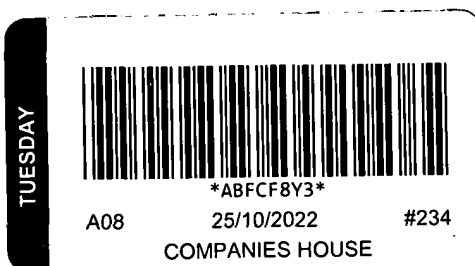


Company Registration No. 04343035 (England and Wales)

Quadrant Group Limited

**Annual report and
group financial statements
for the year ended 31 May 2022**



Quadrant Group Limited

Company information

Directors	D J Coghlan M V Male T J Morley P M Rae J Sandiford
Secretary	T J Morley
Company number	04343035
Registered office	41 - 47 Seabourne Road Bournemouth Dorset BH5 2HU
Independent auditor	Saffery Champness LLP Midland House 2 Poole Road Bournemouth Dorset BH2 5QY

Quadrant Group Limited

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Quadrant Group Limited**Strategic report****For the year ended 31 May 2022**

The directors present the strategic report for the year ended 31 May 2022.

Review of Business

All the businesses within the Group were affected by the Covid-19 pandemic from March 2020 onwards. The need for staff to quarantine, the inability of air trainees to travel for courses and general delays in customer contract decisions continued to affect the Group's revenues and profitability during FY 2021/22, especially in the first half year. Despite these issues the Group produced a substantial profit for the year.

On 23 February 2022, the Group sold the assets and undertaking of the simulator relocation business of Quadrant Simulation Systems, Inc. This has enabled the Group to focus more directly on its market leading global air traffic control simulation and training activities, and its UK-based flight simulation services business.

Reviewing the continuing businesses individually:

Micro Nav Limited (MNL)

MNL's revenues, profits and order book all recovered substantially during the year, with the business being awarded a number of large new contracts. Despite ongoing restrictions, volumes were nearly back to pre-pandemic levels. MNL remains a leader in its market and continues to pursue a range of strong opportunities which will add to the positive outlook for the year ahead.

Global ATS Limited (GATS)

GATS had a difficult year and ongoing travel and Covid safety restrictions meant that it was unable to operate at anywhere near full capacity. The Directors believe that much of the training of air traffic controllers deferred during period 2020 to the early part of 2022 will still be required, and that a significant catch-up of customer orders is emerging. GATS saw a much stronger second half of the year and the expectation is that this growth will continue bringing GATS back to pre-pandemic volumes by the end of the 2022/23 fiscal year.

Quadrant Simulation Systems Limited (QSSL)

Having started operations in April 2021, QSSL has won a number of important contracts. However, delays in awards and in customer schedules has meant that the business did not grow during 2021/22 at the rates anticipated. An improvement in business volumes and results is expected in the current year.

Quest Flight Training Limited (QUEST)

QUEST has had another successful year, with aircrew training provided to the Royal Air Force, the French Air Force and the Royal Saudi Air Force during the year. Customer feedback has confirmed that all training was delivered to a high standard and availability of the Simulator has been extremely good. Following the RAF's withdrawal from the E-3D sentry aircraft QUEST agreed contract modifications with the UK Ministry of Defence to enable continuation of E-3 training services to third party air forces until March 2026.

Quadrant Group Limited

Strategic report (continued) For the year ended 31 May 2022

Business Outlook

Despite the continued fallout resulting from Covid 19 and the issues facing the aviation industry, the overall outlook for the Group remains positive underpinned by the focus on, and the number of significant contracts won, in the Air Traffic Control (ATC) sector. Growth expectations are expected to be good as a result of the shortage of air traffic controllers throughout the world and the increased synthetic training requirements in ATC going forward.

The Group invests in R&D on an ongoing basis and tracks the impact of technology advances and potential regulatory changes in its business segments. Investment continues in Micro Nav's world leading ATC simulator product, BEST, through both Group funded activity and customer funded projects.


Despite the positive trajectory of the Group's results in the second half of FY 2021/22, and continuing in the current year, the external economic environment is likely to remain uncertain in both Civil and Military markets.

In addition to the ongoing issues related to the Covid 19 pandemic, the Directors continue to monitor developments consequent on the UK's departure from the European Union as well as the impact of the Russian invasion of Ukraine, but the Directors believe that the global nature of the Group's business means that there should be limited overall impact.

Key Performance Indicators

The Directors monitor the business against detailed financial plans and hold regular meetings to review the performance of the Group and its subsidiaries against these plans. The primary Key Performance Indicators monitored by the board include the level of revenues, order intake and operating profit by business unit, as well as the performance of programme and services delivery against budget to ensure that they are being fulfilled on schedule and achieving the appropriate contribution to the business.

On behalf of the board

DocuSigned by:

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D J Coghlan

Director

21 October 2022 | 12:16:46 BST

Date:

Quadrant Group Limited

Directors' report

For the year ended 31 May 2022

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

Principal activities

The principal activity of the company and group continued to be that of Flight and Air Traffic Control simulation business, providing training, maintenance, updates, relocations, and software development.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D J Coghlan

M V Male

T J Morley

P M Rae

J Sandiford

S J Williams

(Resigned 31 August 2021)

Financial Risk Management

The Group uses financial instruments, other than derivatives, comprising cash and other liquid resources and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The main risk arising from the Company's financial instruments is liquidity risk. The Directors review and agree policies for managing financial risk and they are summarised below.

Liquidity Risk

The Company seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company policy throughout the year has been to ensure continuity of funding by retaining profits. Short term flexibility is achieved by overdraft facilities when required. The Group has also taken advantage of the government CBILS loans to ensure sufficient working capital over the coming months.

Quadrant Group Limited

Directors' report (continued) For the year ended 31 May 2022

Going Concern

As with all businesses linked to the aviation industry the Group saw a significant drop off in revenues as a direct result of the Covid-19 pandemic. Towards the end of the year, as detailed in the accounts, the Group sold the assets and undertaking of ceased operations in Quadrant Simulation Systems, Inc's flight simulator relocation business in order to focus more directly on its core activities.

During the year, the Group won a number of high value contracts in its core air traffic control simulation and training businesses, giving the board confidence that revenues will return to and exceed levels achieved pre-pandemic.

The Directors regularly carry out extensive reviews of all existing contracts to assess the impact of any future delays or cancellations on both the Group companies and their clients. Detailed models are produced assessing the potential impacts and how the Group can mitigate against them. The Group's revenues are derived from clients based around the world, including civil and military government organisations as well as private corporations. This variety of source gives continued confidence that slowdowns in one area can be offset or supported in other areas. The fact that a significant amount of work can be performed remotely if needed also underpins the flexibility of the Group's business model.

At the year end the Group had loans from a shareholder which are repayable within one year under formal loan agreements. The Directors have received confirmation that the shareholder will not demand repayment of these loans until such time that the Group can repay them without detriment to its underlying operations.

As a result of these reviews the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, that is for a period of at least twelve months from the date of the signing of the financial statements, and have therefore produced the accounts on a going concern basis.

Auditor

Saffery Champness LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Quadrant Group Limited**Directors' report (continued)**
For the year ended 31 May 2022

Statement of directors' responsibilities

The directors are responsible 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 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 group and company will continue in business.

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

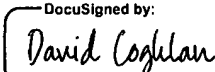
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Matters covered in the strategic report

In accordance with section 414 of the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2013), the Group has chosen to include a Strategic report. The information covers the business review, future developments and principal risk and uncertainties.

On behalf of the board

DocuSigned by:

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D J Coghlan
Director

21 October 2022 | 12:16:46 BST
Date:

Quadrant Group Limited

Independent auditor's report

To the members of Quadrant Group Limited

Opinion

We have audited the financial statements of Quadrant Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 and of the parent company's affairs as at 31 May 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 group's and 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.

Quadrant Group Limited**Independent auditor's report (continued)**
To the members of Quadrant Group Limited

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.

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.

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 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 group and the parent company and their 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 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, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Quadrant Group Limited

Independent auditor's report (continued) To the members of Quadrant Group Limited

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operates.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Quadrant Group Limited

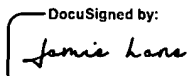
Independent auditor's report (continued) To the members of Quadrant Group Limited

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditors 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jamie Lane (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

21 October 2022 | 12:24:48 BST

Date:

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Quadrant Group Limited
Group statement of comprehensive income
For the year ended 31 May 2022

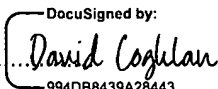
		Continuing operations	Discontinued operations	31 May 2022	Continuing operations	Discontinued operations	31 May 2021
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Turnover							
Group and share of joint venture's turnover	3	13,522	6,650	20,172	7,725	7,562	15,287
Less: share of joint venture's turnover		(1,900)	-	(1,900)	(1,361)	-	(1,361)
Group turnover		11,622	6,650	18,272	6,364	7,562	13,926
Cost of sales		(6,861)	(4,537)	(11,398)	(3,697)	(5,191)	(8,888)
Gross profit		4,761	2,113	6,874	2,667	2,371	5,038
Administrative expenses excluding amortisation of goodwill		(4,362)	(954)	(5,316)	(3,115)	(3,565)	(6,680)
Other operating income		63	205	268	806	278	1,084
Share of results of joint ventures		897	-	897	492	-	492
Total operating profit/(loss) before amortisation of goodwill	4	1,359	1,364	2,723	850	(916)	(66)
Amortisation of goodwill		(343)	-	(343)	(341)	-	(341)
Interest payable and similar expenses	8	(110)	-	(110)	(61)	(35)	(96)
Profit/(loss) before taxation		906	1,364	2,270	448	(951)	(503)
Tax on profit/(loss)	9	(314)	(6)	(320)	51	(19)	32
Profit/(loss) for the financial year	24	592	1,358	1,950	499	(970)	(471)
Other comprehensive income							
Currency translation differences				(306)			(22)
Total comprehensive income for the year				1,644			(493)

Profit/(loss) and total comprehensive income for the financial year is all attributable to the owners of the parent company.

Quadrant Group Limited**Group statement of financial position
As at 31 May 2022**

			2022		2021
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Goodwill	10		5,139		5,482
Other intangible assets	10		12		9
Total intangible assets			5,151		5,491
Tangible assets	11		1,072		1,036
Investments	12		511		713
			6,734		7,240
Current assets					
Stocks	15	24		55	
Debtors	16	3,410		3,541	
Cash at bank and in hand		3,130		2,330	
		6,564		5,926	
Creditors: amounts falling due within one year	17	(6,054)		(7,374)	
Net current assets/(liabilities)			510		(1,448)
Total assets less current liabilities			7,244		5,792
Creditors: amounts falling due after more than one year	18		(1,350)		(1,621)
Provisions for liabilities					
Deferred tax liability	21	82		4	
			(82)		(4)
Net assets			5,812		4,167
Capital and reserves					
Called up share capital	23		1,598		1,597
Share premium account	24		2,582		2,582
Capital redemption reserve	24		236		236
Profit and loss reserves	24		1,396		(248)
Total equity			5,812		4,167

The financial statements were approved by the board of directors and authorised for issue on 21 October 2022, 12:16:46 BST and are signed on its behalf by:

DocuSigned by:



 D J Coghlan
 Director

Quadrant Group Limited**Company statement of financial position****As at 31 May 2022**

	Notes	£'000	2022 £'000	2021 £'000
Fixed assets				
Investments	12		9,966	9,966
Current assets				
Debtors	16	456		1,911
Cash at bank and in hand		1,596		891
		<u>2,052</u>		<u>2,802</u>
Creditors: amounts falling due within one year	17	(3,181)		(3,420)
Net current liabilities			(1,129)	(618)
Total assets less current liabilities			<u>8,837</u>	<u>9,348</u>
Creditors: amounts falling due after more than one year	18		(1,025)	(1,335)
Net assets			<u>7,812</u>	<u>8,013</u>
Capital and reserves				
Called up share capital	23		1,598	1,597
Share premium account	24		2,582	2,582
Capital redemption reserve	24		236	236
Profit and loss reserves	24		3,396	3,598
Total equity			<u>7,812</u>	<u>8,013</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £202,000 (2021 - £1,291,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 21 October 2022 at 12:16:46 BST and are signed on its behalf by:

DocuSigned by:

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D J Coghlan

Director**Company Registration No. 04343035**

Quadrant Group Limited**Group statement of changes in equity
For the year ended 31 May 2022**

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 June 2020		1,597	2,582	236	245	4,660
Year ended 31 May 2021:						
Loss for the year		-	-	-	(471)	(471)
Other comprehensive income:						
Currency translation differences		-	-	-	(22)	(22)
Total comprehensive income for the year		-	-	-	(493)	(493)
Balance at 31 May 2021		1,597	2,582	236	(248)	4,167
Year ended 31 May 2022:						
Profit for the year		-	-	-	1,950	1,950
Other comprehensive income:						
Currency translation differences		-	-	-	(306)	(306)
Total comprehensive income for the year		-	-	-	1,644	1,644
Issue of share capital	23	1	-	-	-	1
Balance at 31 May 2022		1,598	2,582	236	1,396	5,812

Quadrant Group Limited**Company statement of changes in equity
For the year ended 31 May 2022**

		Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 June 2020		1,597	2,582	236	2,307	6,722
Year ended 31 May 2021:						
Profit and total comprehensive income for the year		-	-	-	1,291	1,291
Balance at 31 May 2021		1,597	2,582	236	3,598	8,013
Year ended 31 May 2022:						
Loss and total comprehensive income for the year		-	-	-	(202)	(202)
Issue of share capital	23	1	-	-	-	1
Balance at 31 May 2022		1,598	2,582	236	3,396	7,812

Quadrant Group Limited**Group statement of cash flows****For the year ended 31 May 2022**

	Notes	£'000	2022 £'000	£'000	2021 £'000
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		407		(1,272)
Investing activities					
Purchase of intangible assets		(5)		(23)	
Purchase of tangible fixed assets		(216)		(69)	
Proceeds on disposal of tangible fixed assets		93		-	
Purchase of subsidiaries		-		(1,850)	
Proceeds on disposal of subsidiaries		-		900	
Dividends received		850		450	
Net cash generated from/(used in) investing activities			722		(592)
Financing activities					
Proceeds from issue of shares		1		-	
Proceeds of new bank loans		-		1,500	
Repayment of bank loans		(197)		(20)	
Interest paid		(110)		(95)	
Payment of finance leases obligations		(23)		(826)	
Net cash (used in)/generated from financing activities			(329)		559
Net increase/(decrease) in cash and cash equivalents			800		(1,305)
Cash and cash equivalents at beginning of year			2,330		3,668
Cash transferred on sale of subsidiary			-		(33)
Cash and cash equivalents at end of year			3,130		2,330

Quadrant Group Limited

Notes to the group financial statements For the year ended 31 May 2022

1 Accounting policies

Company information

Quadrant Group Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is 41-47 Seabourne Road, Bournemouth, England, BH5 2HU.

The group consists of Quadrant Group Limited, all of its subsidiaries and its share in a joint venture.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Quadrant Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures.

All financial statements are made up to 31 May 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures.

Investments in joint ventures are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures include acquired goodwill.

If the group's share of losses in a joint venture equals or exceeds its investment in the joint venture, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture.

Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the group's interest in the entity.

Quadrant Group Limited**Notes to the group financial statements (continued)****For the year ended 31 May 2022**

1 Accounting policies (continued)

The parent Company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- No Cash Flow Statement has been presented for the Company.
- No disclosure has been given for the aggregate remuneration of Key Management Personnel.

1.3 Going concern

As with all businesses linked to the aviation industry the Group saw a significant drop off in revenues as a direct result of the Covid-19 pandemic. Towards the end of the year, as detailed in the accounts, the Group sold the assets and undertaking of ceased operations in Quadrant Simulation Systems, Inc's flight simulator relocation business in order to focus more directly on its core activities.

During the year, the Group won a number of high value contracts in its core air traffic control simulation and training businesses, giving the board confidence that revenues will return to and exceed levels achieved pre-pandemic.

The Directors regularly carry out extensive reviews of all existing contracts to assess the impact of any future delays or cancellations on both the Group companies and their clients. Detailed models are produced assessing the potential impacts and how the Group can mitigate against them. The Group's revenues are derived from clients based around the world, including civil and military government organisations as well as private corporations. This variety of source gives continued confidence that slowdowns in one area can be offset or supported in other areas. The fact that a significant amount of work can be performed remotely if needed also underpins the flexibility of the Group's business model.

At the year end the Group had loans from a shareholder which are repayable within one year under formal loan agreements. The Directors have received confirmation that the shareholder will not demand repayment of these loans until such time that the Group can repay them without detriment to its underlying operations.

As a result of these reviews the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, that is for a period of at least twelve months from the date of the signing of the financial statements, and have therefore produced the accounts on a going concern basis.

1.4 Turnover

Turnover, which excludes value added tax, represents the value of goods and services supplied during the year and includes the proportion of the sales value of long-term contracts relevant to their stage of completion.

Turnover of updates, relocations and installation projects is recognised to the extent that the right to consideration for the performance of the Group's contractual obligations to its customers is earned. Timing differences between sales revenue earned in the statement of comprehensive income and sales invoices raised give rise to accrued or deferred income balances, which are included in debtors or creditors respectively.

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**1 Accounting policies (continued)**

Turnover from licence and support service sales are recognised to the extent that the right to consideration for performance of the contracted services have been earned. This gives rise to deferred or accrued income balances where there are timing differences between sales revenue earned and sales invoices raised.

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents	Straight line over 10 years
---------	-----------------------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Long leasehold property	2% on cost per annum
Short term leasehold improvements	Over period of lease
Equipment, furniture, fixtures and fittings	20% per annum
Computer equipment	33% per annum
Simulator equipment	Between 6.67% and 33% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Quadrant Group Limited**Notes to the group financial statements (continued)****For the year ended 31 May 2022**

1 Accounting policies (continued)**1.8 Fixed asset investments**

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022

1 Accounting policies (continued)***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Quadrant Group Limited**Notes to the group financial statements (continued)****For the year ended 31 May 2022**

1 Accounting policies (continued)***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Quadrant Group Limited**Notes to the group financial statements (continued)
For the year ended 31 May 2022**

1 Accounting policies (continued)***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Amortisation and depreciation

As disclosed in note 1.6 and 1.7 respectively, fixed assets are initially measured at cost and subsequently measured at cost less accumulated amortisation/depreciation and accumulated impairment losses. The Directors apply judgement to determine the UEL of each asset class which is disclosed in the aforementioned notes.

3 Turnover and other revenue

	2022	2021
	£'000	£'000
Turnover analysed by geographical market		
United Kingdom	4,342	2,734
Rest of Europe	3,123	3,159
Rest of the world	10,807	8,033
	<u>18,272</u>	<u>13,926</u>
	<u><u>18,272</u></u>	<u><u>13,926</u></u>
	2022	2021
	£'000	£'000
Other operating income		
Grants received	268	1,025
	<u>268</u>	<u>1,025</u>
	<u><u>268</u></u>	<u><u>1,025</u></u>

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**4 Operating profit/(loss)**

	2022	2021
	£'000	£'000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(117)	(23)
Research and development costs	132	306
Depreciation of owned tangible fixed assets	170	354
Depreciation of tangible fixed assets held under finance leases	21	306
Amortisation of intangible assets	343	341
Operating lease charges	142	166
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022	2021
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15	15
Audit of the financial statements of the company's subsidiaries	24	33
	<u> </u>	<u> </u>
	39	48
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	10	12
Other taxation services	3	4
All other non-audit services	6	5
	<u> </u>	<u> </u>
	19	21
	<u> </u>	<u> </u>

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**6 Employees**

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Engineering	48	65	-	-
Selling and distribution	3	7	-	-
Administration	25	39	4	4
Training	22	29	-	-
Total	98	140	4	4

Their aggregate remuneration comprised:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Wages and salaries	5,583	6,363	302	75
Social security costs	654	645	27	5
Pension costs	316	240	-	-
	6,553	7,248	329	80

7 Directors' remuneration

	2022	2021
	£'000	£'000
Remuneration for qualifying services	462	354
Company pension contributions to defined contribution schemes	53	37
	515	391

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**7 Directors' remuneration (continued)**

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£'000	£'000
Remuneration for qualifying services	153	146
Company pension contributions to defined contribution schemes	3	9
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 3 Directors (2021: 3) in respect of defined contribution schemes.

8 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	47	22
Other interest on financial liabilities	63	74
	<u> </u>	<u> </u>
	110	96
	<u> </u>	<u> </u>

9 Taxation

	2022	2021
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	-	(58)
Adjustments in respect of prior periods	(3)	(66)
Other taxes	234	127
	<u> </u>	<u> </u>
Total UK current tax	231	3
	<u> </u>	<u> </u>
Foreign current tax on profits for the current period	6	19
	<u> </u>	<u> </u>
Total current tax	237	22
	<u> </u>	<u> </u>

Quadrant Group Limited**Notes to the group financial statements (continued)****For the year ended 31 May 2022****9 Taxation**

	2022 £'000	2021 £'000 (continued)
Deferred tax		
Origination and reversal of timing differences	78	(10)
Other adjustments	5	(44)
Total deferred tax	<u>83</u>	<u>(54)</u>
Total tax charge/(credit)	<u>320</u>	<u>(32)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £'000	2021 £'000
Profit/(loss) before taxation	<u>2,270</u>	<u>(503)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	431	(96)
Tax effect of expenses that are not deductible in determining taxable profit	106	38
Tax effect of income not taxable in determining taxable profit	(170)	-
Tax effect of utilisation of tax losses not previously recognised	(166)	-
Unutilised tax losses carried forward	157	-
Adjustments in respect of prior years	(3)	(66)
Effect of change in corporation tax rate	(11)	(48)
Research and development tax credit	-	(139)
Other permanent differences	(102)	(12)
Fixed asset differences	(47)	2
Deferred tax asset not recognised	47	289
Temporary timing differences	78	-
Taxation charge/(credit)	<u>320</u>	<u>(32)</u>

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**9 Taxation (continued)**

The Group has UK trade losses, excess management charges and interest on loan relationships available to be carried forward for offset against future taxable trade profits in certain Group Companies, amounting to approximately £1,225,000 (2021: £1,497,000). These UK tax trade losses will reduce the tax charge of future years until the companies achieve sufficient taxable trade profits to utilise the losses.

There is a deferred tax asset of approximately £314,000 (2021: £284,000), which has not been recognised as there is currently insufficient certainty as to the period over which the asset will be recovered.

10 Intangible fixed assets

Group	Goodwill £'000	Patents £'000	Total £'000
Cost			
At 1 June 2021	6,784	15	6,799
Additions	-	5	5
At 31 May 2022	6,784	20	6,804
Amortisation and impairment			
At 1 June 2021	1,302	6	1,308
Amortisation charged for the year	343	2	345
At 31 May 2022	1,645	8	1,653
Carrying amount			
At 31 May 2022	5,139	12	5,151
At 31 May 2021	5,482	9	5,491

The company had no intangible fixed assets at 31 May 2022 or 31 May 2021.

Quadrant Group Limited**Notes to the group financial statements (continued)****For the year ended 31 May 2022****11 Tangible fixed assets**

Group	Long leasehold property improvements	Short term leasehold improvements	Fixtures and fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 June 2021	678	223	1,058	826	2,785
Additions	-	-	116	204	320
Disposals	-	-	(653)	(102)	(755)
Transfers	-	-	(266)	266	-
At 31 May 2022	678	223	255	1,194	2,350
Depreciation and impairment					
At 1 June 2021	48	114	895	692	1,749
Depreciation charged in the year	14	15	80	82	191
Eliminated in respect of disposals	-	-	(568)	(94)	(662)
Transfers	-	-	(225)	225	-
At 31 May 2022	62	129	182	905	1,278
Carrying amount					
At 31 May 2022	616	94	73	289	1,072
At 31 May 2021	630	109	163	134	1,036

The company had no tangible fixed assets at 31 May 2022 or 31 May 2021.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Computer equipment	131,161	-	-	-

Quadrant Group Limited

Notes to the group financial statements (continued)
For the year ended 31 May 2022

12 Fixed asset investments

		Group		Company	
		2022	2021	2022	2021
	Notes	£'000	£'000	£'000	£'000
Investments in subsidiaries	13	-	-	9,379	9,379
Investments in joint ventures	14	511	713	587	587
		<u>511</u>	<u>713</u>	<u>9,966</u>	<u>9,966</u>

Movements in fixed asset investments

Group	Shares in joint ventures £'000
Cost or valuation	
At 1 June 2021	713
Valuation changes	(10)
Share of profit	658
Dividends received	(850)
At 31 May 2022	<u>511</u>
Carrying amount	
At 31 May 2022	<u>511</u>
At 31 May 2021	<u>713</u>

Movements in fixed asset investments

Company	Shares in subsidiaries and joint ventures £'000
Cost or valuation	
At 1 June 2021 and 31 May 2022	<u>9,966</u>
Carrying amount	
At 31 May 2022	<u>9,966</u>
At 31 May 2021	<u>9,966</u>

Quadrant Group Limited**Notes to the group financial statements (continued)****For the year ended 31 May 2022****13 Subsidiaries**

Details of the company's subsidiaries at 31 May 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Quadrant Simulation Systems Limited	41-47 Seabourne Road, Bournemouth, BH5 2HU	Ordinary	100.00
Micro Nav Limited	41-47 Seabourne Road, Bournemouth, BH5 2HU	Ordinary	100.00
Global ATS Limited	41-47 Seabourne Road, Bournemouth, BH5 2HU	Ordinary	100.00
Micro Nav (Holdings) Limited	41-47 Seabourne Road, Bournemouth, BH5 2HU	Ordinary	100.00
Quadrant Simulation Systems, Inc.	12301 Challenger Parkway, Orlando, USA	Ordinary	100.00
Micro Nav (Software) Limited	41-47 Seabourne Road, Bournemouth, BH5 2HU	Ordinary	100.00

Global ATS Limited and Quadrant Simulation Systems Limited are exempt from audit for the financial period ended 31 May 2022 pursuant to section 479A of the Companies Act 2006.

During the year the group sold the trade and assets of Quadrant Simulation Systems Inc. The results of the entity are separately disclosed in the consolidated statement of income as discontinued operations and the 2021 results have been restated accordingly to show the discontinued activities in the comparatives.

14 Joint ventures

Details of joint ventures at 31 May 2022 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
Quest Flight Training Limited	41-47 Seabourne Road, Bournemouth, BH5 2HU	Ordinary	50

15 Stocks

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	24	55	-	-

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**16 Debtors**

	Group		Company	
	2022	2021	2022	2021
Amounts falling due within one year:	£'000	£'000	£'000	£'000
Trade debtors	2,527	2,381	-	-
Gross amounts owed by contract customers	291	430	-	-
Corporation tax recoverable	57	207	-	-
Amounts owed by group undertakings	-	-	456	1,911
Prepayments and accrued income	535	523	-	-
	<u>3,410</u>	<u>3,541</u>	<u>456</u>	<u>1,911</u>

17 Creditors: amounts falling due within one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£'000	£'000	£'000	£'000
Bank loans	19	334	205	300	175
Obligations under finance leases	20	63	47	-	-
Shareholder loans	19	869	869	869	869
Payments received on account		2,623	3,629	-	-
Trade creditors		1,429	1,356	-	-
Amounts owed to group undertakings		-	-	1,892	2,225
Other taxation and social security		176	297	-	67
Other creditors		104	271	-	-
Accruals and deferred income		456	700	120	84
		<u>6,054</u>	<u>7,374</u>	<u>3,181</u>	<u>3,420</u>

Shareholder loans accrue interest at fixed rates of between 6% and 8% per annum and are not secured against any assets of the Group.

Quadrant Group Limited**Notes to the group financial statements (continued)****For the year ended 31 May 2022****18 Creditors: amounts falling due after more than one year**

		Group		Company	
		2022	2021	2022	2021
	Notes	£'000	£'000	£'000	£'000
Bank loans	19	1,285	1,611	1,025	1,325
Obligations under finance leases	20	65	-	-	-
Accruals and deferred income		-	10	-	10
		<u>1,350</u>	<u>1,621</u>	<u>1,025</u>	<u>1,335</u>

One bank loan is repayable over a five year period with a variable interest rate of 3.85% plus base rate and is secured over all the Group's assets. The other bank loan is repayable over a fifteen year term with a variable interest rate of 3.2% plus base rate and is secured over the long leasehold property.

19 Loans

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans	1,619	1,816	1,325	1,500
Shareholder loans	869	869	869	869
	<u>2,488</u>	<u>2,685</u>	<u>2,194</u>	<u>2,369</u>
Payable within one year	1,203	1,074	1,169	1,044
Payable after one year	1,285	1,611	1,025	1,325
	<u>2,488</u>	<u>2,685</u>	<u>2,194</u>	<u>2,369</u>

20 Finance lease obligations

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Future minimum lease payments due under finance leases:				
Within one year	63	47	-	-
In two to five years	65	-	-	-
	<u>128</u>	<u>47</u>	<u>-</u>	<u>-</u>

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**21 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	2022	2021
Group	£'000	£'000
Accelerated capital allowances	88	5
Short term timing differences	(6)	(1)
	<u>82</u>	<u>4</u>
	<u><u>82</u></u>	<u><u>4</u></u>

The company has no deferred tax assets or liabilities.

	Group	Company
	2022	2022
Movements in the year:	£'000	£'000
Liability at 1 June 2021	4	-
Charge to profit or loss	78	-
	<u>82</u>	<u>-</u>
Liability at 31 May 2022	<u><u>82</u></u>	<u><u>-</u></u>

22 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	316	240
	<u>316</u>	<u>240</u>

Defined contribution pension schemes are operated for all qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds.

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**23 Share capital**

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£'000	£'000
Issued and fully paid				
Ordinary shares of 50p each	3,194,051	3,194,051	1,597	1,597
A Ordinary shares of 10p each	10,000	-	1	-
	<u>3,204,051</u>	<u>3,194,051</u>	<u>1,598</u>	<u>1,597</u>

On 26 November 2021 the Company allotted 8,250 A Ordinary shares of 10p each at par. Subsequently on 28 April 2022 a further 1,750 A Ordinary shares were allotted. On the same day 1,750 A Ordinary shares were repurchased by the Company into treasury.

The Ordinary and A Ordinary shares rank pari passu in respect of voting and dividends except as regards to capital distributions where both share classes are entitled to varying rates in accordance with the articles.

24 Reserves**Share premium**

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issue of shares are deducted from the share premium.

Capital redemption reserve

Represents the nominal value of shares repurchased by the Company.

Profit and loss account

Represents all current and prior periods retained profits and losses.

25 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	197	163	-	-
Between two and five years	135	232	-	-
	<u>332</u>	<u>395</u>	<u>-</u>	<u>-</u>

Quadrant Group Limited**Notes to the group financial statements (continued)**
For the year ended 31 May 2022**26 Related party transactions**

During the year, the Group supplied services amounting to £267,000 (2021: £248,000) to Quest Flight Training Limited, the joint venture. The net amount due from Quest Flight Training at the year end was £8,000 (2021: £45,000).

The company has taken advantage of the exemption available under FRS 102 Section 33 'Related Party Disclosures' from the requirement to disclose transactions entered into between two or more members of the same Group where 100% of the voting rights are controlled within the Group.

At the year end there was a shareholder loan due from the Group of £869,442 (2021: £869,442). Interest was charged on this loan during the year of £61,311 (2021: £61,311).

27 Controlling party

In the opinion of the Directors, there is no ultimate controlling party.

28 Cash generated from/(absorbed by) group operations

	2022	2021
	£'000	£'000
Profit/(loss) for the year after tax	1,950	(471)
Adjustments for:		
Share of results of associates and joint ventures	(897)	(492)
Taxation charged/(credited)	320	(32)
Finance costs	110	96
Amortisation and impairment of intangible assets	345	341
Depreciation and impairment of tangible fixed assets	191	660
Foreign exchange gains on cash equivalents	(66)	(5)
Adjustment to intangible assets	-	87
Amounts written off investments	10	40
Corporation tax (paid)/received	(92)	(249)
Movements in working capital:		
Decrease/(increase) in stocks	31	(15)
Increase in debtors	(19)	(153)
Decrease in creditors	(1,476)	(1,079)
Cash generated from/(absorbed by) operations	407	(1,272)

Quadrant Group Limited**Notes to the group financial statements (continued)****For the year ended 31 May 2022****29 Analysis of changes in net funds/(debt) - group**

	1 June 2021	Cash flows	New finance leases	31 May 2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	2,330	800	-	3,130
Borrowings excluding overdrafts	(2,685)	197	-	(2,488)
Obligations under finance leases	(47)	23	(104)	(128)
	<u>(402)</u>	<u>1,020</u>	<u>(104)</u>	<u>514</u>
	<u><u></u></u>	<u><u></u></u>	<u><u></u></u>	<u><u></u></u>