

Registered number: 02177191

**OXFORD INNOVATION LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

**OXFORD INNOVATION LIMITED**

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**OXFORD INNOVATION LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

C J Allington  
C C Green (resigned 8 June 2015)  
M E Hay (appointed 8 June 2015)  
D J L Crichton-Miller (appointed 8 June 2015)

**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**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015**

The directors present their report and the financial statements for the year ended 31 March 2015.

#### **BUSINESS REVIEW**

Oxford Innovation's Business and Innovation Centres have again traded profitably during 2014/15. Due to planned expansion of its portfolio of centres, Oxford Innovation Limited is well placed to continue to achieve future profitable growth.

Key performance indicators are shown below:

Turnover for the year was £5,715,634 (2014: £5,235,869).

Profit before taxation for the year amounted to £244,477 (2014: £176,897).

Profit after taxation for the year amounted to £187,769 (2014: £134,368). A dividend of £250,000 was paid during the year ended 31 March 2015 (2014: Nil).

The company does not currently monitor any non-financial performance indicators.

#### **RESULTS**

The profit for the year, after taxation, amounted to £187,769 (2014 - £134,368).

#### **DIRECTORS**

The directors who served during the year were:

C J Allington

C C Green (resigned 8 June 2015)

**OXFORD INNOVATION LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

**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 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITOR**

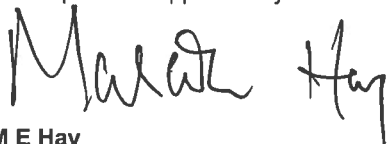
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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.



**M E Hay**  
Director

Date: June 16 2015

## **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 2015, set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 Auditing Practices Board'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](http://www.frc.org.uk/auditscopeukprivate).

### **UNQUALIFIED 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 2015 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.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

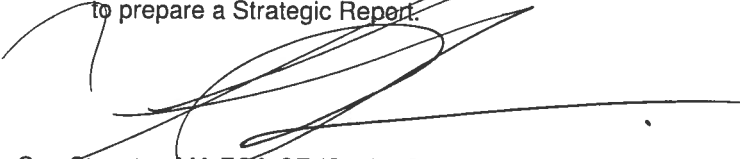
**OXFORD INNOVATION LIMITED**

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

**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.



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: 22 June 2015.

**OXFORD INNOVATION LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	<b>5,715,634</b>	5,235,869
Cost of sales		<u>(4,048,790)</u>	<u>(3,818,745)</u>
<b>GROSS PROFIT</b>		<b>1,666,844</b>	1,417,124
Administrative expenses		<u>(1,422,392)</u>	<u>(1,240,238)</u>
<b>OPERATING PROFIT</b>	3	<b>244,452</b>	176,886
Interest receivable and similar income		<u>25</u>	<u>11</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>244,477</b>	176,897
Tax on profit on ordinary activities	7	<u>(56,708)</u>	<u>(42,529)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<b><u>187,769</u></b>	<b><u>134,368</u></b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 7 to 17 form part of these financial statements.



**OXFORD INNOVATION LIMITED**  
**REGISTERED NUMBER: 02177191**

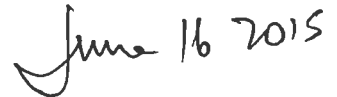
**BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Intangible assets	8		-		6,250
Tangible assets	9		261,077		248,023
Investments	10		-		15
			<u>261,077</u>		<u>254,288</u>
<b>CURRENT ASSETS</b>					
Debtors	11	2,073,518		1,868,286	
Cash at bank and in hand		810,513		663,108	
		<u>2,884,031</u>		<u>2,531,394</u>	
<b>CREDITORS:</b> amounts falling due within one year	12		<u>(1,038,049)</u>		<u>(627,113)</u>
<b>NET CURRENT ASSETS</b>			<u>1,845,982</u>		<u>1,904,281</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,107,059</u>		<u>2,158,569</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	13	(14,721)		-	
Other provisions	14	(150,000)		(150,000)	
			<u>(164,721)</u>		<u>(150,000)</u>
<b>NET ASSETS</b>			<u>1,942,338</u>		<u>2,008,569</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		695,486		695,486
Share premium account	16		720,000		720,000
Share-based payment reserve	16		8,000		12,000
Profit and loss account	16		518,852		581,083
<b>SHAREHOLDERS' FUNDS</b>	17		<u>1,942,338</u>		<u>2,008,569</u>

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



**M E Hay**  
Director



The notes on pages 7 to 17 form part of these financial statements.

## OXFORD INNOVATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 Turnover

Turnover includes amounts receivable, net of Value Added Tax, for services provided to customers.

Turnover is made up of amounts due to the company in respect of services performed and Business and Innovation Centre space occupied during the year.

##### 1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	1 - 5 years straight line
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##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

##### 1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

## OXFORD INNOVATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

##### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

##### 1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

##### 1.11 Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**OXFORD INNOVATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.12 Share-based payments**

All equity-settled share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 April 2005 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest, updated at each balance sheet date. Fair value of the equity-settled share-based payments is measured by use of a Black Scholes model.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to share based payment reserve.

Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

**2. TURNOVER**

The whole of the turnover is attributable to the management of business and innovation centres.

All turnover arose within the United Kingdom.

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2015	2014
	£	£
Amortisation - intangible fixed assets	6,250	6,250
Depreciation of tangible fixed assets:		
- owned by the company	95,122	78,691
Operating lease rentals	333,790	312,906
	339,162	407,847

**4. AUDITORS' REMUNERATION**

	2015	2014
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5,250	5,000
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	1,500	1,500
All other non-audit services not included above	3,600	3,600
	4,750	4,100

**OXFORD INNOVATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**5. STAFF COSTS**

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

	2015 £	2014 £
Wages and salaries	2,151,663	2,030,332
Social security costs	190,047	175,842
Other pension costs	52,414	47,779
	<u>2,394,124</u>	<u>2,253,953</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Number of direct staff	63	61
Number of administrative staff	13	10
	<u>76</u>	<u>71</u>

**6. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	<u>131,018</u>	<u>123,103</u>
Company pension contributions to defined contribution pension schemes	<u>1,316</u>	<u>5,165</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

Directors' remuneration includes of £25,000 (2014: £20,000) which has been recharged to the parent company.

**OXFORD INNOVATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**7. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit for the year	48,132	45,311
Adjustments in respect of prior periods	(13,376)	(2,500)
<b>Total current tax</b>	<b>34,756</b>	<b>42,811</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	7,924	(1,188)
Effect of increased tax rate on opening liability	14,028	906
<b>Total deferred tax (see note 13)</b>	<b>21,952</b>	<b>(282)</b>
<b>Tax on profit on ordinary activities</b>	<b>56,708</b>	<b>42,529</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<b>244,477</b>	<b>176,897</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	<b>51,340</b>	<b>40,686</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,125	73
Capital allowances for year in excess of depreciation	(6,845)	(8,344)
Utilisation of tax losses	840	8,740
Adjustments to tax charge in respect of prior periods	(13,376)	(2,500)
Short term timing difference leading to an increase (decrease) in taxation	1,687	13,644
Non-taxable income	(840)	(8,740)
Marginal relief	(175)	(748)
<b>Current tax charge for the year (see note above)</b>	<b>34,756</b>	<b>42,811</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>Cost</b>	
At 1 April 2014 and 31 March 2015	50,000
<b>Amortisation</b>	
At 1 April 2014	43,750
Charge for the year	6,250
At 31 March 2015	50,000
<b>Net book value</b>	
At 31 March 2015	-
At 31 March 2014	6,250

9. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2014	1,513,136	262,711	542,432	2,318,279
Additions	10,267	8,962	88,947	108,176
At 31 March 2015	1,523,403	271,673	631,379	2,426,455
<b>Depreciation</b>				
At 1 April 2014	1,402,113	226,524	441,619	2,070,256
Charge for the year	22,554	12,229	60,339	95,122
At 31 March 2015	1,424,667	238,753	501,958	2,165,378
<b>Net book value</b>				
At 31 March 2015	98,736	32,920	129,421	261,077
At 31 March 2014	111,023	36,187	100,813	248,023

OXFORD INNOVATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2014	15
Transfers intra group	(15)
	<hr/>
At 31 March 2015	-
	<hr/>
<b>Net book value</b>	
At 31 March 2015	-
	<hr/> <hr/>
At 31 March 2014	15
	<hr/> <hr/>



**OXFORD INNOVATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**11. DEBTORS**

	2015 £	2014 £
Trade debtors	423,926	401,451
Amounts owed by group undertakings	630,006	730,422
Other debtors	187,086	71,805
Prepayments and accrued income	832,500	641,626
Tax recoverable	-	15,751
Deferred tax asset (see note 13)	-	7,231
	<b>2,073,518</b>	<b>1,868,286</b>
	<b>2,073,518</b>	<b>1,868,286</b>

**12. CREDITORS:  
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	374,804	87,098
Amounts owed to group undertakings	-	162
Corporation tax	48,278	45,311
Other taxation and social security	62,417	125,325
Other creditors	153,481	98,998
Accruals and deferred income	399,069	270,219
	<b>1,038,049</b>	<b>627,113</b>
	<b>1,038,049</b>	<b>627,113</b>

**13. DEFERRED TAXATION**

	2015 £	2014 £
At beginning of year	7,231	6,949
(Charge for)/released during year (P&L)	(21,952)	282
	<b>(14,721)</b>	<b>7,231</b>
	<b>(14,721)</b>	<b>7,231</b>

The deferred taxation balance is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(26,702)	(16,144)
Short term timing differences	11,981	23,375
	<b>(14,721)</b>	<b>7,231</b>
	<b>(14,721)</b>	<b>7,231</b>

**OXFORD INNOVATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**14. PROVISIONS**

	<b>Contract obligations provision £</b>
At 1 April 2014 and 31 March 2015	<u><u>150,000</u></u>

**Contract obligations provision**

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 FRS12. The costs are expected to be settled before 2017.

**15. SHARE CAPITAL**

	2015 £	2014 £
<b>Authorised</b>		
100,000,000 Ordinary shares of £0.01 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called up and fully paid</b>		
69,548,600 Ordinary shares of £0.01 each	<u>695,486</u>	<u>695,486</u>

**16. RESERVES**

	Share premium account £	Share-based payment reserve £	Profit and loss account £
At 1 April 2014	720,000	12,000	581,083
Profit for the financial year	-	-	187,769
Dividends: Equity capital	-	-	(250,000)
Share-based payments	-	(4,000)	-
At 31 March 2015	<u>720,000</u>	<u>8,000</u>	<u>518,852</u>

**17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2015 £	2014 £
Opening shareholders' funds	2,008,569	1,912,201
Profit for the financial year	187,769	134,368
Dividends (Note 18)	(250,000)	-
Movement in share based payment reserve	(4,000)	(38,000)
Closing shareholders' funds	<u>1,942,338</u>	<u>2,008,569</u>

**OXFORD INNOVATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**18. DIVIDENDS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Dividends paid on equity capital	<b>250,000</b>	-

**19. CONTINGENT LIABILITIES**

The company has given guarantees regarding borrowings of other group companies by way of an offset arrangement. At the period end there was no liability (2014 - £nil).

**20. 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 charge represents contributions payable by the company to the fund and amounted to £52,414 (2014: £47,779). Contributions totalling £11,047 (2014: £4,876) were payable to the fund at the balance sheet date and are included in creditors.

**21. OPERATING LEASE COMMITMENTS**

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within 1 year	<b>196,307</b>	67,469
Between 2 and 5 years	<b>241,184</b>	373,823

**22. RELATED PARTY TRANSACTIONS**

As a wholly owned subsidiary of SQW Group Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by SQW Group Limited on the grounds that group accounts are publicly available from Companies House.

During the prior year 166,666 share options held by C Allington, a director, were cancelled and 200,000 were granted at a price of 15p per option. Of these 53,333 were exercised in the year (2014: 33,333) and the remaining 113,334 were outstanding at the year end.

**23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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

**OXFORD INNOVATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**24. SHARE-BASED PAYMENTS**

Details of all share-based options over shares in the parent company, SQW Group Limited, are detailed below:

	2015	2015 Weighted average exercise price	2014	2014 Weighted average exercise price
	No	P	No	P
Outstanding at the beginning of the year	677,777	15	1,266,664	29
Cancelled during the year	-	-	(1,266,664)	29
Expired during the year	(200,000)	15	-	-
Granted during the year	-	-	711,110	15
Exercised during the year	(86,666)	15	(33,333)	15
	<u>391,111</u>	<u>15</u>	<u>677,777</u>	<u>15</u>

As at the year end, there were 279,999 exercisable options (2014: 416,666).

The options over SQW Group Limited shares outstanding at 31 March 2015 for the company had a weighted average remaining contractual life of 6 months (2014: 4 months).

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Application of the fair value measurement results in a credit to operating expenses for the year ended 31 March 2015 of £4,000 (2014: £18,000). The charge has been made to the profit and loss account as the employees' services are provided to the company. The total intrinsic carrying amount of liabilities in respect of vested benefits for the company at 31 March 2014 was £8,000 (2014 : £12,000).

Fair value is measured using the Black Scholes pricing model and includes the information set out in the tables below. The expected life used in the model assumes that vesting conditions will be met and all options will be exercised at the earliest opportunity.

700,000 options were granted during the prior year. The following assumptions were used in the Black Scholes model for options granted during the year:

Date of issue	Number granted	Weighted average exercise price P	Expected volatility %	Risk free rate % p.a.
1 June 2013	<u>700,000</u>	<u>15</u>	<u>30</u>	<u>1</u>

The weighted average fair value of the options at the date of grant was 15 pence. The expected life of the options is between 0-3 years.