2021	2020
Management and administration	<u>60</u>	<u>58</u>

The aggregate emoluments of the directors of the Company are shown below. The remuneration of the highest paid director was £747k (2020: £760k) and company pension contributions of £33k (2020: £37k) were made to a money purchase scheme on his behalf.

	2021 £'000	2020 £'000
Remuneration in respect of directors:		
Salary & annual bonus	2,652	2,460
Pensions *	118	116
	<u>2,770</u>	<u>2,576</u>

\* Pensions includes payments made to defined contribution schemes on behalf of the directors or the value of a cash equivalent, if applicable.

**5. EXCEPTIONAL ITEMS**

	2021 £'000	2020 £'000
Gain on release of loan obligation	-	23,858
Profit/(loss) on disposal of investments	12,265	306
	<u>12,265</u>	<u>24,164</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021 £'000	2020 £'000
Deposit account interest	<u>322</u>	<u>658</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021 £'000	2020 £'000
Interest on lease liabilities	<u>34</u>	<u>58</u>

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**8. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Hire of plant and machinery	9	8
Depreciation - operating lease asset	711	672
Depreciation - owned assets	697	209
Other operating leases	42	-
Computer software amortization	16	7
Foreign exchange differences	453	(119)

**9. AUDITORS' REMUNERATION**

	2021	2020
	£'000	£'000
Fees payable to the Company's auditors for the audit of the Company's financial statements	33	30

**10. TAXATION**

**Analysis of tax expense**

	2021	2020
	£'000	£'000
Current tax:		
Tax	(621)	(2,440)
Deferred tax	2,405	2,956
Total tax expense in statement of comprehensive income	1,784	516

**Factors affecting the tax expense**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£'000	£'000
Profit before income tax	359,261	218,153
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	68,260	41,449
Effects of:		
Expenses not deductible for tax purposes	1	40
Income not taxable for tax purposes	(69,216)	(45,430)
Unrealized Gains	5,280	8,992
Deferred tax not recognized	(1,730)	(2,804)
Permanent difference on share-based payments in the year	(499)	756
Adjustments to tax charge in respect of previous periods	(13)	(2,487)
Fixed asset difference	121	-
Chargeable gains/(losses)	(420)	-
Tax expense	1,784	516

There is a potential deferred tax asset at 31 December 2021 of £2,934k (2020: £56k) in respect of short-term timing differences of 11,736k (2020: £2,979k), losses of £25,429k (2020: £13,819k) capital losses of £101,718k (2020: £47,086k) and fixed asset timing differences of £10k (2020: £32k). This asset has not been recognised in the financial statements due to current uncertainties surrounding the reversal of the underlying timing differences. The deferred tax asset would be recovered if there were future taxable profits from which the reversal of the underlying timing differences could be deducted.

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**11. INTANGIBLE FIXED ASSETS**

	<b>Computer software £'000</b>
<b>Cost</b>	
At 1 January 2021	86
Additions	<u>57</u>
At 31 December 2021	<u>143</u>
<b>Amortisation</b>	
At 1 January 2021	62
Amortisation for year	<u>17</u>
At 31 December 2021	<u>79</u>
<b>Net book value</b>	
At 31 December 2021	<u>64</u>
At 31 December 2020	<u>24</u>

**12. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Totals £'000</b>
<b>Cost</b>			
At 1 January 2021	1,221	401	1,622
Additions	108	31	139
Disposals	<u>(1,221)</u>	<u>(309)</u>	<u>(1,530)</u>
At 31 December 2021	<u>108</u>	<u>123</u>	<u>231</u>
<b>Depreciation</b>			
At 1 January 2021	618	290	908
Charge for year	609	89	698
Eliminated on disposal	<u>(1,221)</u>	<u>(309)</u>	<u>(1,530)</u>
At 31 December 2021	<u>6</u>	<u>70</u>	<u>76</u>
<b>Net book value</b>			
At 31 December 2021	<u>102</u>	<u>53</u>	<u>155</u>
At 31 December 2020	<u>603</u>	<u>111</u>	<u>714</u>

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**13. INVESTMENTS**

	Shares in group undertakings £'000	Limited participation interests £'000	Equity investments in quoted spin-out companies £'000
<b>Cost or valuation</b>			
At 1 January 2021	331	282,558	37,534
Additions	-	30,508	-
Disposals	-	-	(77,394)
Repayment of loans from Limited Partnerships	-	(29,474)	-
Change in fair value during the year	-	94,091	275,776
Fee settled in equity	-	-	-
Transfer from other group entities	-	-	-
Transaction-based reclassifications during the year	-	-	359,023
At 31 December 2021	<u>331</u>	<u>377,683</u>	<u>594,939</u>
<b>Net book value</b>			
At 31 December 2021	<u>331</u>	<u>377,683</u>	<u>594,939</u>
At 31 December 2020	<u>331</u>	<u>282,558</u>	<u>37,534</u>
	Equity investments in unquoted spin out companies £'000	Unquoted debt investments in spin -out companies £'000	Totals £'000
<b>Cost or valuation</b>			
At 1 January 2021	465,877	3,058	789,358
Additions	18,686	-	49,194
Disposals	(4,058)	(25)	(81,477)
Repayment of loans from Limited Partnerships	-	-	(29,474)
Change in fair value during the year	(6,013)	2,578	366,432
Fees settled in equity	14	-	14
Transfer from other group entities	3,500	-	3,500
Transaction-based reclassifications during the year	<u>(353,419)</u>	<u>(5,604)</u>	<u>-</u>
At 31 December 2021	<u>124,587</u>	<u>7</u>	<u>1,097,547</u>
<b>Net book value</b>			
At 31 December 2021	<u>124,587</u>	<u>7</u>	<u>1,097,547</u>
At 31 December 2020	<u>465,877</u>	<u>3,058</u>	<u>789,358</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021

## 13. INVESTMENTS - continued

## Significant equity investments

At 31 December 2021, the Company has investments where it holds 20% or more of the issued share capital in the following companies:

Name of undertaking	Registered address	Proportion of nominal value held %
Accelercomm Limited	Ground Floor Epsilon House Enterprise Road, Chilworth, Southampton, England, SO16 7NS	32.8%
Ordinary A Shares		30.9%
Ordinary Shares		35.4%
Alesi Surgical Limited	Cardiff Medicentre, Heath Park, Cardiff, CF14 4UJ	32%
Ordinary Shares		57%
A Ordinary Shares		100%
Preferred B Shares		28.1%
Preferred C Shares		42%
Preferred Ordinary Shares		40.3%
Amaethon Limited	Popeshead Court Offices, Peter Lane, York, YO1 8SU, United Kingdom	27.6%
A Ordinary Shares		52.9%
B Shares		27.6%
Aperio Pharma Limited	3 Pancras Square, London, England, N1C 4AG	46.1%
Ordinary Shares		46.1%
Arkivum Limited	85 Great Portland Street, London, England, W1W 7LT	30.5%
Ordinary Shares		35.1%
A Ordinary Shares		25.7%
Art of Xen Limited	NHS Liaison Unit, 4th Floor, Mckenzie House, 30-36 Newport Road, Cardiff, United Kingdom, CF24 0DE	99.8%
A Preference Shares		100%
B Preference Shares		100%
Deferred Shares		100%
Asterion Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	66.8%
Ordinary Shares		66.8%
AudioScenic Limited	Suite A, Epsilon House Enterprise Road, Southampton Science Park, Southampton, England, SO16 7NS	33.2%
A Ordinary Shares		33.1%
Ordinary Shares		38.5%
Azuri Technologies Limited	St John's Innovation Centre, Cowley Road, Cambridge, CB4 0WS	30.0%
Ordinary shares		26.2%
A Preference Shares		16.4%
Boxarr Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	45.43%
Ordinary shares		45.43%
Bramble Energy Limited	6 Satellite Business Village, Fleming Way, Crawley, United Kingdom, RH10 9NE	24.9%
Ordinary Shares		21.6%
A Ordinary Shares		30.9%



**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

<b>13. INVESTMENTS - continued</b>		
C-Capture Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	<b>36.9%</b>
Ordinary shares		<b>36.30%</b>
Series A Preference Shares - Non voting		<b>100.00%</b>
<u>Series A Preference Shares</u>		<b>37.01%</b>
Chromosol Limited	27 Churchgate Street, Bury St Edmunds, Suffolk, United Kingdom, IP33 1RG	<b>34.6%</b>
<u>Ordinary Shares</u>		<b>34.6%</b>
Creavo Medical Technologies Limited	Cel House Westwood Way, Westwood Business Park, Coventry, England, CV4 8HS	<b>28.0%</b>
A Shares		<b>70.0%</b>
<u>Ordinary Shares</u>		<b>28.4%</b>
Crysalin Limited	The White Building, 1-4 Cumberland Place, Southampton, United Kingdom, SO15 2NP	<b>25.34%</b>
<u>Ordinary Shares</u>		<b>30.6%</b>
Defenition Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	<b>49.5%</b>
B Ordinary Shares		<b>100.0%</b>
<u>Ordinary Shares</u>		<b>48.5%</b>
Diffblue Limited	Ramsey House, 10 St. Ebbes Street, Oxford, England, OX1 1PT	<b>42.0%</b>
Series A Shares		<b>73.5%</b>
<u>Non-Voting Preference Shares</u>		<b>100.0%</b>
Edgetic Limited	FINDLAY JAMES (INSOLVENCY PRACTITIONERS) LTD, Saxon House Saxon Way, Cheltenham, GL52 6QX	<b>49.0%</b>
Ordinary Shares		<b>55.8%</b>
<u>B Ordinary Shares</u>		<b>100.0%</b>
Emdot Limited	The Walbrook Building, 25 Walbrook, London, United Kingdom, EC4N 8AF	<b>26.27%</b>
<u>Ordinary shares</u>		<b>26.27%</b>
FaultCurrent Limited	2 Sovereign Quay, Havannah Street, Cardiff, CF10 5SF	<b>32.5%</b>
A Shares		<b>30.0%</b>
<u>Ordinary Shares</u>		<b>32.6%</b>
First Light Fusion Limited	Unit 10 Mead Road, Yarnton, Kidlington, Oxfordshire, England, OX5 1QU	<b>28.41%</b>
<u>Ordinary Shares</u>		<b>29.2%</b>
Fluid Pharma Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	<b>40.3%</b>
B Ordinary Shares		<b>87.1%</b>
<u>Ordinary Shares</u>		<b>39.6%</b>
Ibex Innovations Limited	Explorer 2 - Netpark Thomas Wright Way, Sedgefield, Stockton-On-Tees, United Kingdom, TS21 3FF	<b>38.6%</b>
<u>Ordinary Shares</u>		<b>38.6%</b>
Intrinsic Semiconductor Technologies Limit	Dial House, 75 Temple Street, Brill, Buckinghamshire, England, HP18 9SU	<b>43.4%</b>
<u>A Ordinary Shares</u>		<b>43.7%</b>
Ionix Advanced Technologies Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	<b>20.5%</b>
Ordinary Shares		<b>20.4%</b>
<u>B Ordinary Shares</u>		<b>79.0%</b>

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**13. INVESTMENTS - continued**

Istesso Limited	3 Pancras Square, Kings Cross, United Kingdom, EC4N 8AF	27.9%
A Shares		75.58%
Ordinary shares		42.7%
Magnomatics Limited	Park House, Bernard Road, Sheffield, United Kingdom, S2 5BQ	29.90%
Ordinary Shares		15.34%
A Shares		39.07%
C Ordinary Shares - Issue price 2		70.00%
B Shares		100.00%
Microbiotica Limited	Chesterford Research Park, Little Chesterford, Cambridge, England, CB10 1XL	26.9%
Seed Shares		39.8%
Mixergy Limited	30 Upper High Street, Thame, Oxfordshire, OX9 3EZ	26.9%
Ordinary Shares		27.4%
A Ordinary Shares		22.0%
NGenics Global Limited	The Catalyst Baird Lane, Heslington, York, North Yorkshire, YO10 5GA	20.7%
Ordinary Shares		20.7%
OxCCU Tech Limited	C/O James Cowper Kreston 2 Chawley Park, Cumnor Hill, Oxford, Oxfordshire, England, OX2 9GG	27.8%
Ordinary Shares		27.8%
Oxehealth Limited	Magdalen Centre North, Oxford Science Park, Oxford, United Kingdom, OX4 4GA	21.4%
Ordinary Shares		21.4%
OxSyBio Limited	3 Field Court, London, WC1R 5EF	34.5%
Preference shares		28.0%
Ordinary Shares		36.7%
A Shares		70.0%
Perlemax Limited	318 Broad Lane, Kroto Innovation Centre, Sheffield, South Yorkshire, England, S3 7HQ	34.5%
Ordinary Shares		34.5%
Ph Therapeutics Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	60.00%
Ordinary Shares		60.00%
RFC Power Limited	Windsor House, Cornwall Road, Harrogate, England, HG1 2PW	32.4%
Ordinary Shares		34.1%
Spinetic Energy Limited	The Old Post Office, 41-43 Market Place, Chippenham, Wiltshire, England, SN15 3HR	29.6%
Ordinary Shares		29.6%
Surrey Nanosystems Limited	Unit B East Side Business Park, Beach Rd, Newhaven BN9 0FB	21.1%
A Ordinary Shares		32.2%
Ordinary Shares		17.4%
Ubiquigent Limited	Dundee University Incubator Dundee Technopole, James Lindsay Place, Dundee, DD1 5JJ	26.3%
Ordinary Shares		26.3%
Uniphy Limited	Nexus, Discovery Way, Leeds, United Kingdom, LS2 3AA	39.0%
Ordinary Shares		39.1%

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

13.	<b>INVESTMENTS - continued</b>		
	Zeetta Networks Limited	First Floor Templeback, 10 Temple Back, Bristol, United Kingdom, BS1 6FL	21.8%
	Preference Shares		<u>25.4%</u>

Note 1: All holdings are via ordinary shares unless separate classes are specified in the table.

All companies above are incorporated in the United Kingdom. The significant influence noted above has been determined in line with IAS 28 and Schedule 4 of The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008

14.	<b>DEBTORS</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Amounts falling due within one year:		
	Trade debtors	334	345
	Operating lease asset	1,131	653
	Other debtors	891	350
	Receivable on sale of debt and equity investments	306	100
	Prepayments and accrued income	<u>350</u>	<u>524</u>
		<u>3,012</u>	<u>1,972</u>
	Amounts falling due after more than one year:		
	Amounts owed by group undertakings	<u>95,496</u>	<u>75,944</u>
	Aggregate amounts	<u>98,508</u>	<u>77,916</u>

15.	<b>CURRENT ASSET INVESTMENTS</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Deposits	<u>201,000</u>	<u>118,500</u>

Deposits comprise longer-term deposits held with financial institutions with an original maturity of greater than three months.

16.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Leases (see note 18)	336	658
	Trade creditors	203	437
	Amounts owed to group undertakings	650,450	630,504
	Social security and other taxes	346	519
	Other creditors	487	41
	Long Term Incentive Carry Scheme	1,353	-
	Accruals and deferred income	<u>3,528</u>	<u>2,318</u>
		<u>656,703</u>	<u>634,477</u>

17.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>£'000</b>
	Leases (see note 18)	<u>863</u>	<u>-</u>

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**18. FINANCIAL LIABILITIES - BORROWINGS**

	2021 £'000	2020 £'000
Current:		
Leases (see note 19)	<u>336</u>	<u>658</u>
Non-current:		
Leases (see note 19)	<u>863</u>	<u>-</u>

**Terms and debt repayment schedule**

	1 year or less £'000	1-2 years £'000	2-5 years £'000	Totals £'000
Leases	<u>336</u>	<u>480</u>	<u>383</u>	<u>1,199</u>

**19. LEASING**

**Lease liabilities**

Minimum lease payments fall due as follows:

	2021 £'000	2020 £'000
Net obligations repayable:		
Within one year	336	658
Between one and five years	<u>863</u>	<u>-</u>
	<u>1,199</u>	<u>658</u>

**20. PROVISIONS FOR LIABILITIES**

	2021 £'000	2020 £'000
Deferred tax	<u>5,362</u>	<u>2,956</u>
		<b>Deferred tax</b>
		£'000
Balance at 1 January 2021		2,956
Charge to Statement of Comprehensive Income during year		<u>2,406</u>
Balance at 31 December 2021		<u>5,362</u>

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

**21. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£'000	£'000
40,100	Ordinary	Ordinary shares of £1 each	<u>40</u>	<u>40</u>

The Company has one class of ordinary shares with a par value of £1 ("Ordinary Shares") which carry equal voting rights, equal rights to income and distributions of assets on liquidation, or otherwise, and no right to fixed income.

**22. CAPITAL COMMITMENTS**

Pursuant to the terms of their Limited Partnership agreements, the Company has committed to invest the following amounts into Limited Partnerships as at 31 December 2021:

Partnership	Year of commencement of partnership	Original commitment £'m	Invested to date £'m	Remaining commitment £'m
IP Venture Fund II L.P.	2013	<u>10.0</u>	<u>9.4</u>	<u>0.6</u>
		<u>10.0</u>	<u>9.4</u>	<u>0.6</u>

As at 31 December 2020:

Partnership	Year of commencement of partnership	Original commitment £'m	Invested to date £'m	Remaining commitment £'m
IP Venture Fund II L.P.	2013	<u>10.0</u>	<u>8.8</u>	<u>1.2</u>
		<u>10.0</u>	<u>8.8</u>	<u>1.2</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021

## 23. RELATED PARTY DISCLOSURES

The Directors who held office at 31 December 2021 had beneficial shareholdings in the following spin-out companies as at 31 December 2021:

Director	Company name	Number of shares held at 01-Jan 2021	Number of shares acquired/(disposed of) in the period	Number of shares held at 31-Dec-21	%
Greg Smith	Alesi Surgical Limited	2	-	2	<0.1%
	Crysalin Limited	149	-	149	<0.1%
	Deepverge plc 1,2,4	725	-	725	<0.1%
	Ditto AI Limited	144,246	-	144,246	<0.1%
	Diurnal Group plc	15,000	-	15,000	<0.1%
	EmDot Limited	4	-	4	0.23%
	Istesso Limited	313,425	-	313,425	0.28%
	Itaconix plc	4,500	-	4,500	<0.1%
	Perachem Holdings plc 1	4,830	-4,830	-	0.00%
	Mirriad Advertising plc	16,667	-	16,667	<0.1%
	Oxbotica Limited	8	-	8	<0.1%
	Oxford Nanopore Technologies plc 5	1,600	25,408	27,008	<0.1%
	Surrey Nanosystems Limited	88	-	88	<0.1%
	Tissue Regenix Group plc	50,000	-	50,000	<0.1%
	Xeros Technology plc 3	13	-	13	<0.1%
David Baynes	Alesi Surgical Limited	4	-	4	<0.1%
	Arkivum Limited	377	-	377	<0.1%
	Creavo Medical Technologies Limited	46	-	46	<0.1%
	Diurnal Group plc	73,000	-	73,000	<0.1%
	Mirriad Advertising plc	16,667	-	16,667	<0.1%
	Oxford Nanopore Technologies plc 5	174	2,610	2,784	<0.1%
	Ultraleap Holdings Limited	2,600	-	2,600	<0.1%
	Zeetta Networks Limited	424	-	424	0.11%
Chris Glasson	8Power Limited	400	-	400	<0.1%
	Audioscenic Limited	967	-	967	<0.1%
	Creavo Medical Technologies Limited	105	-	105	<0.1%
	Istesso Limited	9,009	-	9,009	<0.1%
	Mirriad Advertising plc	8,064	-	8,064	<0.1%
	Oxbotica Limited	34	-	34	<0.1%
	Oxehealth Limited	328	-	328	<0.1%
	Topivert Limited - B2 Preferred Shares	3,000	-	3,000	<0.1%
	Ultraleap Holdings Limited	1,585	-	1,585	<0.1%
Angela Leach	Amaethon Limited - Ordinary Shares	2	-	2	<0.1%
	Amaethon Limited - B Shares	1,394	-	1,394	<0.1%
	Amaethon Limited - A Ordinary Shares	12	-	12	<0.1%
	Alesi Surgical Limited	2	-	2	<0.1%
	Boxarr Limited	102	-	102	<0.1%
	Bramble Energy Limited	8	-	8	<0.1%
	Creavo Medical Technologies Limited	23	-	23	<0.1%
	Crysalin Limited	149	-	149	<0.1%
	Deep Matter Group plc	68,101	-	68,101	<0.1%
	Deepverge plc 1,2,4	1,557	-	1,557	<0.1%
	Ditto AI Limited	180,308	-	180,308	<0.1%
	Diurnal Group plc	11,500	-	11,500	<0.1%
	Emdot Limited	4	-	4	0.23%

**IP2IPO Limited**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2021**

First Light Fusion Limited	27	-	27	<0.1%
Ieso Digital Health Limited - B2 Preferred Shares	-	29	29	<0.1%
Istesso Limited - A Shares	322,923	-	322,923	0.29%
Itaconix plc	4,500	-	4,500	<0.1%
Mixergy Limited	-	206	206	0.03%
Mirriad Advertising plc	16,667	-	16,667	<0.1%
Oxbotica Limited	3	-	3	<0.1%
Oxford Nanopore Technologies plc 5	1,795	36,085	37,880	<0.1%
Surrey Nanosystems Limited	78	-	78	<0.1%
Tissue Regenix Group plc	146,791	-	146,791	<0.1%
Ultraleap Holdings Limited	500	-	500	<0.1%
Xeros Technology Group plc	16	-	16	<0.1%

**Ex-Director, listed from 1st January 2021 - 8th November 2021**

Director	Company name	Number of shares held at 01-Jan2020	Number of shares acquired/ (disposed of) in the period	Number of shares held at 8-Nov-21	%
Alan Aubrey	Accelercomm Limited	638	-	638	0.12%
	Alesi Surgical Limited	18	-	18	<0.1%
	Amaethon Limited - A Shares	104	-	104	3.12%
	Amaethon Limited - B Shares	11,966	-	11,966	1.04%
	Amaethon Limited - Ordinary shares	21	-	21	0.32%
	Boxarr Limited	1,732	-	1,732	0.24%
	Crysalin Limited	1,447	-	1,447	0.14%
	Deep Matter Group plc	1,425,000	-	1,425,000	0.15%
	Deepverge plc 1,2,4	51,927	-	51,927	0.42%
	Ditto AI Limited - Ordinary Shares	1,097,912,028	823,794,068	1,921,706,096	13.62%
	Ditto AI Limited - B Shares	98,876,568	-	98,876,568	0.70%
	Diurnal Group plc	15,000	-	15,000	<0.1%
	EmDot Limited	15	-	15	0.87%
	Istesso Limited	1,185,150	-	1,185,150	1.05%
	Itaconix plc	88,890	-	88,890	<0.1%
	Karus Therapeutics Limited	223	-	223	<0.1%
	Microbiotica Limited	10,000	-	10,000	<0.1%
	Mirriad Advertising plc	33,333	-	33,333	<0.1%
	Oxbotica Limited	29	-	29	<0.1%
	Oxford Advanced Surfaces Limited	1	-	1	<0.1%
	Oxford Nanopore Technologies plc 5	92,725	1,390,875	1,483,600	0.18%
	Perachem Holdings plc 1	108,350	-108,350	-	0%
	Salunda Limited	53,639	-	53,639	<0.1%
	Surrey Nanosystems Limited	453	-	453	0.22%
	Tissue Regenix Group plc	12,174,859	-	12,174,859	0.17%
	Xeros Technology Group plc	228	-	228	<0.1%
	Zeetta Networks Limited	424	-	424	0.11%
Mike Townsend	Amaethon Limited - A Shares	104	-	104	3.12%
	Amaethon Limited - B Shares	11,966	-	11,966	1.04%
	Amaethon Limited - Ordinary shares	21	-	21	0.32%
	Applied Graphene Materials plc	22,619	-	22,619	<0.1%
	Creavo Medical Technologies Limited	117	-	117	<0.1%
	Crysalin Limited	1,286	-	1,286	0.13%
	Deep Matter Group plc	932,944	-	932,944	0.10%
	Deepverge plc 1,2,4	66,549	-	66,549	0.00%

## IP2IPO Limited

### Notes to the Financial Statements - continued for the Year Ended 31 December 2021

Ditto AI Limited	613,048	-	613,048	<0.1%
Diurnal Group plc	15,000	-	15,000	<0.1%
EmDot Limited	14	-	14	0.81%
Istesso Limited	1,185,150	-	1,185,150	1.05%
Itaconix plc	64,940	-	64,940	<0.1%
Mirriad Advertising plc	25,000	-	25,000	<0.1%
Oxbotica Limited	26	-	26	<0.1%
Oxford Advanced Surfaces Limited	1	-	1	<0.1%
Oxford Nanopore Technologies plc 5	28,651	435,349	464,000	<0.1%
Perachem Holdings plc 1	113,222	-113,222	-	0.00%
Surrey Nanosystems Limited	404	-	404	0.19%
Tissue Regenix Group plc	11,550,862	-	11,550,862	0.14%
Ultraleap Holdings Limited	1,224	-	1,224	<0.1%
Xeros Technology Group plc	355	-	355	<0.1%

1 No longer a portfolio company at the balance sheet date.

2 Deepverge plc acquired Modern Water plc. Shares were issued 10:1, Modern Water plc : Deepverge plc. Deepverge plc opening position restated post acquisition of Modern Water plc.

3 Xeros Technology Group plc opening position restated following 100:1 share consolidation.

4 Disclosed number reflects position at the point that the company ceased to be an IP Group holding.

5 Oxford Nanopore Technologies plc underwent a 1:20 share split and reorganisation pre-IPO in September 2021



24. **SHARE-BASED PAYMENT TRANSACTIONS**

**Deferred Bonus Share Plan ("DBSP") awards**

Awards made to employees under the Group's AIS above a certain threshold include 50% deferred into IP Group equity through the grant of nil-cost options under the Group's DBSP. The number of nil-cost options granted under the Group's DBSP is determined by the share price at the vesting date. The DBSP options are subject to further time-based vesting over two years (typically 50% after year one and 50% after year two).

As the 2021 AIS financial performance targets were met and as the number of DBSP options to be granted in order to defer such elements of the AIS payments as are required under our remuneration policy are based on a percentage of employees' salary, the share-based payments line includes the associated share-based payments expense incurred in 2021.

**Long Term Incentive Plan ("LTIP") awards**

Awards under the LTIP take the form of conditional awards of ordinary shares of 2p each in the Group which vest over the prescribed performance period to the extent that performance conditions have been met. The Remuneration Committee imposes objective conditions on the vesting of awards and these take into consideration the guidance of the Group's institutional investors from time to time. Further information on the Group's LTIP is set out in the Directors' Remuneration Report in the IP Group plc 2021 Annual Report.

The 2021 LTIP awards were made on 6 May 2021. The awards will ordinarily vest on 31 March 2024, to the extent that the performance conditions have been met. The awards are based on the performance of the Group's Hard NAV and Total Shareholder Return ("TSR"). Both performance measures are combined into a matrix format to most appropriately measure performance relative to the business, as shown in the Directors' Remuneration Report within the Group's 2020 Annual Report and Accounts. The 2021 LTIP matrix is designed such that up to 100% of the award will vest in full in the event of both Hard NAV increasing by 15% per year on a cumulative basis, from 1 January 2021 to 31 December 2023, and TSR increasing by 15% per year on a cumulative basis from the date of award to 31 March 2023, using an industry-standard average price period at the beginning and end of the performance period. Further, the matrix is designed such that 30% of the award shall vest if the cumulative increase is 8% per annum for both measures over their respective performance periods ("threshold performance"). A straight-line sliding scale is applied for performance between the distinct points on the matrix of vesting targets.

The 2020 LTIP awards were made on 19 June 2020. The awards will ordinarily vest on 31 March 2023, to the extent that the performance conditions have been met. The awards are based on the performance of the Group's Hard NAV and Total Shareholder Return ("TSR"). Both performance measures are combined into a matrix format to most appropriately measure performance relative to the business, as shown in the Directors' Remuneration Report within the Group's 2020 Annual Report and Accounts. The 2020 LTIP matrix is designed such that up to 100% of the award will vest in full in the event of both Hard NAV increasing by 15% per year on a cumulative basis, from 1 January 2020 to 31 December 2022, and TSR increasing by 15% per year on a cumulative basis from the date of award to 31 March 2023, using an industry-standard average price period at the beginning and end of the performance period. Further, the matrix is designed such that 30% of the award shall vest if the cumulative increase is 8% per annum for both measures over their respective performance periods ("threshold performance"). A straight-line sliding scale is applied for performance between the distinct points on the matrix of vesting targets.

The 2019 LTIP awards were made on 26 April 2019 and 51.1% of the 2019 LTIP award based on actual performances against targets vested on 31 March 2022.

The 2018 LTIP awards did not meet the threshold performance target and lapsed on 31 March 2021.

25. **IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The immediate and ultimate parent undertaking was IP Group plc, a public limited company registered in England and Wales. The smallest and largest group into which these accounts are consolidated is IP Group plc. Copies of the ultimate parent company's financial statements may be obtained from the secretary of IP Group plc, 3 Pancras Square, King Cross, London, N1C 4AG.

26. **EVENTS AFTER THE REPORTING PERIOD**

On 5 April 2022, portfolio company First Light Fusion Limited, announced it had achieved nuclear fusion. The UK Atomic Energy Authority (UKAEA) has independently validated the result. The Directors believe that achieving this world-first will at least result in an initial doubling of the value of the Company, with recent comparatives and third-party valuation work suggesting a doubling to quadrupling may be achieved at the next funding round.

Since the year end, the value of the investment in quoted and private equity portfolio has been impacted by declining public market sentiments, which has seen the reduction in the portfolio value as at 28<sup>th</sup> September 2022. The impact of this is a reduction in the portfolio value of £351.1m.