

Registered number: 02177191

OXFORD INNOVATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

OXFORD INNOVATION LIMITED

COMPANY INFORMATION

Directors	C J Allington K H Wright (appointed 1 November 2016) M E Hay (resigned 1 November 2016) D J L Crichton-Miller
Registered number	02177191
Registered office	Oxford Centre for Innovation New Road Oxford Oxfordshire OX1 1BY
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG
Bankers	HSBC Bank Plc West Way Botley Oxford OX2 0PL

OXFORD INNOVATION LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 4
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 18

OXFORD INNOVATION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

This report has taken the small companies exemption to not prepare a strategic report in accordance with Section 414B of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Business review

Whilst Oxford Innovation continues to perform well in its established centres, continued investment in setting up new centres, most notably high mobilisation costs, depressed profits in the current year. Portfolio expansion continues to require high up-front investment but position us well for the future as we expand into new markets and geographies across the United Kingdom. The directors of the company, as well as the Group in which it operates, consider that investments made over the past two years place us in a good position and have confidence in the future prospects of the company.

Directors

The directors who served during the year were:

C J Allington
K H Wright (appointed 1 November 2016)
M E Hay (resigned 1 November 2016)
D J L Crichton-Miller

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.

OXFORD INNOVATION LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Auditor

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

Small companies note

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

This report was approved by the board on *11th July 2017* and signed on its behalf.



K H Wright
Director

OXFORD INNOVATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OXFORD INNOVATION LIMITED

We have audited the financial statements of Oxford Innovation Limited for the year ended 31 March 2017, set out on pages 5 to 18. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit or loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

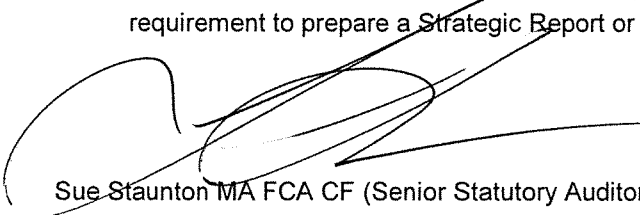
OXFORD INNOVATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OXFORD INNOVATION LIMITED
(CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



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

Date: *11 July 2017*

OXFORD INNOVATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover		6,145,555	5,951,792
Cost of sales		(4,192,825)	(4,020,969)
Gross profit		<u>1,952,730</u>	<u>1,930,823</u>
Administrative expenses		(2,158,586)	(1,833,772)
Exceptional administrative expenses		19,000	(350,000)
Operating loss		<u>(186,856)</u>	<u>(252,949)</u>
Tax on loss	6	39,209	53,444
Loss for the financial year		<u>(147,647)</u>	<u>(199,505)</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>(147,647)</u>	<u>(199,505)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 8 to 18 form part of these financial statements.

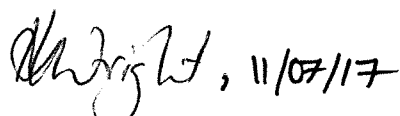
OXFORD INNOVATION LIMITED
REGISTERED NUMBER: 02177191

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	281,691	323,877
		281,691	323,877
Current assets			
Debtors: amounts falling due within one year	9	2,514,907	1,977,697
Cash at bank and in hand	10	500,993	804,582
		3,015,900	2,782,279
Creditors: amounts falling due within one year	11	(1,190,764)	(834,435)
Net current assets		1,825,136	1,947,844
Total assets less current liabilities		2,106,827	2,271,721
Provisions for liabilities			
Deferred tax	12	(32,051)	(28,888)
Other provisions	13	(481,000)	(500,000)
		(513,051)	(528,888)
Net assets		1,593,776	1,742,833
Capital and reserves			
Called up share capital	14	695,486	695,486
Share premium account	15	720,000	720,000
Other reserves	15	6,590	8,000
Profit and loss account	15	171,700	319,347
		1,593,776	1,742,833

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

 11/07/17

K H Wright
 Director

The notes on pages 8 to 18 form part of these financial statements.

OXFORD INNOVATION LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2015	695,486	720,000	8,000	518,852	1,942,338
Comprehensive income for the year					
Loss for the year	-	-	-	(199,505)	(199,505)
Total comprehensive income for the year	-	-	-	(199,505)	(199,505)
Total transactions with owners	-	-	-	-	-
At 1 April 2016	695,486	720,000	8,000	319,347	1,742,833
Comprehensive income for the year					
Loss for the year	-	-	-	(147,647)	(147,647)
Total comprehensive income for the year	-	-	-	(147,647)	(147,647)
Movement in the share based payment reserve	-	-	(1,410)	-	(1,410)
At 31 March 2017	695,486	720,000	6,590	171,700	1,593,776

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Oxford Innovation Limited is a private limited company incorporated in the United Kingdom and registered in England and Wales with registered number 02177191. The company's registered office is Oxford Centre for Innovation, New Road, Oxford, Oxfordshire, OX1 1BY.

The financial statements are presented in Sterling which is the primary currency in which the Company operates.

During the year, the Company was engaged in the management of business and innovation centres.

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 Section 1A of 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 judgment in applying the Company accounting policies.

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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 SQW Group Limited as at 31 March 2017 and these financial statements may be obtained from 43 Charlton Street, London, NW1 1JD.

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 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.

2.4 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Leasehold Improvements	- Over the life of the lease
Fixtures & fittings	- 2 - 7 years straight line
Office equipment	- 2 - 7 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 the Statement of Comprehensive Income.

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

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

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Debtors

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

2.7 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.

2.8 Financial instruments

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

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.

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

2.11 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 the Statement of Comprehensive Income 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.

2.12 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 the Statement of Comprehensive Income 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.

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	6,500	6,250
	<hr/>	<hr/>
	6,500	6,250
Fees payable to the Company's auditor and its associates in respect of:		
Auditor's remuneration relating to taxation	1,550	1,500
All other services	1,100	4,100
	<hr/>	<hr/>
	2,650	5,600
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OXFORD INNOVATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Employees

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

	2017 £	2016 £
Wages and salaries	2,631,399	2,297,394
Social security costs	256,952	212,426
Cost of defined contribution scheme	83,045	72,262
	2,971,396	2,582,082

The average monthly number of employees, including directors, during the year was 85 (2016 - 78).

5. Directors' remuneration

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

6. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of previous periods	-	(60)
Receipt for group relief	(42,372)	(67,551)
Total current tax	(42,372)	(67,611)
Deferred tax		
Origination and reversal of timing differences	4,768	15,688
Changes to tax rates	(1,605)	(1,467)
Adjustments in respect of previous periods	-	(54)
Total deferred tax	3,163	14,167
Taxation on loss on ordinary activities	(39,209)	(53,444)

OXFORD INNOVATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(186,856)</u>	<u>(252,949)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(37,371)	(50,590)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	891	353
Income not allowable for tax purposes	(282)	-
Changes in tax rates leading to a decrease in the tax charge	(2,447)	(3,207)
Receipt for group relief	(42,372)	(67,551)
Group relief	42,372	67,551
Total tax charge/(credit) for the year	<u><u>(39,209)</u></u>	<u><u>(53,444)</u></u>

Factors that may affect future tax charges

Legislation has been passed to reduce the rate of UK corporation tax to 19% from 1 April 2017 and 17% from 1 April 2020. However, these rates were not substantially enacted at the balance sheet date and so are not reflected in the measurement of deferred tax in these financial statements. The future impact of the changes on the deferred tax asset is not considered material.

7. Exceptional items

	2017 £	2016 £
Contract obligations charge	<u>(19,000)</u>	<u>350,000</u>
	<u><u>(19,000)</u></u>	<u><u>350,000</u></u>

In the prior year the Company recognised an increase in the contract obligations provision due to a more accurate estimate of future costs.

OXFORD INNOVATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Tangible fixed assets

	Leasehold improve- ments £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2016	1,524,318	281,294	759,974	2,565,586
Additions	31,514	5,828	71,897	109,239
Disposals	(1,028,412)	(161,889)	(250,585)	(1,440,886)
At 31 March 2017	<u>527,420</u>	<u>125,233</u>	<u>581,286</u>	<u>1,233,939</u>
Depreciation				
At 1 April 2016	1,444,474	234,379	562,857	2,241,710
Charge for the period on owned assets	19,461	7,158	77,576	104,195
Disposals	(1,007,077)	(137,728)	(248,852)	(1,393,657)
At 31 March 2017	<u>456,858</u>	<u>103,809</u>	<u>391,581</u>	<u>952,248</u>
Net book value				
At 31 March 2017	<u>70,562</u>	<u>21,424</u>	<u>189,705</u>	<u>281,691</u>
At 31 March 2016	<u>79,844</u>	<u>46,915</u>	<u>197,118</u>	<u>323,877</u>

9. Debtors

	2017 £	2016 £
Trade debtors	856,249	372,545
Amounts owed by group undertakings	532,561	652,765
Other debtors	148,760	115,534
Prepayments and accrued income	977,337	836,853
	<u>2,514,907</u>	<u>1,977,697</u>

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

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	500,993	804,582
	500,993	804,582
	500,993	804,582

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	109,728	123,683
Amounts owed to group undertakings	86,222	17,307
Other taxation and social security	242,942	162,496
Other creditors	335,162	163,350
Accruals and deferred income	416,710	367,597
	1,190,764	834,433
	1,190,764	834,433

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

12. Deferred taxation

	2017 £
At beginning of year	(28,888)
Charged to the profit or loss	(3,163)
At end of year	(32,051)

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(35,472)
Short term timing differences	3,421
	(32,051)

OXFORD INNOVATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Provisions

	Contract obligations provision £
At 1 April 2016	500,000
Charged to profit or loss	(19,000)
At 31 March 2017	481,000

There is uncertainty regarding the exact costs of the contract obligations and, therefore, the directors have included their best estimate in the financial statements in accordance with FRS102. The costs are expected to be settled on expiration of the contracts.

14. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised		
100,000,000 Ordinary shares of £0.01 each	1,000,000	1,000,000
Allotted, called up and fully paid		
69,548,600 Ordinary shares of £0.01 each	695,486	695,486

15. Reserves

Share premium account

Share premium is the amount received by the Company for share issue, exceeding its nominal value.

Other reserves

The share-based payment reserve is the amount of vested costs relating to share options granted to employees of the Company.

Profit & loss account

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

16. Share based payments

The Company is part of a group share-based payment plan. Options are granted at the discretion of the Group Directors. The options are equity settled typically require three years employment after grant to vest and have a maximum term of 10 years.

The credit in the year ended 31 March 2017 was £682 (2016: £nil).

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

17. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost change represents contributions payable by the Company to the fund and amounted to £83,045 (2016: £72,262). Contributions totaling £12,808 (2016: £10,915) were payable to the fund at the balance sheet date and are included in creditors.

18. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	273,534	182,982
Later than 1 year and not later than 5 years	746,040	51,060
Later than 5 years	280,442	-
	<u>1,300,016</u>	<u>234,042</u>

19. Other financial commitments

The group has a cross-guarantee arrangement with HSBC between SQW Group Limited, SQW Limited, Oxford Innovation Limited and Oxford Innovation Services Limited on account of obligations of each company.

20. Related party transactions

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

21. Controlling party

The directors consider that the ultimate parent undertaking of the Company is SQW Group Limited, which is registered in England and Wales, by virtue of its 100% shareholding in the company.