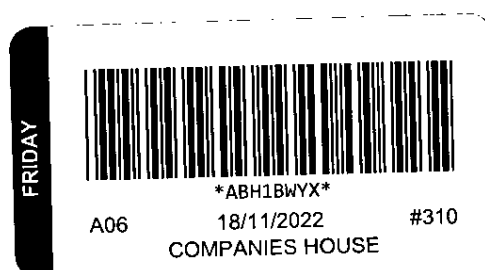


SQW GROUP NEWCO 2018 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



SQW GROUP NEWCO 2018 LIMITED

COMPANY INFORMATION

Directors	D J L Crichton-Miller M H Hess Sir M T Lyons R E Quince K H Wright R M Burns
Company secretary	Pennsec Limited
Registered number	11560281
Registered office	Oxford Centre for Innovation New Road Oxford OX1 1BY
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG
Bankers	HSBC UK Bank Plc 65 Cornmarket Street Oxford OX1 3HY
Solicitors	Penningtons Manches LLP 9400 Garsington Road Oxford Business Road Oxford OX4 2HN

SQW GROUP NEWCO 2018 LIMITED

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SQW GROUP NEWCO 2018 LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The annual report and financial statements presented here are for SQW Group Newco 2018 Limited ('the Company') and its subsidiaries (together 'the Group').

The principal activity of the Company during the period was that of a holding company. The activities of the Group during the year were carried out via the Group's trading subsidiaries:

- the provision of economic and social development consultancy services (via SQW Limited);
- business coaching and support (via Oxford Innovation Services Limited, Oxford Innovation Limited and Intelligent Connections Limited);
- the management of innovation centres (via Oxford Innovation Limited); and
- the facilitation of investment into early-stage businesses (via Oxford Investment Opportunity Network Limited).

Business review

2021/22 was a significant year for the Group; above budget trading in all divisions and strong cash management, in spite of it being a year affected by recovery from the worst of the Covid-19 pandemic, culminated in financial reserves and confidence sufficient to redeem both the Preference Shares and B shares belonging to the previous era of shareholders. The redemption of these two classes of security held by the previous shareholders of the Group, is a very significant event in the long histories of Oxford Innovation and SQW and ensures that the Group's current leadership is motivated and incentivised to continue contributing to the growth of value in its businesses.

The Group's strong trading performance in 2021/22 generated post-tax profit of £565,098 (2020/21: £478,560). This was a very pleasing result, within which we saw continued improvement throughout the year in underlying trading patterns for Oxford Innovation Ltd. whose business was most significantly affected by the Covid pandemic last year. Unfortunately, as we look ahead, the changing macro-economic conditions now give us cause for more caution about the short-term than we would ordinarily feel given the Group's recent strong trading patterns and outlook. Although each part of the group leaves 2021/22 in a strong position, we are under no illusion that our growth plans and expectations need to take account of these uncontrollable external factors.

SQW ('SQW')

2021/22 was a year in which SQW's people were able to enjoy being back together in offices again, albeit now working in a formalised hybrid-manner, following the disruption of the previous Covid-year during which a modest number of team members were furloughed. Delivery of SQW's strong order book was easier to manage this year, due to less client disruption, and the year was one of financial success with turnover up to £5,789,218 (2020/01: £4,819,316) and post-tax profit of £480,184 (2020/21: £436,293) generated.

As was envisaged in 2020/21, a few members of staff resigned to pursue other life options once Covid restrictions were fully lifted. With good team morale, some new recruits joining, a strong order book which is well balanced across all of SQW's main market segments, and with good prospects, the Board endorse SQW's confidence as we go into 2022/23. We continue to believe that the nature of SQW's services, since they relate to advising on economic development, the recovery of local areas and regions, policies that support the creation and success of innovation and enterprise as well as the evaluation of public programmes that support social and economic vitality, is going to be more critical than ever.

Oxford Innovation Services ('OIS')

Oxford Innovation Services ('OIS') enjoyed a solid year of good financial and operational performance. The business continued to grow in a few small areas of publicly as well as privately funded work, extended the range of services provided to some of our clients and also delivered a significant number of supply chain and mentoring projects; against this progress, one of our larger Cornwall-based programmes reduced in size, as planned and as a result of the tapering of its funding.

SQW GROUP NEWCO 2018 LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

We have been pleased by the growing interest amongst Local Enterprise Partnerships ('LEPs') in our GROWTHmapper platform of business diagnostic tools. This year, our GROWTHmapper was delivered in over 20 LEP areas and the product range was expanded with the development of a new sustainability module which has proved to be particularly useful for businesses as they navigate the challenges and opportunities arising from net zero targets and ESG reporting.

OIS were also pleased to be awarded towards the end of the year the contract to run the Community Renewal Fund 'Food and Drink' programme in Cornwall. This work is in addition to the larger and longer-term programmes delivered by the company which, in spite of one programme reducing in size, continued to deliver very well, such that we were pleased to receive confirmation of modest ERDF-programme extensions as remaining allocations of funding were made available.

The 105-strong OIS team continue to provide high quality coaching and business support for high-growth SMEs across the UK – reaching from Cornwall up to Yorkshire, through the Midlands and the South and across to Kent - and to generate significant economic benefit through these programmes, large and small. These programmes include the flagship Manufacturing Growth Programme, the largest programme of business advice and support to SME manufacturers in the UK. Although turnover reduced slightly from £10.3m in 2021 to £9.9m in 2022, the Board were very pleased with the company's performance this year, and in particular, the continued high standard of programme delivery and high regard with which OIS are held with all clients and funders: this is a factor of great import as we navigate our way from predominantly European funding and LEPs to the new Shared Prosperity Fund and new structures for commissioning business support programmes.

Oxford Investment Opportunity Network's ('OION')

Oxford Investment Opportunity Network's ('OION') key role in uniting exciting young businesses with keen investors across the UK was executed very well during 2021/22.

Following the successful close of the Company's first EIS Fund – the Oxford Innovation EIS Growth Fund – in March 2021, this year saw the full deployment of Fund 1 in nine promising, innovative tech companies. In addition to these fund investments, the team ran 7 well attended online showcase events during the year at which a significant number of companies received investment from OION angels. The successful companies received an average of £201k per company from our committed, and growing, angel investor community.

Fundraising commenced for the second EIS Fund in January 2022 and, in spite of more challenging macro-economic conditions, the Board were pleased to close the fund during the first quarter of 2022/23. Deployment of fund 2 is already well underway, with no apparent shortage of high growth tech companies from which to carefully select investment opportunities during 2022/23.

Record-breaking turnover of £351,151 (2019/20: £177,797) was generated in the year of which £115,000 was attributable directly to the Fund's activities. Due to the high level of investment activity by our angels, success fees generated from the investment network was over twice that of the prior year; testament to the quality of presenting companies and to the alignment of interests with the angels attracted to our network. 43% of the network's success fees were generated from companies in which angels co-invested alongside our EIS Fund; this reinforces the synergies that exist between OION's two streams of activity in investing our Fund and in facilitating angel investment. No other income (2020/21: £23,982) was generated from carried interest during the year.

As we look forward, we are starting to witness a much more challenging environment for early-stage investing. The turbulence in financial markets and the rise in inflation and interest rates are all likely to contribute to a diminished risk appetite vs that enjoyed in 2021/22. However, longer term, the Board remain confident in OION's business model and its potential for success, as demonstrated by our first full year of fund investment activity and a successful fundraising round in 2021/22.

Oxford Innovation ('OI')

Oxford Innovation ('OI'), the innovation centres division, has felt the greatest impact of the Covid in the Group. In 2020/21, the company ended the year with signs of recovery emerging across its portfolio of 26 centres and we have been pleased to see that upward trajectory continue into 2021/22, this has driven a 13% year-on-year improvement in turnover and operating losses reduce from £(141,582) in 2021 to £(64,548) in 2022. Excluding the impact of furlough grants received by the company in both years, it is encouraging to note that operating profit has improved year-on-year by £505,614.

SQW GROUP NEWCO 2018 LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Three new centre opportunities were won during the year: Salford Innovation Forum joined the portfolio during 2021/22, and Vulcan Works in Northampton and The Launchpad in Southend-on-Sea – one a new-build and one significantly refurbished - will join the portfolio in 2022/23. These all represent perfect example of centres where Oxford Innovation's proposition will help make a difference to the place in which the centre is located, through supporting the development of economically significant clusters of SMEs attracted by the centres' community and business support.

In spite of having navigated well through what we hope has been the very worst of Covid, there is now new uncertainty about the impact that high inflation, growing interest rates, and volatile utility prices will have on our centre customers and clients. We do not currently envisage this having a significant impact on the demand for flexible workspace, but we do remain on alert, particularly in light of news from many of the providers of generic office space that their portfolio valuations and operating income are well down on previous years. Our pipeline of new contract opportunities provides assurance that there will continue to be demand from clients for operators of innovation space and public authorities or developers seeking to create communities or hubs of small businesses. The Board echo's OI's confidence that it is in a good position to benefit from these opportunities and from the continuing upswing in occupancy and license fee rates.

Looking ahead for the group

Overall, the Board are positive, but cautious, about the Group in 2022/23. The grounds for optimism come from our trading experience of the last few years: our prudence arises from the macro-economic and to some extent the political environment in which we find ourselves. Encouraged by strong performance from all parts of the group in 2021/22, the renewed impetus created as a result of the Preference and B share redemption, and strength demonstrated during the worst of Covid the year before, we remain confident in the management team's ability to build from the current successful foundations a business of significant value.

Principal risks and uncertainties

The Group is exposed to a variety of financial risks resulting from its operating activities. The board is responsible for determining the group's financial risk management policy and focuses on securing the Group's cash flows.

The Group does not actively engage in the trading of financial assets and has no financial derivatives. The most significant risks to which the Group is exposed to are described below:

Credit Risk

The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of any allowance for doubtful debts, as estimated by the directors. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

Cash Flow Risk

The Group seeks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by Management actively monitoring future cash flow requirements on a regular basis.

Interest rate risk

£0.2m of the £0.5m debt facility that was put in place between the Company and HSBC during 2019 remains outstanding as at 31 March 2022. Interest on the loan is payable monthly and is at a variable rate of interest. Whilst the group has adequate headroom in terms of interest cover to comfortably meet modest rises in interest rates, the monthly interest payment commitment does represent an element of exposure for the group whilst the 4-year facility is still in place.

People risk

The Group is at all times exposed to the risk that the most critical contributors among its people may decide to pursue other careers or paths. We would pay tribute to the establishment of a scheme for our leaders to become shareholders of the Group; this being a means of both aligning interests as well as ensuring a deepening of commitment by, and therefore retention of, our senior people. We pay careful attention through processes of salary adjustment, bonus awards, feedback and development in seeking to retain our key people. To date we feel satisfied with the outcomes achieved; however, this risk is one that requires constant attention.

SQW GROUP NEWCO 2018 LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

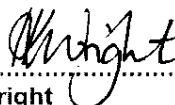
Financial key performance indicators

Group turnover for the year was £22,479,877 (2021: £20,999,974).
Group gross profit for the year was £4,634,248, (2021: £3,634,485).
Group operating profit for the year was £727,811 (2021: £601,514).
Group profit on ordinary activities before taxation for the period was £721,370 (2021: 592,433).
Earnings per share based on retained profit for the year (the standard method of calculation) was 0.33p (2021:0.28p) and based on profits before tax 0.42p (2021:0.34p).
Group cash at bank at 31 March 2022 was £2,565,284 (2021: £4,392,886). Net Current Assets were £2,315,192 as at 31 March 2022 (2021: £1,435,336).

Other key performance indicators

The Group does not currently monitor any non-financial performance indicators.

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


.....
K H Wright
Director
Date: 21st July 2022

SQW GROUP NEWCO 2018 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors

The directors who served during the year were:

D J L Crichton-Miller
M H Hess
Sir M T Lyons
R E Quince
K H Wright
R M Burns

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £565,098 (2021 - £478,560).

No final dividend has been proposed to shareholders by the directors for the period ended 31 March 2022 and, no interim dividend is expected to be recommended.

SQW GROUP NEWCO 2018 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Engagement with employees

Employee engagement

The Group's employees ('our people') are at the heart of our business. The engagement and motivation of our +260 people are not only important to us as an employer, but also matter to our customers and clients. The Group is employee-owned, with the current senior management team having led a Management Buyout in 2018, for which final payments to former shareholders were settled this year, in March 2022. This management-ownership structure puts our people at the heart of not only the management of the business, but also its ultimate financial success. We believe the Group is best driven by a motivated team and, as such, the Board is constantly looking to the next generation, via Employee Share Options awards, to motivate and retain its management talent for the good of the future of the business.

During 2021/22, employees have continued to receive formal monthly updates on a company-by-company-basis via the mode of communication that best suits: whether via monthly call, email note, or newsletter, key information continues to be shared by each Divisional Managing Director with all their staff. These formal monthly touchpoints for all staff continue to be the most important way for management to engage and update employees on matters that affect them most – this includes financial performance, staff movements, contract wins and any notable impacts of external economic factors that may affect the business. In addition, other less formal company-wide updates, including company away-days which act as important events for communication as well as team and confidence-building, take place and groupwide updates are also made by the Group CEO, usually via email, when events suggest it would be helpful.

Feedback and two-way communication is an important part of the Group's approach to ensuring the engagement, well-being and motivation of our people. The Board considers the Employee Surveys undertaken by each trading division to be one of its principal tools to measure employee engagement, motivation, affiliation, and commitment to the Group. Indeed, one of the trading divisions is investing in a new online engagement platform in 2022 to facilitate greater levels of communication and more frequent, real-time engagement data. Surveys are tailored to the activities of each division and the results are shared with staff: both feedback and any resulting actions to be taken in light of them are fed back via monthly updates. The surveys provide critical insights into employee views and all have a consistently high response rate.

It is important to the Board that employees are encouraged to not only receive updates and provide feedback through monthly meetings, or Employee Surveys, but also be part of forums that enable consultation over key matters. Consultative forums are set up on particular topic areas from time to time in all parts of the Group – led at a divisional level. The company has undergone a number of consultations over working patterns over the past year and our flexible working policies reflect the views of not only the management teams, but the whole staff base. In addition, a number of formal team structures are in place across the group – from junior forums, middle management teams and senior Management Boards within each division, to the Executive Board at Group level – all have collaboration and consultation at their heart.

Equal opportunities

The Board firmly believes that a diverse workforce is an asset to the business and is key to our ability to respond to the needs of our clients and the wide range of small businesses we support. The Group takes, and will continue to take, active measures to maintain a diverse and inclusive culture. This forms part of our emerging policy on Environmental, Social and Governance ('ESG') which will be shared during 2022/23.

The Group gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. We proactively ask all new staff to inform us if they have any specific needs with which we can support them, and if they consider themselves to be disabled. Staff are able to update HR at any time via the self-service HR portal should circumstances change during the course of someone's employment with the Group. Any additional support required is assessed and, where possible, provided in order to enable staff to continue in their role whether that be via making reasonable adjustments, training or emotional support. We have trained Mental Health First Aiders across the Group and provide an Employee Assistance Programme and access to digital medical appointments – or, in certain circumstances, financial support via Permanent Health Insurance offered to all staff. Any disabled person would receive the same training, career development and promotion opportunities as any other employee.

SQW GROUP NEWCO 2018 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Disclosure of information to auditor

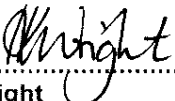
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


.....
K H Wright
Director
Date: 21st July 2022

SQW GROUP NEWCO 2018 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SQW GROUP NEWCO 2018 LIMITED

Opinion

We have audited the financial statements of SQW Group Newco 2018 Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

SQW GROUP NEWCO 2018 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SQW GROUP NEWCO 2018 LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SQW GROUP NEWCO 2018 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SQW GROUP NEWCO 2018 LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.


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

SQW GROUP NEWCO 2018 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SQW GROUP NEWCO 2018 LIMITED (CONTINUED)

Use of our report

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



Sue Staunton FCA CF (Senior statutory auditor)
for and on behalf of

James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG
Date: 21 July 2022

SQW GROUP NEWCO 2018 LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	22,479,877	20,999,974
Cost of sales		(17,845,629)	(17,365,489)
Gross profit		4,634,248	3,634,485
Administrative expenses		(4,005,988)	(3,694,726)
Other operating income		99,551	661,755
Operating profit	5	727,811	601,514
Interest receivable and similar income		36	-
Interest payable and similar expenses	8	(6,477)	(9,081)
Profit before tax		721,370	592,433
Tax on profit	9	(156,272)	(113,873)
Profit for the financial year		565,098	478,560
Profit for the year attributable to:			
Owners of the parent company		565,098	478,560
		565,098	478,560

There was no other comprehensive income for 2022 (2021:£NIL).

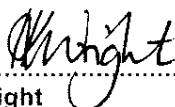
The notes on pages 19 to 36 form part of these financial statements.

SQW GROUP NEWCO 2018 LIMITED
REGISTERED NUMBER: 11560281

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	462,577	548,362
		462,577	548,362
Current assets			
Debtors: amounts falling due within one year	12	5,099,992	5,253,607
Cash at bank and in hand	13	2,565,284	4,392,886
		7,665,276	9,646,493
Current liabilities			
Creditors: amounts falling due within one year	14	(5,350,084)	(5,211,157)
Net current assets		2,315,192	4,435,336
Total assets less current liabilities		2,777,769	4,983,698
Creditors: amounts falling due after more than one year	15	-	(192,308)
Provisions for liabilities			
Deferred tax	17	(80,620)	(55,472)
Other provisions	18	(1,393,564)	(1,642,607)
		(1,474,184)	(1,698,079)
Net assets		1,303,585	3,093,311
Capital and reserves			
Called up share capital	19	172,000	187,985
Share premium account	20	2,100	1,951,830
Profit and loss account	20	1,129,485	953,496
		1,303,585	3,093,311

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
K H Wright
Director

Date: 21st July 2022

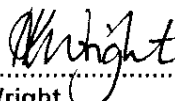
The notes on pages 19 to 36 form part of these financial statements.

SQW GROUP NEWCO 2018 LIMITED
REGISTERED NUMBER: 11560281

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	11	3,971,259	3,971,259
		<u>3,971,259</u>	<u>3,971,259</u>
Current assets			
Debtors: amounts falling due within one year	12	428	4,000
Cash at bank and in hand	13	13,970	27,144
		<u>14,398</u>	<u>31,144</u>
Creditors: amounts falling due within one year	14	(3,810,261)	(1,698,077)
Net current liabilities		<u>(3,795,863)</u>	<u>(1,666,933)</u>
Total assets less current liabilities		<u>175,396</u>	<u>2,304,326</u>
Creditors: amounts falling due after more than one year	15	-	(192,308)
Net assets		<u><u>175,396</u></u>	<u><u>2,112,018</u></u>
Called up share capital	19	172,000	187,985
Share premium account	20	2,100	1,951,830
Profit and loss account brought forward		(27,797)	(23,371)
Profit/(loss) for the year		418,202	(4,426)
Other changes in the profit and loss account		(389,109)	-
Profit and loss account carried forward		<u>1,296</u>	<u>(27,797)</u>
		<u><u>175,396</u></u>	<u><u>2,112,018</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
K H Wright
Director
Date: 21st July 2022

The notes on pages 19 to 36 form part of these financial statements.

SQW GROUP NEWCO 2018 LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2020 (as previously stated)					
Prior year adjustment	187,985	1,951,830	480,035	2,619,850	2,619,850
	-	-	(5,099)	(5,099)	(5,099)
At 1 April 2020 (as restated)	187,985	1,951,830	474,936	2,614,751	2,614,751
Profit for the year	-	-	478,560	478,560	478,560
At 1 April 2021	187,985	1,951,830	953,496	3,093,311	3,093,311
Profit for the year	-	-	565,098	565,098	565,098
Distribution to shareholders	-	-	(389,109)	(389,109)	(389,109)
Share redemption	(15,985)	-	-	(15,985)	(15,985)
Capital reduction	-	(1,949,730)	-	(1,949,730)	(1,949,730)
At 31 March 2022	172,000	2,100	1,129,485	1,303,585	1,303,585

The notes on pages 19 to 36 form part of these financial statements.

SQW GROUP NEWCO 2018 LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2020	187,985	1,951,830	(23,371)	2,116,444
Loss for the year	-	-	(4,426)	(4,426)
At 1 April 2021	<u>187,985</u>	<u>1,951,830</u>	<u>(27,797)</u>	<u>2,112,018</u>
Profit for the year	-	-	418,202	418,202
Distribution to shareholders	-	-	(389,109)	(389,109)
Share redemption	(15,985)	-	-	(15,985)
Capital reduction	-	(1,949,730)	-	(1,949,730)
At 31 March 2022	<u><u>172,000</u></u>	<u><u>2,100</u></u>	<u><u>1,296</u></u>	<u><u>175,396</u></u>

The notes on pages 19 to 36 form part of these financial statements.

21st July 2022

SQW GROUP NEWCO 2018 LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	565,098	478,560
Adjustments for:		
Depreciation of tangible assets	216,441	242,925
Loss on disposal of tangible assets	41,145	-
Interest paid	6,477	9,082
Interest received	(36)	-
Taxation charge	156,272	113,873
Decrease in debtors	153,615	1,331,641
Increase in creditors	141,765	762,231
(Decrease) in provisions	(249,043)	(147,760)
Corporation tax (paid)	(203,194)	(88,417)
Net cash generated from operating activities	<u>828,540</u>	<u>2,702,135</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(177,747)	(99,560)
Sale of tangible fixed assets	5,946	49,195
Interest received	36	-
Net cash from investing activities	<u>(171,765)</u>	<u>(50,365)</u>
Cash flows from financing activities		
Share redemption	(2,354,824)	-
Repayment of loans	(123,077)	(59,615)
Interest paid	(6,477)	(9,081)
Net cash used in financing activities	<u>(2,484,378)</u>	<u>(68,696)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,827,603)</u>	<u>2,583,074</u>
Cash and cash equivalents at beginning of year	4,392,886	1,809,812
Cash and cash equivalents at the end of year	<u><u>2,565,283</u></u>	<u><u>4,392,886</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,565,283	4,392,886
	<u><u>2,565,283</u></u>	<u><u>4,392,886</u></u>

The notes on pages 19 to 36 form part of these financial statements.

SQW GROUP NEWCO 2018 LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022**

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	4,392,886	(1,827,602)	-	2,565,284
Debt due after 1 year	(192,308)	123,077	(123,077)	(192,308)
Debt due within 1 year	(123,077)	-	123,077	-
	<u>4,077,501</u>	<u>(1,704,525)</u>	<u>-</u>	<u>2,372,976</u>

The notes on pages 19 to 36 form part of these financial statements.

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

SQW Group Newco 2018 Limited is a limited liability company incorporated in the United Kingdom and registered in England & Wales. The Company's registered office is Oxford Centre for Innovation, New Road, Oxford OX1 1BY.

The principal activity of the Company is that of a holding company. The activities of the Group during the year were the provision of economic and social development consultancy services, business coaching and support, the management of innovation centres and the facilitation of investment into early stage businesses.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP, rounded to the nearest pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably.
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

When losses are anticipated on projects, the loss is recognised in full during the year in which it is first foreseen.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.6 Government grants

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

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

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

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

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold improvements	- Over the life of the lease
Fixtures & fittings	- 2 to 7 years
Computer & office equipment	- 2 to 7 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effects on amounts recognised in the financial statements.

Revenue recognition (note 4)

Revenue and costs have been recognised based on management's assessment of the stage of completion for each project, taking in to account the amounts repayable to customers.

Taxation (note 9)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and the level of future taxable profits, together with future planning strategies.

Contract obligations (note 18)

The directors have considered the obligations arising from contracts and have provided for liabilities where costs can be reliably estimated.

SQW GROUP NEWCO 2018 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
Economic and social development consultancy	5,789,218	4,819,316
Business coaching and support	9,933,000	10,317,654
Innovation centre management	6,406,508	5,661,225
Management of investment networks and Fund	351,151	201,779
	22,479,877	20,999,974

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	22,479,877	20,999,974
	22,479,877	20,999,974

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	216,441	242,925
Exchange differences	4,237	(4,316)
Other operating lease rentals	40,967	34,091

6. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	41,750	46,000

Fees payable to the Group's auditor and its associates in respect of:

	2022	2021
	£	£
Taxation compliance services	7,450	9,000
All other services	11,500	7,000
	18,950	16,000

SQW GROUP NEWCO 2018 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £
Wages and salaries	12,079,169	11,834,897
Social security costs	703,593	710,115
Cost of defined contribution scheme	323,721	394,631
	<u>13,106,483</u>	<u>12,939,643</u>

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

	2022 No.	2021 No.
Direct staff	230	250
Administrative staff	41	40
	<u>271</u>	<u>290</u>

There are no directors remunerated through the parent company.

Directors are employed and remunerated in subsidiary companies in respect of their services to those entities. The remuneration for the year totals £788,907 (2021: £618,211)

8. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	6,352	9,035
Other loan interest payable	125	46
	<u>6,477</u>	<u>9,081</u>

SQW GROUP NEWCO 2018 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	131,124	150,132
Adjustments in respect of previous periods	-	1,335
	<u>131,124</u>	<u>151,467</u>
	<u>131,124</u>	<u>151,467</u>
Total current tax	<u>131,124</u>	<u>151,467</u>
Deferred tax		
Origination and reversal of timing differences	25,148	(34,728)
Adjustment in respect of prior periods	-	(2,866)
	<u>25,148</u>	<u>(37,594)</u>
Total deferred tax	<u>25,148</u>	<u>(37,594)</u>
Taxation on profit on ordinary activities	<u>156,272</u>	<u>113,873</u>

SQW GROUP NEWCO 2018 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	721,370	592,433
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	137,060	112,562
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,999	4,769
Capital allowances for year in excess of depreciation	(12,102)	2,629
Income not taxable	15	(4,557)
Adjustments to tax charge in respect of prior periods	-	1,335
Other differences leading to an increase (decrease) in the tax charge	20,300	(2,865)
Total tax charge for the year	156,272	113,873

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. As a result of the rate change the corporation tax expense for the period has increased and the deferred tax liability has increased. The impact of these changes is not expected to be material.

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Computer & office equipment £	Total £
Cost or valuation				
At 1 April 2021	717,751	250,671	1,284,851	2,253,273
Additions	61,108	13,555	103,084	177,747
Disposals	(371,035)	(52,106)	(169,609)	(592,750)
At 31 March 2022	407,824	212,120	1,218,326	1,838,270
Depreciation				
At 1 April 2021	492,302	124,639	1,087,970	1,704,911
Charge for the year	63,791	50,530	102,120	216,441
Disposals	(330,984)	(50,161)	(164,514)	(545,659)
At 31 March 2022	225,109	125,008	1,025,576	1,375,693
Net book value				
At 31 March 2022	182,715	87,112	192,750	462,577

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Fixed asset investments

Group

	Investments in associates £
Cost or valuation	
At 1 April 2021	13
At 31 March 2022	<u>13</u>
Impairment	
At 1 April 2021	13
At 31 March 2022	<u>13</u>
Net book value	
At 31 March 2022	<u><u>-</u></u>

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	3,971,259
At 31 March 2022	<u>3,971,259</u>
Net book value	
At 31 March 2022	<u><u>3,971,259</u></u>

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
SQW Group Limited	Holding company	Ordinary	100%
SQW Limited	Management consultancy	Ordinary	100%
Oxford Innovation Limited	Innovation centres	Ordinary	100%
Oxford Innovation Services Limited	Coaching services	Ordinary	100%
Oxford Investment Opportunity Network Limited	Investment network and Fund manager	Ordinary	100%
Intelligent Connections Limited	SME Support	Ordinary	100%

Parent company guarantee

The following subsidiary companies are exempt from the requirements under the Companies Act 2006 relating to the audit of financial statements under section 479A of that Act. SQW Group Newco 2018 Limited has provided a parent company guarantee over the liabilities of each of these subsidiary companies, pursuant to section 479C of the Companies Act 2006.

Company name	Company number
Intelligent Connections Limited	12017109
SQW Group Limited	04947276

12. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	2,659,034	2,345,847	-	-
Amounts owed by group undertakings	-	-	-	1,681
Other debtors	206,489	338,441	-	1,939
Prepayments and accrued income	2,234,379	2,569,239	338	300
Tax recoverable	90	80	90	80
	5,099,992	5,253,607	428	4,000

13. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	2,565,284	4,392,886	13,970	27,144
	2,565,284	4,392,886	13,970	27,144

SQW GROUP NEWCO 2018 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	192,308	123,077	192,308	123,077
Trade creditors	465,394	357,381	-	-
Amounts owed to group undertakings	-	-	3,615,622	1,575,000
Corporation tax	77,093	149,163	2,331	-
Other taxation and social security	909,552	769,141	-	-
Other creditors	309,004	322,308	-	-
Accruals and deferred income	3,396,733	3,490,087	-	-
	<u>5,350,084</u>	<u>5,211,157</u>	<u>3,810,261</u>	<u>1,698,077</u>

Amounts owed to group undertakings are non-interest bearing and repayable on demand.

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	192,308	-	192,308
	<u>-</u>	<u>192,308</u>	<u>-</u>	<u>192,308</u>

SQW GROUP NEWCO 2018 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Loans

The loan attracts interest at 2.3% per annum over base rate and is repayable in equal monthly installments over 4 years with a bullet payment of £100,000 at the end of the loan term. At the start of the 2020/21 financial year, a six month repayment holiday was agreed with the bank. When repayments recommenced they were, consequentially, at a slightly higher monthly amount. The term and bullet payment remain unchanged. The loan is secured via a debenture in relation to the company including a fixed charge over all present freehold and leasehold property, first fixed charge over book and other debts, chattels, goodwill and uncalled capital both present and future and first floating charge over all assets and undertaking both present and future. All indebtedness to the bank is cross guaranteed by the other group companies including SQW Group Limited, SQW Limited, Oxford Innovation Limited and Oxford Innovation Services Limited.

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	192,308	123,077	192,308	123,077
	192,308	123,077	192,308	123,077
Amounts falling due 1-2 years				
Bank loans	-	192,308	-	192,308
	-	192,308	-	192,308
Amounts falling due 2-5 years				
	192,308	315,385	192,308	315,385

SQW GROUP NEWCO 2018 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(55,472)	(93,066)
Charged to profit or loss	(25,148)	37,594
At end of year	(80,620)	(55,472)
	Group 2022 £	Group 2021 £
Accelerated capital allowances	(84,956)	(75,712)
Short term timing differences	4,336	20,240
	(80,620)	(55,472)

18. Provisions

Group

	Contract obligations provision £
At 1 April 2021	1,642,607
Charged to profit or loss	18,666
Utilised in year	(267,709)
At 31 March 2022	1,393,564

There is uncertainty regarding the exact costs of the contract obligations and, therefore, the directors have included their best estimate in the financial statements in accordance with FRS102.

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
172,000,000 (2021 - 172,000,000) A Ordinary shares of £0.001 each	172,000	172,000
100,000 (2021 - 100,000) B Ordinary shares of £0.001 each	-	100
15,885,000 (2021 - 15,885,000) Preference shares of £0.001 each	-	15,885
	172,000	187,985

During the year, the Group redeemed the total number of preference shares and B share for a value of £2,354,824.

20. Reserves

Share premium account

Share premium is the amount which the Company receive for a share issue in excess of its nominal value less any directly attributable share issue costs.

Profit and loss account

The profit & loss accounts is the Group's accumulated profits or losses since acquisition at the year end date.

21. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £515,973 (2021: £394,346). Contributions totalling £81,474 (2021: £80,662) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	606,490	707,769
Later than 1 year and not later than 5 years	1,321,396	1,330,154
Later than 5 years	2,070,532	2,403,278
	3,998,418	4,441,201

SQW GROUP NEWCO 2018 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

23. Other financial commitments

There is a Group guarantee in favour of HSBC plc ("the Bank") from SQW Group Limited, SQW Group Newco 2018 Limited, Oxford Innovation Limited, SQW Limited and Oxford Innovation Services Limited guaranteeing the obligations of each other to the Bank. The outstanding amount due to the Bank at 31 March 2022 across the Group was £192,308 (2021: 315,385).

There is also a debenture comprising fixed and floating charges over all the assets and undertakings of SQW Group Newco 2018 Limited including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

24. Related party transactions

The Group has taken advantage of the exemption under section 33 of FRS 102 not to disclose transactions with wholly owned Group companies.

During the year the Group paid membership fees of £8,640 (2021: £7,200) to an entity with common directorships. No amounts (2020: £Nil) were outstanding at the year end.

25. Post balance sheet events

After the year-end, Oxford Investment Opportunity Network Limited and their respective partnered nominee formally closed on a funding round valued at £1,655k.

There have been no other material developments or events which have occurred after the balance sheet date.

26. Controlling party

In the opinion of the directors there is not one ultimate controlling party.