

OSI Midco Limited

Annual report and Audited Financial Statements

for the Period from 26 October 2020 to 31 December 2021

Company Number 12973861

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OSI Midco Limited

Company Information
For the Period from 26 October 2020 to 31 December 2021

Directors Christopher M Chambers
Bernard J Taylor

Company secretary Athene E G Blakeman - appointed 15 March 2022

Registered office 46 Woodstock Road
Oxford
United Kingdom
OX2 6HT

Independent Auditor Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD

OSI Midco Limited

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OSI Midco Limited

Directors' Report For the Period from 26 October 2020 to 31 December 2021

The directors present their Annual report together with the audited financial statements of OSI Midco Limited (the "Company") for the period from 26 October 2020 to 31 December 2021.

Principal activities

The Company was incorporated on 26 October 2020 to act as a holding company for OSI Services Limited (the "Group"), a group which was established, and is ultimately owned and controlled by Oxford Science Enterprises Plc ("OSE"). OSI Services Limited holds investments in early stage start up companies including a 24.9% holding of Oxford Science Enterprises Plc, the ultimate parent company.

OSE builds material positions in its companies at attractive valuations and leverages an operational platform to accelerate Research & Development and commercial scaling.

Results and dividends

The Statement of Comprehensive Income is set out on page 8 and shows turnover for the period of £nil and a net profit attributable to shareholders of £nil. The total equity of the Company as at the end of the financial period was £1.

There were no dividends declared and paid by the Company for the period. After the reporting date, there were no dividends proposed to be paid.

Going concern

The directors have considered the impact of the Russia and Ukraine situation and concluded that it has no material impact on the Company's performance as a holding company. Taking these risks into consideration, the directors have confirmed they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future and accordingly they continue to adopt the going concern basis in preparing the financial statements.

Directors of the company

The directors, who held office during the period, and up to the date of signing of this report were as follows:

Sir John I Bell (appointed 26 October 2020, resigned 28 February 2023)

Christopher M Chambers (appointed 26 October 2020)

Bernard J Taylor (appointed 26 October 2020)

Kate O'Brien (appointed 26 October 2020, resigned 15 March 2022)

Directors' indemnity

The directors are covered by a third party indemnity through its immediate parent company, Oxford Science Enterprises Plc, relating to all companies in the Group.

OSI Midco Limited

Directors' Report

For the Period from 26 October 2020 to 31 December 2021 (continued)

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to the 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'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's auditor is aware of that information.

Auditor

Deloitte LLP were appointed in accordance with section 485 of the Companies Act 2006.

Small companies' regime

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

The directors have taken advantage of the exemption available to small companies under section 414B of the Companies Act 2006, not to provide a Strategic Report.

OSI Midco Limited

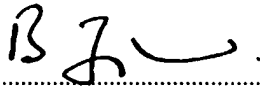
Directors' Report

For the Period from 26 October 2020 to 31 December 2021 (continued)

Post balance sheet events

There have been no post balance sheet events that would require adjustment to or disclosure in the financial statements for the period ended 31 December 2021.

Approved by the Board on ~~24 June 2023~~ and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'B J Taylor', written over a dotted line.

Bernard J Taylor
Director

OSI Midco Limited

Independent auditor's report to the members of OSI Midco Limited

Report on the audit of the financial statements

In our opinion the financial statements of OSI Midco Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its results for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is international accounting standards in conformity 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the 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.

OSI Midco Limited

Independent auditor's report to the members of OSI Midco Limited (continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

OSI Midco Limited

Independent auditor's report to the members of OSI Midco Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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;
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.


We have nothing to report in respect of these matters.

OSI Midco Limited

Independent auditor's report to the members of OSI Midco 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.



.....
Gavin Waters (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor
Reading, United Kingdom

Date: 26 June 2023

OSI Midco Limited

**Statement of Comprehensive Income
For the Period from 26 October 2020 to 31 December 2021**

		Period from 26 October 2020 to 31 December 2021
	Note	£
Operating profit/(loss)	5	-
Profit/(loss) before taxation		-
Income tax receipt/(expense)	7	-
Profit/(loss) for the financial period and total comprehensive income for the period		-

All amounts were derived from continuing operations.

The notes on pages 12 to 21 form an integral part of these financial statements.

OSI Midco Limited

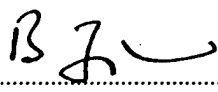
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**Statement of Financial Position
As at 31 December 2021**

		31 December 2021 £
	Note	
Assets		
Current assets		
Debtors: amounts falling due within one year	9	1
Non-current assets		
Investments in subsidiaries	8	<u>7,500</u>
Total assets		<u><u>7,501</u></u>
Equity and liabilities		
Equity		
Share capital	11, 12	(1)
Current liabilities		
Creditors: amounts due within one year	10	<u>(7,500)</u>
Total equity and liabilities		<u><u>(7,501)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 8 to 21 were approved and authorised for issue by the Board and signed on its behalf by:


.....
Bernard J Taylor
Director
Date: 26 June 2023

The notes on pages 12 to 21 form an integral part of these financial statements.

OSI Midco Limited

**Statement of Changes in Equity
For the Period from 26 October 2020 to 31 December 2021**

	Share capital £	Retained earnings £	Total Equity £
At incorporation on 26 October 2020	-	-	-
Comprehensive income for the period			
Profit for the period and total comprehensive income	-	-	-
Contributions by and distributions to owners			
Issue of share capital (see note 11)	<u>1</u>	<u>-</u>	<u>1</u>
Total contributions by and distributions to owners	<u>1</u>	<u>-</u>	<u>1</u>
At 31 December 2021	<u>1</u>	<u>-</u>	<u>1</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

OSI Midco Limited

Statement of Cash Flows for the Period from 26 October 2020 to 31 December 2021

		Period from 26 October 2020 to 31 December 2021 £
	Note	
Cash flows from operating activities		
Profit/(loss) for the period		-
Adjustments to cash flows from non-cash items		
Increase in debtors	9	(1)
Increase in creditors	10	<u>7,500</u>
Net cash flow from operating activities		7,499
Cash flows from investing activities		
Purchase of investments	8	(7,500)
Cash flows from financing activities		
Issue of ordinary shares	11	<u>1</u>
Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at 26 October 2020		<u>-</u>
Cash and cash equivalents at 31 December 2021		<u><u>-</u></u>

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021

1 General information

OSI Midco Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales, under the Companies Act 2006. The address of its registered office is given on the Company information page. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with UK international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a historical cost basis. The presentation currency used is Pound Sterling, which is also the Company's functional currency.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statement and their effect are disclosed in note 3.

Period of account

The Company is newly incorporated and therefore did not previously prepare financial statements. The current period of account is from the date of incorporation on 26 October 2020 to 31 December 2021.

Going concern

The directors have considered the impact of the Russia and Ukraine situation and concluded that it has no material impact on the Company's performance as a holding company. Taking these risks into consideration, the directors have confirmed they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future and accordingly they continue to adopt the going concern basis in preparing the financial statements.

Exemption from preparation of consolidated financial statements

The financial statements contain information about OSI Midco Limited as an individual Company and do not contain consolidated financial information as the parent of a group.

The Company has taken advantage of the exemption conferred by s399(2A) of the Companies Act 2006 not to produce consolidated financial statements as it is subject to the small companies regime.

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

2 Accounting policies (continued)

Changes in accounting policy

The Company has applied all IFRS standards that were effective during the period these being the Company's first set of financial statements.

New standards, interpretations and amendments effective from 1 January 2021

There were a number of narrow scope amendments to existing standards which were effective for reporting periods beginning on or after 1 January 2021:

COVID-19 Related Rent Concessions beyond 30 June 2021 (amendments to IFRS 16)

On 31 March 2021, the IASB issued another amendment to IFRS 16: COVID-19 Related Rent Concessions beyond 30 June 2021, which extended the practical expedient to reductions in lease payments that were originally due on or before 30 June 2022.

This amendment is effective for annual periods beginning on or after 1 April 2021 with earlier application permitted. The amendment is to be applied mandatorily by those entities that have elected to apply the previous amendment COVID-19-Related Rent Concessions. No rent reliefs or rent concessions were taken by the Company following the COVID-19 pandemic and therefore the Company did not adopt these amendments.

Interest Rate Benchmark Reform - IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

2 Accounting policies (continued)

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The company has progressed its projects dealing with the implementation of these key new accounting standards and management are assessing the impact on the financial statements, however the impacts are not expected to be material.

Current and deferred tax

Current taxation is recognised in the Statement of Comprehensive Income based on the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are recognised when the carrying amount of an asset or liability in the Statement of Financial Position differs from its tax base. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference may be utilised.

Investments in subsidiaries

Where the Company has power to control the financial and operating policy decisions of another entity, it is classified as a subsidiary. Investments in subsidiaries are initially recognised in the Statement of Financial Position at cost, together with subsequent capital contributions, less provisions for impairment.

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

2 Accounting policies (continued)

Impairment of investments

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

Impairment reviews are performed by comparing the carrying value of the non-current asset with its recoverable amount, being the higher of the fair value less costs of disposal and value in use. The fair value less costs of disposal is considered to be the amount that could be obtained on disposal of the asset. Value in use is determined by discounting the future post-tax cash flows generated from continuing use of the asset using a post-tax discount rate, as this closely approximates applying pre-tax discount rates to pre-tax cash flows. Where a potential impairment is identified using post-tax cash flows and post-tax discount rates, the impairment review is re-performed on a pre-tax basis in order to determine the impairment loss to be recorded in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and short-term deposits held with financial institutions with an original maturity of three months or less.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following category:

Financial assets at amortised cost. The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cashflow; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

2 Accounting policies (continued)

Financial instruments (continued)

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

The Company's financial liabilities, which comprise amounts due to group undertakings, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms.

Derecognition

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

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

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

Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expired. If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts, and there is the intention to settle net, the relevant financial assets and liabilities are offset.

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates and judgements that affect the reported amounts.

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Company's directors are of the opinion that there are no key sources of estimation uncertainty and no significant judgements that have a significant risk of causing material adjustment to the carrying value of assets or liabilities for the Company at the reporting date or in the next financial year.

4 Financial instruments

OSI Midco Limited is a holding company, therefore directly applicable risks are minimal. It is not exposed to credit, market, liquidity, interest rate or foreign exchange risks. The Board of Oxford Science Enterprise plc, the ultimate parent, manages the financial risks to the wider Group and details of the Group's financial risk management policy can be found in the financial statements of Oxford Science Enterprise plc.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Amounts due from group undertakings
- Amounts due to group undertakings

The carrying amounts of the following categories of the financial assets are:

	Fair value through profit and loss 2021 £	Amortised cost 2021 £
Financial assets		
Amounts due from group undertakings	-	1
Total financial assets	-	1

The carrying amounts of the following categories of the financial liabilities are:

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

4 Financial instruments (continued)

	Fair value through profit and loss 2021 £	Amortised cost 2021 £
Financial liabilities		
Amounts due to group undertakings	-	7,500
Total financial liabilities	-	7,500

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value amounts due from group undertakings and include amounts due to group undertakings.

Due to their short-term nature, the carrying value of amounts due from group undertakings and amounts due to group undertakings approximates their fair value.

General objectives, policies and processes

The directors have overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The directors receive monthly reports from the Head of Finance through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies they set.

The overall objective of the directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

5 Operating profit

Audit fees are borne by the immediate parent company, OSE.

6 Employees

During the period, the Company had no employees other than the directors, who did not receive any remuneration for their services to the Company, which were incidental to their main employment by OSE.

7 Tax expense

Tax charged/(credited) in the income statement

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

7 Tax expense (continued)

	Period from 26 October 2020 to 31 December 2021 £
Current taxation	
UK corporation tax	-
Total current income tax	-

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

	Period from 26 October 2020 to 31 December 2021 £
Profit/(loss) before tax	-
Corporation tax at standard rate	-
Total tax charge/(credit)	-

Factors that may affect future tax charges

On 24 May 2021, the main rate of corporation tax was increased to 25% with effect from 1 April 2023. Deferred taxes at the reporting date if any were present, would have been measured and reflected in these financial statements using the substantively enacted tax rate at the year end of 25%.

There were no other factors that may affect future tax charges.

8 Investments in subsidiaries

Subsidiaries	£
Cost	
At 26 October 2020	-
Additions	7,500
At 31 December 2021	7,500
Carrying amount	
At 31 December 2021	7,500

On 26 October 2020, the Company acquired 100% of the voting equity instruments of OSI Services Limited for a consideration of £7,500.

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

8 Investments in subsidiaries (continued)

Details of the Company's direct subsidiary undertaking as at 31 December 2021 are as follows:

Name	Principal activity	Registered office and country of incorporation	Proportion of ownership interest and voting rights held at 31 December 2021
OSI Services Limited	Holding company	3rd Floor 44 Esplanade, St Helier, Jersey JE4 9WG	100%

9 Debtors: amounts falling due within one year

	31 December 2021 £
Amounts due from group undertakings	<u>1</u>

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

10 Creditors: amounts falling due within one year

	31 December 2021 £
Amounts due to group undertakings	<u>7,500</u>

Amounts owed to group companies are unsecured, repayable on demand, and bear no interest.

11 Share capital

	Authorised, issued and fully paid 2021 Number	Authorised, issued and fully paid 2021 £
Ordinary shares of £1 each		
Issued at incorporation on 26 October 2020	<u>1</u>	<u>1</u>
At 31 December	<u>1</u>	<u>1</u>

Each share has attached to them full voting, dividend and capital distribution rights, including on winding up. They do not confer any rights of redemption.

OSI Midco Limited

Notes to the Financial Statements For the Period from 26 October 2020 to 31 December 2021 (continued)

12 Reserves

The following describes the nature and purpose of each reserve within equity:

Share capital

Nominal value of share capital subscribed for.

Retained earnings

All other net gains and losses and transactions with owners (e.g dividends) not recognised elsewhere.

13 Parent and ultimate parent undertaking

The Company's immediate and ultimate parent undertaking, and ultimate controlling party, is Oxford Science Enterprises Plc, a company incorporated in the United Kingdom.

The financial statements of Oxford Science Enterprises Plc are available from its registered office at 46 Woodstock Road, Oxford, United Kingdom, OX2 6HT.

14 Related party transactions

Related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount	Balance owed by/(to) related parties
		2021 £	2021 £
Parent undertaking	Investment in shares	1	1
Subsidiary undertaking	Investment in shares	(7,500)	(7,500)

15 Post Balance Sheet Events

There have been no post balance sheet events that would require adjustment to or disclosure in the financial statements for the period ended 31 December 2021.