

OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | K H Wright J J Tholstrup D J L Crichton-Miller |
| Company secretary | K H Wright |
| Registered number | 07719853 |
| Registered office | Oxford Centre for Innovation New Road Oxford Oxfordshire 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 Hanborough House Wallbrook Court North Hinksey Lane Oxford OX1 0QS |

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Introduction

The directors present their report and the financial statements for the year to 31 March 2020.

Business review

2019/20 was another busy year for the Company in which a total of 71 carefully selected, fascinating companies presented at the 7 Investor Network showcase events held across Oxfordshire and London. Interest in these companies remained high amongst our growing angel investor base and we were delighted when that growth was augmented in January 2020 by OION's amalgamation with OUI's Oxford Angel Network ('OAN'), bringing our total of registered investors to over 500.

OION's Innvotec-led Fund was not actively investing during the year due to a Innvotec's reorganisation that took place during 2019/20; this reduction in Fund investment was the main contributing factor to the year-on-year reduction in turnover from investment network management activities which totalled £101,878 in the year, representing a decrease of 37% over the prior year (2018/19: £162,860).

The company generated total revenues of £258,153 (2018/19: £634,428) which included £156,275 received as a result of the second tranche of carried interest held in a fund which achieved a successful exit during the prior year (from which £471,568 was received as the first tranche of carried interest in 2018/19).

Principal risks and uncertainties

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

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

Credit risk

The Company'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 Company has no significant concentration of credit risk, with exposure spread over a large number of clients.

Cash flow risk

The Company 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.

Financial key performance indicators

Key performance indicators are shown below:

Turnover for the year to 31 March 2020 was £101,878 (2019: £162,860)

Profit before taxation for the year to 31 March 2020 was £10,296 (2019: £451,920)

No dividends were paid during the year ended 31 March 2020 (2019: £Nil)

OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Directors' statement of compliance with duty to promote the success of the Company

The board of directors of Oxford Investment Opportunity Network Limited ("OION") consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of all its stakeholders.

The Company has a long and distinguished history. Our low staff turnover reflects the continued commitment to achieving high staff satisfaction and we consider that our ongoing success in attracting impressive companies to pitch so effectively is a direct result of our team's ability to deliver an expert, dedicated service of the highest quality.

OION is a socially responsible company. We make a great effort to consider the impact of our business practices on society and strive to ensure that what we do, and how we do it, is beneficial to our presenting companies, angel investors, employees, business partners and the environment.

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

.....
K H Wright

Director

Date: 22 July 2020

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 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 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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 £31,563 (2019 - £366,055).

The directors do not recommend a dividend for the year ended 31 March 2020 (2019: £Nil).

Directors

The directors who served during the year were:

K H Wright
J J Tholstrup
D J L Crichton-Miller

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

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'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.

Post balance sheet events

On 11th March 2020 COVID-19 was declared a global pandemic. Although this was declared before the Balance Sheet date, the economic impact of COVID-19 continues to be felt beyond this date. The directors have carefully considered the impact of COVID-19 on these accounts prepared to 31 March 2020; notably the appropriateness of accounting estimates used and any significant assumptions made, including projected cash flows.

Otherwise there have been no material developments or events which have occurred after the balance sheet date.

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: 22 July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED

Opinion

We have audited the financial statements of Oxford Investment Opportunity Network Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 Company's affairs as at 31 March 2020 and of its 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 Company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED
(CONTINUED)**

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 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED
(CONTINUED)

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Sue Staunton MA 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

22 July 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--------------------------------------|------|----------------|----------------|
| Turnover | 4 | 101,878 | 162,860 |
| Other income | | 156,275 | 471,568 |
| Cost of sales | | (114,261) | (162,058) |
| Gross profit | | 143,892 | 472,370 |
| Administrative expenses | | (99,551) | (20,450) |
| Operating profit | 6 | 44,341 | 451,920 |
| Tax on profit | 9 | (12,778) | (85,865) |
| Profit for the financial year | | 31,563 | 366,055 |

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 11 to 19 form part of these financial statements.

OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED
REGISTERED NUMBER: 07719853

BALANCE SHEET
AS AT 31 MARCH 2020

| | Note | 2020 £ | 2019 £ |
|--|-------------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 820 | - |
| | | <u>820</u> | <u>-</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 11 | 502,568 | 469,719 |
| Cash at bank and in hand | 12 | 35,456 | 72,403 |
| | | <u>538,024</u> | <u>542,122</u> |
| Creditors: amounts falling due within one year | 13 | (122,611) | (157,608) |
| Net current assets | | <u>415,413</u> | <u>384,514</u> |
| Total assets less current liabilities | | <u>416,233</u> | <u>384,514</u> |
| Provisions for liabilities | | | |
| Deferred tax | 14 | (156) | - |
| | | <u>(156)</u> | <u>-</u> |
| Net assets | | <u><u>416,077</u></u> | <u><u>384,514</u></u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 2 | 2 |
| Capital redemption reserve | 16 | 15,000 | 15,000 |
| Profit and loss account | 16 | 401,075 | 369,512 |
| | | <u><u>416,077</u></u> | <u><u>384,514</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2020.

.....
K H Wright
Director

The notes on pages 11 to 19 form part of these financial statements.

OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

| | Called up share capital £ | Capital redemption reserve £ | Profit and loss account £ | Total equity £ |
|--|---------------------------------|---------------------------------------|---------------------------------|-------------------|
| At 1 April 2018 | 2 | 15,000 | 3,457 | 18,459 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 366,055 | 366,055 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 1 April 2019 | 2 | 15,000 | 369,512 | 384,514 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 31,563 | 31,563 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | 2 | 15,000 | 401,075 | 416,077 |

The notes on pages 11 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Oxford Investment Opportunity Network Limited is a private limited company incorporated in the UK and registered in England and Wales. The Company's registered office is Oxford Centre For Innovation, New Road, Oxford, Oxfordshire, OX1 1BY.

The principal activity of the Company is the management of business angel networks.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of the ultimate controlling company, SQW Group Newco 2018 Limited for the year ended 31 March 2020 and the immediate parent company, SQW Group Limited as at 31 March 2020 and these financial statements may be obtained from Oxford Centre for Innovation, New Road, Oxford, Oxfordshire, OX1 1BY.

2.3 Going concern

The COVID-19 pandemic has impacted the business since the date of these accounts. Detailed forecasts have been prepared and continue to be updated as trading continues and the pandemic unfolds. As a result of this ongoing work, and mitigation measures taken, the Directors currently have no reason to believe that the pandemic will have an impact on the Company's ability to continue trading as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company 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.

Revenue from success fees earned and carried interest income due is recognised upon the receipt of cash. The Directors feel this is appropriate given uncertainty experienced in the past in relation to such receipts. The appropriateness of this policy is kept under close review.

2.5 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 basis:

| | |
|--------------------|-------------------------|
| Office equipment | - 3 years straight line |
| Computer equipment | - 3 years straight line |

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.

2.6 Operating leases: the Company as lessee

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

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company 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.

2.11 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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.

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.

4. Turnover

The whole of the turnover is attributable to the operating of an investment network.

All turnover arose within the United Kingdom.

5. Other income

The other income relates to a distribution of carried interest from the sale of an investment that the Company helped facilitate.

6. Operating profit

The operating profit is stated after charging:

| | 2020 | 2019 |
|-------------------------------|---------------------|---------------------|
| | £ | £ |
| Other operating lease rentals | <u>2,771</u> | <u>2,811</u> |

During the year, the Company had no employees (2019: Nil). Included in the cost of sales figure are wage costs totalling £137,633 (2019: £132,279) for work carried out for the Company, which were recharged from another group company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Auditor's remuneration

| | 2020 £ | 2019 £ |
|---|--------------|--------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | <u>3,800</u> | <u>3,710</u> |
| Fees payable to the Company's auditor and its associates in respect of: | | |
| All other services | <u>550</u> | <u>500</u> |
| | <u>550</u> | <u>500</u> |

8. Directors' remuneration

| | 2020 £ | 2019 £ |
|-----------------------|---------------|---------------|
| Directors' emoluments | <u>46,963</u> | <u>51,534</u> |
| | <u>46,963</u> | <u>51,534</u> |

9. Taxation

| | 2020 £ | 2019 £ |
|--|---------------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | - | 85,865 |
| Adjustments in respect of previous periods | <u>12,622</u> | <u>-</u> |
| Total current tax | <u>12,622</u> | <u>85,865</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | <u>156</u> | <u>-</u> |
| Total deferred tax | <u>156</u> | <u>-</u> |
| Taxation on profit on ordinary activities | <u>12,778</u> | <u>85,865</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | 2020 £ | 2019 £ |
|--|---------------|----------------|
| Profit on ordinary activities before tax | <u>44,341</u> | <u>451,920</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | 8,425 | 85,865 |
| Effects of: | | |
| Income not taxable for tax purposes | (29,692) | - |
| Losses carried back | 21,423 | - |
| Adjustments to tax charge in respect of previous periods | 12,622 | - |
| Total tax charge for the year | <u>12,778</u> | <u>85,865</u> |

Factors that may affect future tax charges

The Finance Act 2016 enacted a reduction in the main rate of corporation tax from 19% to 17% from 1 April 2020. As this change of rate was enacted at the balance sheet date then deferred tax balances have been stated at a rate of 17%. On 17 March 2020 the Government announced their intention to cancel this reduction in the corporation tax rate. As a result the deferred tax timing differences are expected to reverse at 19%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Tangible fixed assets

| | Office equipment £ | Computer equipment £ | Total £ |
|-------------------------------------|--------------------------|----------------------------|-----------------|
| Cost or valuation | | | |
| At 1 April 2019 | 884 | 6,000 | 6,884 |
| Additions | - | 843 | 843 |
| Disposals | - | (6,000) | (6,000) |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | 884 | 843 | 1,727 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 April 2019 | 884 | 6,000 | 6,884 |
| Charge for the year on owned assets | - | 23 | 23 |
| Disposals | - | (6,000) | (6,000) |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | 884 | 23 | 907 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 31 March 2020 | <hr/> <hr/> - | <hr/> <hr/> 820 | <hr/> <hr/> 820 |
| At 31 March 2019 | <hr/> <hr/> - | <hr/> <hr/> - | <hr/> <hr/> - |

11. Debtors

| | 2020 £ | 2019 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 28,550 | 17,103 |
| Amounts owed by group undertakings | 450,000 | 450,000 |
| Other debtors | 21,423 | - |
| Prepayments and accrued income | 2,595 | 2,616 |
| | <hr/> | <hr/> |
| | 502,568 | 469,719 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Cash and cash equivalents

| | 2020 £ | 2019 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 35,456 | 72,403 |
| | <u>35,456</u> | <u>72,403</u> |

13. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 900 | 2,474 |
| Amounts owed to group undertakings | 66,681 | 6,044 |
| Corporation tax | - | 85,865 |
| Other taxation and social security | 9,610 | 7,613 |
| Accruals and deferred income | 45,420 | 55,612 |
| | <u>122,611</u> | <u>157,608</u> |

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

14. Deferred taxation

| | 2020 £ |
|---------------------------|---------------------|
| Charged to profit or loss | (156) |
| At end of year | <u>(156)</u> |

The deferred taxation balance is made up as follows:

| | 2020 £ | 2019 £ |
|--------------------------------|--------------|-----------|
| Fixed asset timing differences | (156) | - |
| | <u>(156)</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Share capital

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Allotted, called up and fully paid | | |
| 2 (2019 - 2) Ordinary shares of £1.00 each | <u>2</u> | <u>2</u> |

16. Reserves

Share premium account

The share premium account represents the amount by which the amount received by the Company for stock issue exceeds its nominal value.

Capital redemption reserve

The capital contribution reserve represents capital contributions from another group company.

Profit & loss account

The profit & loss account is the Company's accumulated profits or losses at the year end date.

17. Related party transactions

As a wholly owned subsidiary, the Company is exempt from disclosing transactions with other members of the group headed by SQW Group Newco Limited, as the Company's results and position are included in the publically available consolidated accounts.

18. Post balance sheet events

On 11th March 2020 COVID-19 was declared a global pandemic. Although this was declared before the Balance Sheet date, the economic impact of COVID-19 continues to be felt beyond this date. The directors have carefully considered the impact of COVID-19 on these accounts prepared to 31 March 2020; notably the appropriateness of accounting estimates used and any significant assumptions made, including projected cash flows.

Otherwise there have been no material developments or events which have occurred after the balance sheet date.

19. Controlling party

The immediate parent undertaking of the Company is Oxford Innovation Limited, registered in England and Wales.

The ultimate controlling party is SQW Group Newco 2018 Limited, a company registered in England and Wales, by virtue of its 100% shareholding in the Company.

The consolidated statements of SQW Group Newco 2018 Limited and SQW Group Limited and the financial statements of Oxford Innovation Limited are all publically available from Oxford Centre for Innovation, New Road, Oxford, Oxfordshire, OX1 1BY.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.