

**OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED**

**COMPANY INFORMATION**

|                            |  |
|----------------------------|--|
| <b>Directors</b>           | K H Wright<br>J J Tholstrup<br>D J L Crichton-Miller<br>R Cooper (appointed 1 October 2020)  |
| <b>Company secretary</b>   | K H Wright   |
| <b>Registered number</b>   | 07719853   |
| <b>Registered office</b>   | Oxford Centre for Innovation<br>New Road<br>Oxford<br>Oxfordshire<br>OX1 1BY   |
| <b>Independent auditor</b> | James Cowper Kreston<br>Chartered Accountants and Statutory Auditor<br>2 Chawley Park<br>Cumnor Hill<br>Oxford<br>Oxfordshire<br>OX2 9GG |
| <b>Bankers</b>             | HSBC UK Bank Plc<br>Hanborough House<br>Wallbrook Court<br>North Hinksey Lane<br>Oxford<br>OX1 0QS                                       |

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

**Introduction**

The directors present their report and the financial statements for the year to 31 March 2021.

**Business review**

2020/21 was a landmark year for OION, one in which initial uncertainty gave way to success and optimism for the division and our community of companies and investors. In addition to holding 7 very successful online showcase events at which 28 companies received investment – of which 4 had double rounds - from our angel investment community (which now numbers over 500), OION launched its first EIS Fund - the Oxford Innovation EIS Growth Fund. Fundraising commenced in January 2021 and, thanks to the dedication of the team and support and enthusiasm from many in our angel network, the Board were delighted to close the fund on 31st March 2021 with the target sum having been reached. Investment of funds in carefully selected high growth companies is now underway during 2021/22.

Turnover for the year of £177,797 (2019/20: £101,878) included fees of £40,000 generated from the Fund and a 35% year-on-year increase in success fees generated from investment network activities.

Other income of £23,982 was generated during the year which gave rise to total revenues of £201,779 (2019/20: £258,153). This other income represented the final tranche of carried interest held in a fund which achieved a successful exit during 2018/19 (from which £156,275 was received as the second tranche of carried interest in 2019/20).

**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 2021 was £201,779 (2020: £258,153)

Profit before taxation for the year to 31 March 2021 was £4,842 (2020: £44,341)

No dividends were paid during the year ended 31 March 2021 (2020: £Nil)

**OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**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, investor community, 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 2021

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

**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 £3,710 (2020 : £31,563).

The directors do not recommend a dividend for the year ended 31 March 2021 (2020: £Nil).

**Directors**

The directors who served during the year were:

K H Wright

J J Tholstrup

D J L Crichton-Miller

R Cooper (appointed 1 October 2020)

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**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.

**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 2021

**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 2021, 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 2021 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**

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

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

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

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

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

**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 set out 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.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

Sue Staunton 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 2021

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

|                                      | Note | 2021<br>£     | 2020<br>£      |
|--------------------------------------|------|---------------|----------------|
| Turnover                             | 4    | 177,797       | 101,878        |
| Other income                         |      | 23,982        | 156,275        |
| Cost of sales                        |      | (114,630)     | (114,261)      |
| <b>Gross profit</b>                  |      | <b>87,149</b> | <b>143,892</b> |
| Administrative expenses              |      | (82,307)      | (99,551)       |
| <b>Operating profit</b>              | 6    | <b>4,842</b>  | <b>44,341</b>  |
| Tax on profit                        | 9    | (1,132)       | (12,778)       |
| <b>Profit for the financial year</b> |      | <b>3,710</b>  | <b>31,563</b>  |

There was no other comprehensive income for 2021 (2020:£NIL).

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

**OXFORD INVESTMENT OPPORTUNITY NETWORK LIMITED**  
**REGISTERED NUMBER: 07719853**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

|  | <b>Note</b> | <b>2021</b><br>£      | 2020<br>£             |
|--|-------------|-----------------------|-----------------------|
| <b>Fixed assets</b>                            |             |                       |                       |
| Tangible assets                                | 10          | 539                   | 820                   |
|  |             | <u>539</u>            | <u>820</u>            |
| <b>Current assets</b>                          |             |                       |                       |
| Debtors: amounts falling due within one year   | 11          | 408,356               | 435,887               |
| Cash at bank and in hand                       | 12          | 98,049                | 35,456                |
|  |             | <u>506,405</u>        | <u>471,343</u>        |
| Creditors: amounts falling due within one year | 13          | (87,055)              | (55,930)              |
| <b>Net current assets</b>                      |             | <u>419,350</u>        | <u>415,413</u>        |
| <b>Total assets less current liabilities</b>   |             | <u>419,889</u>        | <u>416,233</u>        |
| <b>Provisions for liabilities</b>              |             |                       |                       |
| Deferred tax                                   | 14          | (102)                 | (156)                 |
|  |             | <u>(102)</u>          | <u>(156)</u>          |
| <b>Net assets</b>                              |             | <u><u>419,787</u></u> | <u><u>416,077</u></u> |
| <b>Capital and reserves</b>                    |             |                       |                       |
| Called up share capital                        | 15          | 2                     | 2                     |
| Capital redemption reserve                     | 16          | 15,000                | 15,000                |
| Profit and loss account                        | 16          | 404,785               | 401,075               |
|  |             | <u>419,787</u>        | <u>416,077</u>        |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2021.

.....  
**K H Wright**  
Director

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

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

|  | Called up<br>share capital<br>£ | Capital<br>redemption<br>reserve<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£ |
|--|---------------------------------|---------------------------------------|---------------------------------|-------------------|
| <b>At 1 April 2019</b>                   | <b>2</b>                        | <b>15,000</b>                         | <b>369,512</b>                  | <b>384,514</b>    |
| <b>Comprehensive income for the year</b> |                                 |                                       |                                 |                   |
| Profit for the year                      | -                               | -                                     | 31,563                          | 31,563            |
|  | <hr/>                           | <hr/>                                 | <hr/>                           | <hr/>             |
| <b>At 1 April 2020</b>                   | <b>2</b>                        | <b>15,000</b>                         | <b>401,075</b>                  | <b>416,077</b>    |
| <b>Comprehensive income for the year</b> |                                 |                                       |                                 |                   |
| Profit for the year                      | -                               | -                                     | 3,710                           | 3,710             |
|  | <hr/>                           | <hr/>                                 | <hr/>                           | <hr/>             |
| <b>At 31 March 2021</b>                  | <b>2</b>                        | <b>15,000</b>                         | <b>404,785</b>                  | <b>419,787</b>    |

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**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 2021 and the immediate parent company, SQW Group Limited as at 31 March 2021 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 had an operational impact on the business during the year under review, however, no adverse financial impact has been felt. 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 2021

**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 2021

**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 Pensions**

**Defined contribution pension plan**

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

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

**2.11 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 Current and deferred taxation

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

**4. Turnover**

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

|              | 2021<br>£      | 2020<br>£      |
|--------------|----------------|----------------|
| Turnover     | 177,797        | 101,878        |
| Other income | 23,982         | 156,275        |
|              | <u>201,779</u> | <u>258,153</u> |

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

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:

|                               | 2021<br>£    | 2020<br>£    |
|-------------------------------|--------------|--------------|
| Other operating lease rentals | <u>3,004</u> | <u>2,771</u> |

During the year, the Company had no employees other than the directors (2020: Nil). Included in the cost of sales figure are wage costs totalling £86,932 (2020: £130,633) for work carried out for the Company, which were recharged from another group company.

**7. Auditor's remuneration**

|   | 2021<br>£    | 2020<br>£    |
|---|--------------|--------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | <u>4,300</u> | <u>3,800</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

8. Directors' remuneration

|   | 2021<br>£     | As restated<br>2020<br>£ |
|---|---------------|--------------------------|
| Directors' emoluments   | 33,739        | 38,500                   |
| Company contributions to defined contribution pension schemes | 285           | -                        |
|   | <u>34,024</u> | <u>38,500</u>            |

During the year retirement benefits were accruing to no directors (2020 - NIL) in respect of defined contribution pension schemes.

A correction has been made to the prior year figures to correctly disclose the Director's emoluments. This has no impact on the profit and loss account.

9. Taxation

|  | 2021<br>£    | 2020<br>£     |
|--|--------------|---------------|
| <b>Corporation tax</b>                           |              |               |
| Current tax on profits for the year              | 1,186        | -             |
| Adjustments in respect of previous periods       | -            | 12,622        |
|  | <u>1,186</u> | <u>12,622</u> |
| <b>Total current tax</b>                         | <u>1,186</u> | <u>12,622</u> |
| <b>Deferred tax</b>                              |              |               |
| Origination and reversal of timing differences   | (54)         | 156           |
| <b>Total deferred tax</b>                        | <u>(54)</u>  | <u>156</u>    |
| <b>Taxation on profit on ordinary activities</b> | <u>1,132</u> | <u>12,778</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

|  | 2021<br>£    | 2020<br>£     |
|--|--------------|---------------|
| Profit on ordinary activities before tax   | <u>4,842</u> | <u>44,341</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 920          | 8,425         |
| <b>Effects of:</b>   |              |               |
| Income not taxable for tax purposes  | (4,557)      | (29,692)      |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                  | 4,769        | 21,423        |
| Adjustments to tax charge in respect of prior periods  | -            | 12,622        |
| <b>Total tax charge for the year</b>   | <u>1,132</u> | <u>12,778</u> |

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period and to reduce the deferred tax liability. The impact of these changes is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

10. Tangible fixed assets

|                          | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|--------------------------|--------------------------|----------------------------|------------|
| <b>Cost or valuation</b> |                          |                            |            |
| At 1 April 2020          | 884                      | 843                        | 1,727      |
| At 31 March 2021         | 884                      | 843                        | 1,727      |
| <b>Depreciation</b>      |                          |                            |            |
| At 1 April 2020          | 884                      | 23                         | 907        |
| Charge for the year      | -                        | 281                        | 281        |
| At 31 March 2021         | 884                      | 304                        | 1,188      |
| <b>Net book value</b>    |                          |                            |            |
| At 31 March 2021         | -                        | 539                        | 539        |
| <b>At 31 March 2020</b>  | -                        | 820                        | 820        |

11. Debtors

|                                    | 2021<br>£      | As restated<br>2020<br>£ |
|------------------------------------|----------------|--------------------------|
| Trade debtors                      | 17,275         | 28,550                   |
| Amounts owed by group undertakings | 319,492        | 383,319                  |
| Other debtors                      | 20,237         | 21,423                   |
| Prepayments and accrued income     | 51,352         | 2,595                    |
|                                    | <b>408,356</b> | <b>435,887</b>           |

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

A correction has been made to the Amounts owed by group undertakings. The impact of this correction was to reduce Amounts owed by group undertakings and reduce amounts owed to group undertakings by £66,681. This has no impact on the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

12. Cash and cash equivalents

|                          | 2021<br>£     | 2020<br>£     |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 98,049        | 35,456        |
|                          | <u>98,049</u> | <u>35,456</u> |

13. Creditors: Amounts falling due within one year

|                                    | 2021<br>£     | As restated<br>2020<br>£ |
|------------------------------------|---------------|--------------------------|
| Trade creditors                    | 10,400        | 900                      |
| Other taxation and social security | 12,890        | 9,610                    |
| Accruals and deferred income       | 63,765        | 45,420                   |
|                                    | <u>87,055</u> | <u>55,930</u>            |

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

See note 11 for prior year restatement.

14. Deferred taxation

|                           | 2021<br>£    | 2020<br>£    |
|---------------------------|--------------|--------------|
| At beginning of year      | (156)        | -            |
| Charged to profit or loss | 54           | (156)        |
| <b>At end of year</b>     | <u>(102)</u> | <u>(156)</u> |

The provision for deferred taxation is made up as follows:

|                                | 2021<br>£    | 2020<br>£    |
|--------------------------------|--------------|--------------|
| Fixed asset timing differences | (102)        | (156)        |
|                                | <u>(102)</u> | <u>(156)</u> |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

15. Share capital

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| <b>Allotted, called up and fully paid</b>  |           |           |
| 2 (2020 - 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

The Company has taken the exemption under Section 33 of FRS 102 not to disclose transactions with wholly owned group companies.

18. Post balance sheet events

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.