

**Company registration number 08528951 (England and Wales)**

**SQIB LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



## **SQIB LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	K R Spencer G Humphreys K J Barber M Brittain (Appointed 5 December 2022)
<b>Secretary</b>	R Weeks
<b>Company number</b>	08528951
<b>Registered office</b>	45 Westerham Road Bessels Green Sevenoaks Kent TN13 2QB
<b>Auditor</b>	Mercer & Hole LLP Trinity Court Church Street Rickmansworth WD3 1RT

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## **SQIB LIMITED**

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## **SQIB LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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

The principal activity of SQIB Limited during the year was that of a group holding company. The principal activities of subsidiaries of SQIB Limited are as follows: property development, investment management, jet aircraft investment and charter aircraft service, and the provision of hotel accommodation, venue hire and food and beverage.

#### **Fair review of the business**

The results for the year are set out on page 12 and show a loss before taxation for the year of £3,641,277 (2021: £11,198,469). The directors have not recommended a dividend.

The parent company results for the year show a loss before taxation of £1,796,146 (2021: £3,099,287).

The group's total revenues have significantly increased to £31,631,854 from £21,562,848 in the prior year, as the businesses continue to recover from the effects of the pandemic. Gross profit margins have remained consistent at 30% (2021: 32%).

The group's operating profit results have performed worse than the prior year, with the group reporting an operating loss of £677,255 compared to an operating profit of £527,852 in 2021, due to increased administrative expenses. The group is reporting a loss before tax of £3,641,277 which is a significant improvement when compared to £11,198,469 in the previous year. Results include a fair value adjustment on investment properties resulting in a gain of £623,258 (2021: £5,001,587 loss).

The group results for the year listed above include amortisation of goodwill for the year of £26,008 and the share of profit for the year of associated undertakings of £640,370. The group results also reflect an additional depreciation charge of £205,902 due to a subsidiary's freehold investment property being treated as freehold land and buildings as it is occupied by a fellow subsidiary of SQIB Limited. This different accounting treatment results in the restriction of indexation relief allowed on the potential gain on disposal of the freehold land and building at its carrying value at 31 March 2022.

Management continue to review the group's cost bases and monitor where processes, centralisation and synergies can be utilised to generate cost savings. Jet Aircraft Limited and Zenith Aircraft Limited reported foreign exchange losses on translation of the US Dollar aircraft loans of £173,122 and £283,759 respectively. Management are exploring hedging techniques to mitigate the risk of the volatile USD exchange rates.

The group total comprehensive loss for the year was £3,725,782 (2021: £11,190,273). As a result the group is showing a shareholders deficit of £46,955,186 (2021: £43,229,404) at 31 March 2022.

#### **Going concern**

The group's business activities, together with the factors likely to affect its future development, performance and position are set out above Strategic Report, which also makes reference to the group's financial risk management objectives, including exposure to liquidity risk. The group meets its day to day working capital requirements through the support of its shareholders.

During the year, the Company was in breach of its loan covenants regarding a bank loan of £66,247,242 and this has resulted in the loan being reclassified from non-current to current at the balance sheet reporting date. Subsequent to the year end, the breaches have not been enforced by the lender and the loan has been successfully refinanced with the same lender. Despite the Company continuing to be in breach of the loan covenants following the refinancing of the loan, following discussions with the lender the shareholders are confident the loan will not be recalled in the foreseeable future.

The financial statements have been prepared on the going concern basis as the shareholders have undertaken to provide financial support, as required, to enable the group to continue to trade for a period of at least 18 months from the date of approval of these statements.

Should the group be unable to meet its liabilities as they fall due, adjustments would have to be made to restate fixed assets as current assets and reduce the value of assets to their recoverable amounts and to provide for any further liabilities as they arise.

## **SQIB LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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##### **Principal risks and uncertainties**

The process of risk acceptance and risk management is addressed through a framework of procedures and internal controls which are subject to Board approval and ongoing review by management and risk management. Compliance with regulation, legal and ethical standards is a high priority for the company and group and the compliance team and finance department take on an important oversight role in this regard. The Board is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The principal risks to the group are factors that affect property valuations and rental income streams such as high inflation and the cost of living crisis mentioned below. This would have an impact on Bewl Events & Waterpark Limited, Bishops UK Limited, Connect Centre Limited, Goswell Properties Limited and 55VS No 2 Limited and could affect revenue within Integra Property Management Limited. Increase in local competition to provide hotel accommodation, venue and room hire, as well as the cost of living crisis, would affect the revenue achievable within Salomons UK Limited. Increase in global fuel prices, which are being exacerbated by high inflation and the war in Ukraine, would lead to a reduction in gross profit margin for Zenith Aviation Limited and rising utility costs across the group.

##### *Economic conditions*

The Consumer Prices Index (CPI) was reported to have risen by 10.4% in the 12 months to February 2023. The high inflation and rising costs of living are having a significant impact on spending habits in the UK and across the World. The war in Ukraine is also having a further impact on global fuel prices.

Management are monitoring inflation alongside the cost of living and energy crises.

Following the governments lifting of the travel restrictions, as a result of Covid-19, the aviation division have seen Chartering's volume and revenue recover to almost pre-pandemic levels as we see both leisure and business travellers now looking to book flights considerably more frequently. However, rising global fuel prices are having an impact on the aviation division's gross profit margins. Management are monitoring this closely and reviewing sales pricing techniques and are focused on maximising charter in the company's typical low-season through the Winter. The aircraft maintenance department is continuing to perform well and has seen fewer negative impacts from the current economic conditions.

The leisure division, which includes Salomons UK Limited and the trade at Bewl Water, has been impacted by rising energy prices and high inflation. With weddings and other events booked far in advance, price increases can then have a short term impact on profits. However renewed focus on core revenue generating streams has seen a surge in customers rebooking weddings, events and conferences with higher attendance numbers, along with food, beverage and hotel room occupancy also increasing.

Income of the property division is protected by legally enforceable lease agreements, but short term cash flows can be affected by lease deferrals. Working practices and demand for commercial office space is still changing as a result of the Covid-19 pandemic, and there is medium to long term uncertainty and risk in the commercial and residential property markets as to valuations and sustainable rental values.

Management have taken several steps to mitigate the impact of the current economic conditions, including reviewing cost bases, centralising support functions, hedging exchange rate risk and renegotiating third party loan terms. Management also monitor and forecast both short term and long-term cash flows and plan to generate significant net proceeds into the Group by way of several capital events. Despite the ongoing uncertainty around the war in Ukraine and cost of living crisis, the directors are confident that the capital events and long-term plans will be realised. In the unlikely event that not all of the capital events come into fruition this will have some adverse effect on the Group's cash and its ability to service the interest payments on the debt. Therefore, the shareholders are committed to supporting all the SQIB subsidiary companies and this is expected to continue for the foreseeable future.

##### *Interest rates and exchange rates*

SQIB subsidiary companies have a number of bank and other loans to help finance previous acquisitions of companies and properties. These bank loans and other loans are subject to interest charges and the group is at risk to any increases in either the base rate and/or the LIBOR. The Aviation loans, entered into to finance the acquisition of aircraft, are USD denominated. The businesses' cash flows and loan values are exposed to currency fluctuations due to a strengthening U.S. Dollar or weaker Pound. Management are mitigating this risk using exchange rate hedging techniques.

**SQIB LIMITED****STRATEGIC REPORT (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****Key performance indicators**

The group closely monitors its performance against a series of measures on a monthly and year to date basis. These cover key aspects of the business operations including debtors, creditors, expenses and cash flow. Expenses are monitored monthly by expense type and cash flow is monitored daily.

The group also monitors turnover, gross profit margin and operating profit/(loss). For the subsidiary company that provides hotel accommodation, its key performance indicator is to monitor occupancy as well as KPIs on number of customers in its restaurants and bars. For the subsidiary that provides charter flights, its key performance indicator is the number of charters and number of non-flying days. In addition, for the seven subsidiaries that invest and develop property they monitor the investment property valuations for capital growth.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Group Turnover	31,631,854	21,562,848
Group Gross Profit	9,427,403	6,863,657
Group Operating (Loss)/Profit	(677,255)	527,852
Group Comprehensive Loss	(3,725,782)	(11,190,273)

For the year ended 31 March 2022, the group's gross profit percentage was 30% (2021: 32%).

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Group Net Current Liabilities	(102,265,082)	(36,357,868)
Group Net Liabilities	(46,955,186)	(43,229,404)

The group's net liabilities have increased from the prior year by £3,725,782. Losses incurred by Salomons UK Limited and Zenith Aviation Limited contributed to the deterioration of the net balance sheet position.

For each of the subsidiary companies within the group, the level of trade debtors is monitored on a regular basis and each review examines the ageing of the debt to ensure that the debtor days does not exceed an excessive level. Management also monitors the level of trade creditors on a regular basis with the aim to maximise the level of credit available to the group within normal credit terms offered to it by suppliers.

**Financial risk management objectives**

The group is exposed to financial risk through its financial assets and financial liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund obligations as they fall due.

**Credit risk** - Credit risk is that the customer will be unable to pay amounts in full when due. The group manages this risk by reviewing suitable credit terms for each new customer and after suitable checks have been performed.

**Cash flow risk** - Cash flow risk is that the group will not have sufficient cash resources to meet its obligations as they fall due, in particular, interest charges and loan repayments. The group manages this risk through efficient working capital management and monitors its bank balances daily.

**Interest rate risk** - Interest rate risk is the risk that the group's borrowing costs will increase significantly and as a result the group will not be able to meet its obligations on its bank and other loans. The group manages this risk by regularly reforecasting cash flows using the latest interest rates and also by using foreign exchange hedging techniques on its USD interest obligations.

**Foreign exchange risk** - Foreign exchange risk is the risk that the group will not have sufficient resources to meet its foreign currency payment obligations due to the volatile exchange rate. Management are mitigating this risk using exchange rate hedging techniques.

**Non-financial key performance indicators**

The Strategic report does not include any non-financial key performance indicators as the directors consider it is not necessary for an understanding of the development, performance or position of the group's business.

## **SQIB LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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#### **Future outlook**

The company will continue to be a holding company for all of its subsidiaries. No acquisitions of companies are planned at the time of publishing these financial statements.

The maintenance department within the Aviation division, comprising Zenith Aviation Limited, Jet Aircraft Limited and Zenith Aircraft Limited, has continued to see healthy results and profitable and charter is expected to improve as management renew focus on sales pricing techniques. New customers are entering the market, which will support both future charter and engineering revenue.

Management continue to focus on maximising revenue in Salomons UK Limited by increasing the volume of wedding bookings, event bookings, and restaurant/bar sales. In addition, management are continuing to review fixed costs to achieve cost savings and efficiencies wherever possible. Management are also continuing to market the site as a country getaway, with several short term lets available. Management have reviewed any loss-making parts of each operation and in most cases removed them. There has been additional focus on squeezing value from existing assets to maximise profits without additional capital expenditure.

Businesses across the Group are continuing the good discipline and cost cutting that was necessary following the Covid-19 lockdowns, and into the uncertain economic climate, to operate more efficiently.

#### **Post balance sheet events**

During the year, the Company was in breach of its loan covenants regarding a bank loan of £66,247,242 and this has resulted in the loan being reclassified from non-current to current at the balance sheet reporting date. Subsequent to the year end, the breaches have been waived and the loan has been refinanced. Despite the Company continuing to be in breach of the loan covenants following the refinancing of the loan, the lender has not recalled the loan at the date of approval of these financial statements.

On 19th May 2022, the company sold 6 properties for £10.36m to MSG Office Holdings Limited, which were valued in the financial statements at £10.36m at 31 March 2022. The sale took place under normal market conditions. MSG Office Holdings Limited is a subsidiary of Venus Topco Limited, a company registered in Guernsey and the controlling parent of Markerstudy Group Holdings Limited. Venus Topco Limited has shareholders in common with the Armature Group.

On behalf of the board

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0E26A42E8939745.....  
M Brittain  
Director

Date: 2/6/2023  
.....

## **SQIB LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

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

#### **Results and dividends**

The results for the year are set out on page 11.

No ordinary dividends were paid (2021: nil). The directors do not recommend payment of a further dividend (2021: nil).

#### **Directors**

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

K R Spencer  
G Humphreys  
K J Barber  
M Brittain

(Appointed 5 December 2022)

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the relative aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should as far as possible, be identical to that of a person who does not suffer from a disability.

#### **Employee involvement**

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. Information about the financial and economic performance of their business units and of the SQIB group as a whole are communicated to employees through the in-house newsletters and briefing groups.

#### **Auditor**

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

#### **Statement of disclosure to auditor**

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

#### **Disclosure of information in the strategic report**

Matters required by Schedule 7 of the large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414c(11) of the Companies Act 2006.



**SQIB LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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On behalf of the board

DocuSigned by:  
  
.....0E26A42E8939446.....  
M Brittain  
Director

2/6/2023  
Date: .....

## **SQIB LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

## **SQIB LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SQIB LIMITED**

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#### **Opinion**

We have audited the financial statements of SQIB Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

We draw attention to note 1.4 on page 18 of the financial statements concerning the group's and the company's ability to continue as a going concern.

The group had net current liabilities of £102,265,082 (2021: £36,357,868 ) and net liabilities of £46,955,186 as at 31 March 2022 (2021: £43,229,404 which included £87,701,728 owed to other related parties (2021: £92,813,417)). The company had net current liabilities of £20,811,964 (2021: £52,949,529 net current assets) and net liabilities of £19,757,506 (2021: £17,961,360) which included £14,758,686 (2021: £13,829,946 ) owed to other related parties.

The group and the company will rely on the ongoing support of third party lenders, related parties and shareholders to continue to trade and meet its liabilities as they fall due. This support includes the successful refinancing of loans in certain of its subsidiaries, where these loans fall due for repayment within 18 months of the date these accounts are approved or have fallen due for repayment before the accounts are approved. Ongoing support from existing lenders is dependent on the group and the company remaining in good standing with third party lenders where loan covenants may have been breached, but not enforced, notwithstanding refinancing with the same lenders after the year end.

The support of shareholders, third party lenders and related parties may be adversely affected by the impact of various economic factors. Given the unpredictable nature and impact of these factors, the directors are unable to predict the full extent of the impact with regards to the going concern basis of accounting and its related disclosures. As stated in note 1.4 on page 18, these events or conditions, along with the other matters explained in note 1.4 indicate that a material uncertainty exists that may cast significant doubt on the company's and the group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

## **SQIB LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SQIB LIMITED**

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#### **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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

#### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **SQIB LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF SQIB LIMITED**

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##### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing high risk journal entries.

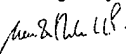
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

##### **Use of our report**

This report is made solely to the 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.

DocuSigned by:



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**Alexander Bell FCA**

**For and on behalf of Mercer & Hole LLP**

**2/6/2023**

Date: .....

**Chartered Accountants**

**Statutory Auditor**

Trinity Court  
Church Street  
Rickmansworth  
WD3 1RT

**SQIB LIMITED****GROUP STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	31,631,854	21,562,848
Cost of sales		(22,204,451)	(14,699,191)
<b>Gross profit</b>		9,427,403	6,863,657
Distribution costs		(41,695)	(23,804)
Administrative expenses		(12,372,870)	(7,974,735)
Other operating income		2,309,907	1,662,734
<b>Operating (loss)/profit</b>	<b>4</b>	(677,255)	527,852
Share of profits of associates		640,370	675,239
Interest receivable and similar income	<b>7</b>	3,700,599	1,794,341
Interest payable and similar expenses	<b>8</b>	(7,928,249)	(9,194,314)
Amounts written off investments	<b>9</b>	623,258	(5,001,587)
<b>Loss before taxation</b>		(3,641,277)	(11,198,469)
Tax on loss	<b>10</b>	(84,505)	8,196
<b>Loss for the financial year</b>		(3,725,782)	(11,190,273)

Loss for the financial year is all attributable to the owners of the parent company.

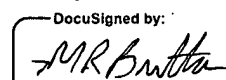
Total comprehensive income for the year is all attributable to the owners of the parent company.

**SQIB LIMITED****GROUP BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Negative goodwill	11		(44,862)		(70,870)
Other intangible assets	11		-		1,290
Total intangible assets			(44,862)		(69,580)
Tangible assets	12		30,131,542		31,468,484
Investment properties	13		61,970,000		77,397,011
Investments	14		1,095,515		772,470
			93,152,195		109,568,385
<b>Current assets</b>					
Stocks	19	999,216		862,839	
Debtors falling due after more than one year	20	46,526,097		46,614,726	
Debtors falling due within one year	20	27,324,409		32,077,956	
Cash at bank and in hand		2,735,037		2,389,265	
			77,584,759		81,944,786
<b>Creditors: amounts falling due within one year</b>	21	(179,849,841)		(118,302,654)	
<b>Net current liabilities</b>			(102,265,082)		(36,357,868)
<b>Total assets less current liabilities</b>			(9,112,887)		73,210,517
<b>Creditors: amounts falling due after more than one year</b>	22		(37,102,734)		(115,743,057)
<b>Provisions for liabilities</b>					
Deferred tax liability	24	739,565		696,864	
			(739,565)		(696,864)
<b>Net liabilities</b>			(46,955,186)		(43,229,404)
<b>Capital and reserves</b>					
Called up share capital	26		8,338,420		8,338,420
Revaluation reserve	27		7,836,715		6,031,881
Profit and loss reserves			(63,130,321)		(57,599,705)
<b>Total equity</b>			(46,955,186)		(43,229,404)

2/6/2023

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

DocuSigned by:  
  
 0E26742E8939445:.....  
 M Brittain  
 Director

**SQIB LIMITED****COMPANY BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investments	14		1,054,458		2,096,229
<b>Current assets</b>					
Debtors falling due after more than one year	20	57,815,248		62,488,555	
Debtors falling due within one year	20	17,203,491		10,558,528	
Cash at bank and in hand		875,451		1,772	
		<u>75,894,190</u>		<u>73,048,855</u>	
<b>Creditors: amounts falling due within one year</b>	21	<u>(96,706,154)</u>		<u>(20,099,326)</u>	
<b>Net current (liabilities)/assets</b>			<u>(20,811,964)</u>		<u>52,949,529</u>
<b>Total assets less current liabilities</b>			<u>(19,757,506)</u>		<u>55,045,758</u>
<b>Creditors: amounts falling due after more than one year</b>	22		<u>-</u>		<u>(73,007,118)</u>
<b>Net liabilities</b>			<u>(19,757,506)</u>		<u>(17,961,360)</u>
<b>Capital and reserves</b>					
Called up share capital	26		8,338,420		8,338,420
Profit and loss reserves			<u>(28,095,926)</u>		<u>(26,299,780)</u>
<b>Total equity</b>			<u>(19,757,506)</u>		<u>(17,961,360)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,796,146 (2021 - £3,099,287 loss).

2/6/2023

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

DocuSigned by:



0E26A42E8939445.....  
M Brittain  
Director

Company Registration No. 08528951



**SQIB LIMITED****GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2020</b>	8,338,420	10,810,660	(51,188,211)	(32,039,131)
<b>Year ended 31 March 2021:</b>				
Loss for the year	-	-	(11,190,273)	(11,190,273)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	(4,778,779)	-	(4,778,779)
Total comprehensive income for the year	-	(4,778,779)	(11,190,273)	(15,969,052)
Transfers	-	-	4,778,779	4,778,779
<b>Balance at 31 March 2021</b>	8,338,420	6,031,881	(57,599,705)	(43,229,404)
<b>Year ended 31 March 2022:</b>				
Loss for the year	-	-	(3,725,782)	(3,725,782)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	1,804,834	-	1,804,834
Total comprehensive income for the year	-	1,804,834	(3,725,782)	(1,920,948)
Transfers	-	-	(1,804,834)	(1,804,834)
<b>Balance at 31 March 2022</b>	8,338,420	7,836,715	(63,130,321)	(46,955,186)

**SQIB LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**


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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 April 2020</b>	8,338,420	(23,200,492)	(14,862,072)
<b>Year ended 31 March 2021:</b>			
Loss and total comprehensive income for the year	-	(3,099,288)	(3,099,288)
<b>Balance at 31 March 2021</b>	8,338,420	(26,299,780)	(17,961,360)
<b>Year ended 31 March 2022:</b>			
Loss and total comprehensive income for the year	-	(1,796,146)	(1,796,146)
<b>Balance at 31 March 2022</b>	8,338,420	(28,095,926)	(19,757,506)

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**SQIB LIMITED****GROUP STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32	10,416,259		10,329,318	
Interest paid		(7,928,249)		(9,194,314)	
Income taxes paid		(38,190)		(27,863)	
<b>Net cash inflow from operating activities</b>		<b>2,449,820</b>		<b>1,107,141</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(571,672)		(340,296)	
Proceeds on disposal of tangible fixed assets		12,592		-	
Purchase of investment property		(1,149,731)		(142,318)	
Proceeds on disposal of investment property		17,200,000		400,000	
Receipts from associates		317,325		538,751	
Receipts arising from loans made		(11,861)		(7,000)	
Interest received		3,094,318		1,794,341	
Dividends received		606,281		-	
<b>Net cash generated from investing activities</b>		<b>19,497,252</b>		<b>2,243,478</b>	
<b>Financing activities</b>					
Repayment of bank loans		(21,601,300)		(3,391,512)	
<b>Net cash used in financing activities</b>		<b>(21,601,300)</b>		<b>(3,391,512)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>345,772</b>		<b>(40,893)</b>	
Cash and cash equivalents at beginning of year		2,389,265		2,430,158	
<b>Cash and cash equivalents at end of year</b>		<b>2,735,037</b>		<b>2,389,265</b>	

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022****1 Accounting policies****Company information**

SQIB Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

The group consists of SQIB Limited and all of its subsidiaries. The principal activities of the company and its subsidiaries (the group) and the nature of the group's operations are set out in the Strategic Report.

**1.1 Accounting convention**

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

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

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

**1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****1 Accounting policies****(Continued)****1.3 Basis of consolidation**

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

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

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

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

**1.4 Going concern**

The group made a loss before taxation of £3,641,277 (2021: £11,198,469) during the year ended 31 March 2022. At 31 March 2022 the group had net current liabilities of £102,265,082 (2021: £36,357,868) and net liabilities of £46,955,186 (2021: £43,229,404) including amounts due from the parent undertaking and other related parties of £60,614,722 (2021: £69,359,502) of which £33,049,099 (2021: £43,620,919) was due after more than one year. At 31 March 2022 the group owed £87,701,728 (2021: £92,814,417) to other related parties.

At 31 March 2022 the company had net current liabilities of £20,811,964 (2021: £52,949,529 net current assets) including £74,716,498 (2021: £72,985,035) due from group companies and related parties, £57,812,248 (2021: £62,488,554) of which was due after more than one year. At 31 March 2022 the company owed £30,182,148 (2021: £20,014,469) to group companies and other related parties.

The financial statements have been prepared on a going concern basis, which assumes that the group and the company will be able to continue in operational existence for at least twelve months from the date of approval of these financial statements. This depends on the group and the company continuing to meet its day-to-day working capital requirements.

In addition, the shareholders have confirmed that they will provide continuing financial support to the group and the company for a period of at least 18 months from the date these financial statements are approved such that the group and the company will continue to be able to meet their obligations as they fall due.

Management have considered the impact of growing inflation alongside the current cost of living and energy crises in the United Kingdom, which are having an impact on the short-term performance of the group as detailed in the strategic report on page 2.

Management have taken several steps to mitigate the impact of the current economic conditions, including reviewing cost bases, centralising support functions, hedging exchange rate risk and renegotiating third party loan terms. Management also monitor and forecast both short term and long-term cash flows and plan to generate significant net proceeds into the Group by way of several capital events. Despite the ongoing uncertainty around the war in Ukraine and cost of living crisis, the directors are confident that the capital events and long-term plans will be realised. In the unlikely event that not all of the capital events come into fruition this will have some adverse effect on the Group's cash and its ability to service the interest payments on the debt. Therefore, the shareholders have committed to supporting all the SQIB subsidiary companies and this is expected to continue for the foreseeable future.

After making enquiries and considering the impacts described above, the directors have a reasonable expectation that the group and the company will have adequate resources to continue in operational existence over the twelve months from the date of approval of these financial statements. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022****1 Accounting policies****(Continued)****1.5 Turnover**

The turnover shown in the profit and loss account is exclusive of Value Added Tax and represents amounts receivable in respect of rental income, property management fees, hotel accommodation, food and beverage sales, venue hire and aircraft leasing services provided during the period. Revenue is recognised when the amount of revenue can be reliably measured at the point when goods and services have been provided.

Aircraft leasing services revenue is recognised at the point when charter flights services have been provided.

Income derived from hotel accommodation is recognised in the period when the customers stay, with any advanced bookings being deferred.

Income derived from food and beverage sales and leisure activities is recognised in the period at the point of sale except for any advanced bookings being deferred.

Income derived from venue hire is recognised in the period when the venue is provided, with any advanced bookings being deferred.

Rental income is recognised on a straight line basis over the period of the lease.

Property management fees are recognised in the period the service has been provided,

**1.6 Intangible fixed assets - goodwill**

Goodwill represents the excess of the consolidation for an acquired undertaking, compared with the fair value of net assets acquired. It is capitalised and written off evenly over 5 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

**1.7 Intangible fixed assets other than goodwill**

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

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

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

Website	33% straight line
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**1.8 Tangible fixed assets**

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

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****1 Accounting policies****(Continued)**

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

Freehold land and buildings	2% straight line
Leasehold land and buildings	86 years straight line
Leasehold improvements	2% straight line
Plant and equipment	10% - 25% straight line
Fixtures and fittings	10% - 25% straight line
Computers	20% - 33% straight line
Motor vehicles	25% straight line

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

**1.9 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Property rented to a group entity is accounted for as tangible fixed assets.

**1.10 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

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

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

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

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****1 Accounting policies****(Continued)****1.11 Impairment of fixed assets**

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.12 Stocks**

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.13 Cash and cash equivalents**

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

**1.14 Financial instruments**

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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



**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022****1 Accounting policies****(Continued)****Basic financial assets**

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

**Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

**Impairment of financial assets**

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

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

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

**Derecognition of financial assets**

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

**Classification of financial liabilities**

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

**Basic financial liabilities**

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

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

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

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****1 Accounting policies****(Continued)*****Derecognition of financial liabilities***

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

**1.15 Equity instruments**

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

**1.16 Taxation**

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

***Current tax***

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

***Deferred tax***

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.17 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.18 Retirement benefits**

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

**1.19 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**SQIB LIMITED**

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**(Continued)**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**1.20 Government grants**

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**1.21 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****2 Judgements and key sources of estimation uncertainty**

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

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

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Valuation of investment properties**

The key accounting estimate in preparing these financial statements relates to the carrying value of the investment properties which are stated at fair value. The group uses lease terms, market conditions and sales prices based upon known market transactions for similar properties as a basis for determining the directors' estimation of the fair value of the investment properties. However, the valuation of the group's investment properties is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate. In addition, the deferred tax liabilities recognised in respect of the fair value gains and losses on these investment properties are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of these future events and as to the future tax rates that will be applicable.

**Recoverability of amounts due from group and related parties**

The directors consider the amounts due to the company from other group companies and related parties to be fully recoverable based on the support provided by the group and its controlling shareholders.

**Recoverability of other debtors**

The directors consider the amounts due from other debtors to be fully recoverable.

**Carrying value of investments in subsidiaries and goodwill**

The recoverable amount of goodwill and investments in subsidiaries is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units within each subsidiary undertaking and associated forecast income and expenditure. Management prepare regular forecasts and utilise these to determine the presence of impairment factors which would impact the carrying value of goodwill or investments in subsidiaries.

**3 Turnover and other revenue**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by class of business</b>		
Property development, investment and management	7,653,535	7,578,839
Jet investment and charter service	17,913,075	10,863,979
Provision of hotel accommodation, venue hire and food and drink	4,865,627	2,374,128
Advertising, publishing and PR services	419,632	246,612
Pawnbrokers	779,985	499,290
	<u>31,631,854</u>	<u>21,562,848</u>

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****3 Turnover and other revenue (Continued)**

	2022 £	2021 £
<b>Other revenue</b>		
Interest income	3,094,318	1,794,341
Dividends received	606,281	-
<i>Included in other operating income:</i>		
Grants received	271,464	1,640,456
Investment profit share income	2,000,000	-
Rent receivable	38,443	22,278
	<u>2,309,907</u>	<u>1,662,734</u>

The group's turnover is generated solely from its activities in the United Kingdom.

**4 Operating (loss)/profit**

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	508,747	(1,255,078)
Government grants	(271,464)	(1,640,456)
Depreciation of owned tangible fixed assets	1,906,022	1,873,785
Profit on disposal of tangible fixed assets	(10,000)	-
Amortisation of intangible assets	1,290	19,887
Release of negative goodwill	(26,008)	(27,139)
Operating lease charges	499,671	41,687
	<u>499,671</u>	<u>41,687</u>

**5 Auditor's remuneration**

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	18,000	15,000
Audit of the financial statements of the company's subsidiaries	98,000	120,000
	<u>116,000</u>	<u>135,000</u>
<b>For other services</b>		
Taxation compliance services	23,275	40,000
All other non-audit services	24,100	-
	<u>47,375</u>	<u>40,000</u>

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****6 Employees**

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

	<b>Group 2022 Number</b>	<b>2021 Number</b>	<b>Company 2022 Number</b>	<b>2021 Number</b>
Management and charter staff	66	63	-	-
Catering and hospitality staff	110	65	-	-
Administrative staff	65	33	-	-
Retail and hospitality staff	10	10	-	-
<b>Total</b>	<b>251</b>	<b>171</b>	<b>-</b>	<b>-</b>

Their aggregate remuneration comprised:

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Wages and salaries	7,329,051	5,222,207	-	-
Social security costs	721,156	474,202	-	-
Pension costs	284,062	251,771	-	-
	<b>8,334,269</b>	<b>5,948,180</b>	<b>-</b>	<b>-</b>

The average number of persons employed by the company during the year, excluding the directors amounted to nil (2021: nil). The aggregate payroll costs incurred by the company during the year was nil (2021: nil).

During the year the directors received no remuneration in respect of qualifying services (2021: none).

**7 Interest receivable and similar income**

	<b>2022 £</b>	<b>2021 £</b>
<b>Interest income</b>		
Interest on bank deposits	93	7,085
Other interest income	3,094,225	1,787,256
<b>Total interest revenue</b>	<b>3,094,318</b>	<b>1,794,341</b>
<b>Other income from investments</b>		
Dividends received	606,281	-
<b>Total income</b>	<b>3,700,599</b>	<b>1,794,341</b>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<b>93</b>	<b>7,085</b>
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**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****8 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	6,039,543	7,358,810
Interest on other loans	1,377,692	834,447
	<u>7,417,235</u>	<u>8,193,257</u>
<b>Other finance costs:</b>		
Other interest	511,014	1,001,057
	<u>511,014</u>	<u>1,001,057</u>
<b>Total finance costs</b>	<u><u>7,928,249</u></u>	<u><u>9,194,314</u></u>

**9 Amounts written off investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Changes in the fair value of investment properties	623,258	(5,001,587)
	<u>623,258</u>	<u>(5,001,587)</u>

Fair value gains of £623,528 include fair value uplifts of £2,840,000 and fair value losses of £2,216,742.

**10 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	38,191	34,445
	<u>38,191</u>	<u>34,445</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	46,314	(42,641)
	<u>46,314</u>	<u>(42,641)</u>
<b>Total tax charge/(credit)</b>	<u><u>84,505</u></u>	<u><u>(8,196)</u></u>

During the year, the UK main rate of corporation tax was 19%.

An increase in the UK corporation tax rate from 19% to 25% (Effective 1 April 2023) was substantively enacted on 10 June 2021. The increase in the rate will apply to companies with profits over £250k.

Deferred tax assets not recognised relate to trading losses brought forward in currently loss making subsidiary entities.

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****10 Taxation****(Continued)**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loss before taxation	<u>(3,641,277)</u>	<u>(11,198,469)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(691,843)	(2,127,709)
Tax effect of expenses that are not deductible in determining taxable profit	986,250	120,764
Tax effect of income not taxable in determining taxable profit	(539,600)	-
Change in unrecognised deferred tax assets	1,181,863	2,256,347
Adjustments in respect of prior years	83	-
Effect of change in corporation tax rate	(385,859)	-
Group relief	(504,263)	(268,320)
Depreciation on assets not qualifying for tax allowances	68,317	8,754
Associates results reported net of tax	(30,443)	1,968
Taxation charge/(credit)	<u>84,505</u>	<u>(8,196)</u>

**11 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>	<b>Negative goodwill</b>	<b>Website</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 April 2021 and 31 March 2022	<u>6,814,079</u>	<u>(686,335)</u>	<u>55,007</u>	<u>6,182,751</u>
<b>Amortisation and impairment</b>				
At 1 April 2021	6,814,079	(615,465)	53,717	6,252,331
Amortisation charged for the year	-	(26,008)	1,290	(24,718)
At 31 March 2022	<u>6,814,079</u>	<u>(641,473)</u>	<u>55,007</u>	<u>6,227,613</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>-</u>	<u>(44,862)</u>	<u>-</u>	<u>(44,862)</u>
At 31 March 2021	<u>-</u>	<u>(70,870)</u>	<u>1,290</u>	<u>(69,580)</u>

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

The negative goodwill arising on the acquisitions of Integra Property Management Limited, Zenith Aviation Limited, Zenith Strutton Ground Holdings Limited and E.J.Markham & Son Limited of £295,080, £255,577, £7,482 and £128,193 is due to the assets having been purchased for less than the aggregate of their individual fair values.



**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****12 Tangible fixed assets**

Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£	£
<b>Cost</b>								
At 1 April 2021	10,228,720	3,978,034	2,286,486	22,901,394	1,184,557	59,176	98,385	40,736,752
Additions	-	-	256,804	245,989	56,548	4,976	7,355	571,672
Disposals	-	-	-	(32,839)	(12,459)	(12,384)	(15,835)	(73,517)
At 31 March 2022	10,228,720	3,978,034	2,543,290	23,114,544	1,228,646	51,768	89,905	41,234,907
<b>Depreciation and impairment</b>								
At 1 April 2021	1,024,680	231,928	1,101,291	5,884,347	882,013	47,890	96,119	9,268,268
Depreciation charged in the year	205,902	49,167	427,330	1,070,157	146,328	4,080	3,058	1,906,022
Eliminated in respect of disposals	-	-	-	(37,155)	(12,241)	(5,694)	(15,835)	(70,925)
At 31 March 2022	1,230,582	281,095	1,528,621	6,917,349	1,016,100	46,276	83,342	11,103,365
<b>Carrying amount</b>								
At 31 March 2022	8,998,138	3,696,939	1,014,669	16,197,195	212,546	5,492	6,563	30,131,542
At 31 March 2021	9,204,040	3,746,106	1,185,195	17,017,047	302,544	11,286	2,266	31,468,484

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

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022****12 Tangible fixed assets** (Continued)

The historical cost of the freehold land and building is £3,249,220 (2021: £3,249,220).

**13 Investment property**

	Group 2022 £	Company 2022 £
<b>Fair value</b>		
At 1 April 2021	77,397,010	-
Additions through external acquisition	1,149,732	-
Disposals	(17,200,000)	-
Net gains or losses through fair value adjustments	623,258	-
	<u>61,970,000</u>	<u>-</u>
At 31 March 2022	<u>61,970,000</u>	<u>-</u>

During the year the group undertook improvement work across various investment properties within the UK. The cost of additions was £1,149,732 (2021: £142,319).

During the year, desktop valuations of the investment properties were carried out by Avison Young, which resulted in an overall net fair value gain of £623,258 arising in the year (2021: £5,001,587 fair value loss).

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Cost	77,683,923	76,534,191	-	-
Accumulated depreciation	-	-	-	-
	<u>77,683,923</u>	<u>76,534,191</u>	<u>-</u>	<u>-</u>
Carrying amount	<u>77,683,923</u>	<u>76,534,191</u>	<u>-</u>	<u>-</u>

**14 Fixed asset investments**

		Group 2022 £	2021 £	Company 2022 £	2021 £
	Notes				
Investments in subsidiaries	15	-	-	1,054,418	2,096,189
Investments in associates	16	1,095,439	772,394	-	-
Unlisted investments		76	76	40	40
		<u>1,095,515</u>	<u>772,470</u>	<u>1,054,458</u>	<u>2,096,229</u>

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****14 Fixed asset investments****(Continued)****Movements in fixed asset investments****Group**

	<b>Shares in associates £</b>	<b>Other investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2021	772,394	76	772,470
Share of associate profits	323,045	-	323,045
At 31 March 2022	1,095,439	76	1,095,515
<b>Carrying amount</b>			
At 31 March 2022	1,095,439	76	1,095,515
At 31 March 2021	772,394	76	772,470

The group holds a 30% interest in RQ Capital Limited (303 ordinary shares of 10p each), an entity registered in the UK that provides property development and bridging loans.

The group holds 35,747 ordinary C shares of 0.1p each in Rothbury Road Limited (acquired for consideration of £36). Rothbury Road Limited is an entity registered in the UK that provides property development services.

The group holds 40,000 Ordinary C shares of £0.001 each in 32/34 Eagle Wharf Road Limited (acquired for consideration of £40). 32/34 Eagle Wharf Road Limited is an entity registered in the UK that provides property development services

**Movements in fixed asset investments****Company**

	<b>Shares in subsidiaries £</b>	<b>Other investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2021 and 31 March 2022	2,096,189	40	2,096,229
<b>Impairment</b>			
At 1 April 2021	-	-	-
Impairment losses	1,041,771	-	1,041,771
At 31 March 2022	1,041,771	-	1,041,771
<b>Carrying amount</b>			
At 31 March 2022	1,054,418	40	1,054,458
At 31 March 2021	2,096,189	40	2,096,229

**15 Subsidiaries**

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

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****15 Subsidiaries****(Continued)**

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bowl Events and Waterpark Limited	England and Wales	Property investment and development	Ordinary shares	100.00	-
Bishops UK Limited	England and Wales	Property investment and development	Ordinary shares	100.00	-
Connect Centre Limited	England and Wales	Property investment and development	Ordinary shares	100.00	-
Goswell Properties Limited	England and Wales	Property investment and development	Ordinary shares	100.00	-
Integra Property Management Limited	England and Wales	Property management	Ordinary shares	100.00	-
Jet Aircraft Limited	England and Wales	Jet aircraft investment	Ordinary	100.00	-
Salomons UK Limited	England and Wales	Provision of hotel accommodation, venue hire and food and beverage	Ordinary	100.00	-
55VS No1 Limited	England and Wales	Investment holding company	Ordinary	100.00	-
Zenith Aircraft Limited	England and Wales	Jet aircraft investment	Ordinary	100.00	-
E.J.Markham & Son Limited	England and Wales	Pawnbrokers	Ordinary	100.00	-
One Media and Creative UK Limited	England and Wales	Provision of advertising, publishing and PR services	Ordinary	100.00	-
Zenith Aviation Limited	England and Wales	Bespoke charter aircraft service	Ordinary	-	100.00
Zenith Strutton Ground Holdings Limited	England and Wales	Property investment and development	Ordinary	-	100.00
Zenith Strutton Ground Property Limited	England and Wales	Property investment and development	Ordinary	-	100.00
55 VS No 2 Limited	England and Wales	Property investment and development	Ordinary	-	100.00
55 VS HL N1 Limited	England and Wales	Dormant company	Ordinary	-	100.00
55 VS HL N2 Limited	England and Wales	Dormant company	Ordinary	-	100.00
55 VS UL N1 Limited	England and Wales	Dormant company	Ordinary	-	100.00
55 VS UL N2 Limited	England and Wales	Dormant company	Ordinary	-	100.00

All the subsidiaries disclosed above have the same registered office as the company.

**16 Associates**

Details of associates at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
RQ Capital Limited	England and Wales	Property finance company	Ordinary	-	30

The company is incorporated in the United Kingdom and has its registered office at Bawdeswell Hall, Bawdeswell, Dereham, NR20 4SA.

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****17 Significant undertakings**

The group also has significant holdings in undertakings which are not consolidated:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
32/34 Eagle Wharf Road Limited	England and Wales	Investment property company	Ordinary	20.00

The aggregate capital and reserves and the profit for the year of the undertakings noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
32/34 Eagle Wharf Road Limited	784,587	6,280,993

The group holds 20% of the nominal value of ordinary shares issued by 32/34 Eagle Wharf Road Limited. 32/34 Eagle Wharf Road Limited is not accounted for as an associated undertaking because the group is not in a position to exercise significant influence. The registered office of 32/34 Eagle Wharf Road Limited is 1<sup>st</sup> Floor, Kirkdale House, 7 Kirkdale Road, Leytonstone, London, E11 1HP.

**18 Financial instruments**

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	71,683,012	77,259,621	n/a	n/a
Equity instruments measured at cost less impairment	76	76	n/a	n/a
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	216,156,599	232,805,966	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

The directors consider that the carrying amounts of financial assets and liabilities carried at amortised cost in the financial statements are approximate to their fair values.

**19 Stocks**

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	680,803	651,746	-	-
Food and drink	25,515	18,912	-	-
Aviation consumables	292,898	192,181	-	-
	999,216	862,839	-	-

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****20 Debtors**

	<b>Group 2022</b>	<b>2021</b>	<b>Company 2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	4,187,363	1,180,908	2,012	3,430
Corporation tax recoverable	1,017	1,017	-	-
Amounts owed by group undertakings	7,853,300	6,612,150	15,061,068	8,966,520
Other debtors	13,107,401	22,678,063	2,118,217	1,573,367
Prepayments and accrued income	2,068,698	1,495,574	22,194	15,211
	<u>27,217,779</u>	<u>31,967,712</u>	<u>17,203,491</u>	<u>10,558,528</u>
Deferred tax asset (note 24)	106,630	110,244	-	-
	<u>27,324,409</u>	<u>32,077,956</u>	<u>17,203,491</u>	<u>10,558,528</u>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	7,621,676	7,015,395	23,085,628	25,883,032
Amount owed by related parties	3,259,038	2,993,808	-	-
Other debtors	35,645,383	36,605,523	34,729,620	36,605,523
	<u>46,526,097</u>	<u>46,614,726</u>	<u>57,815,248</u>	<u>62,488,555</u>
<b>Total debtors</b>	<u>73,850,506</u>	<u>78,692,682</u>	<u>75,018,739</u>	<u>73,047,083</u>

On 29 March 2019 the company made a loan to Bishops U.K. Limited totalling £12,150,000 which was repayable on 29 March 2022 secured with a legal charge over David Salomons House, Tunbridge Wells. Interest is being charged at 5% per annum.

Included in other debtors disclosed above are amounts of £45,746,026 (2021: £52,740,149) owed by related parties. They companies are related by virtue of being under common control of the directors or within the Armature Group.

**21 Creditors: amounts falling due within one year**

		<b>Group 2022</b>	<b>2021</b>	<b>Company 2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>23</b>	70,068,655	28,634,333	66,247,402	-
Trade creditors		5,574,027	2,536,359	144,130	2,400
Amounts owed to group undertakings		7,308,998	7,304,498	15,423,462	6,184,522
Corporation tax payable		34,626	34,626	-	-
Other taxation and social security		761,350	872,891	-	-
Other creditors		93,855,352	76,920,156	14,772,238	13,843,499
Accruals and deferred income		2,246,833	1,999,791	118,922	68,905
		<u>179,849,841</u>	<u>118,302,654</u>	<u>96,706,154</u>	<u>20,099,326</u>

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****21 Creditors: amounts falling due within one year****(Continued)**

Included within other creditors are loans of £5,950,000 (2021: £5,950,000) which were due for repayment on 30 November 2013 but have not been recalled at the date of approval of these financial statements.

A facility has been granted to SQIB Limited, which the directors understand will act as an "umbrella" financing arrangement across the group, with Bishops UK Limited, Salomons UK Limited and Zenith Aviation Limited as the intended beneficiaries. The balance included within other creditors in the group balance sheet is £21,750,000 (2021: £21,750,000). Interest is being charged at base rate plus 4.5% and the repayment date of the loan was 4 January 2020. This amount has not been recalled at the date of approval of these financial statements.

Included within bank loans is a loan held by SQIB Limited of £66,247,402 (2021: £73,007,118) that is due to be repaid in full on 29 March 2024. Interest is charged at 8% per annum and is repayable in quarterly instalments. The bank loan is secured by fixed and floating charges over the assets of the company and the group and is subject to loan covenants which were breached during the year. During the year, SQIB Limited was in breach of its loan covenants and this has resulted in the loan being reclassified from non-current to current at the balance sheet reporting date. Subsequent to the year end, the breaches have not been enforced by the lender and the loan has been refinanced.

Included in other creditors disclosed above are amounts of £80,392,730 (2021: £85,509,919) owed by related parties. They companies are related by virtue of being under common control of the directors or within the Armature Group.

**22 Creditors: amounts falling due after more than one year**

		<b>Group</b>		<b>Company</b>	
	<b>Notes</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>23</b>	21,118,291	84,153,913	-	73,007,118
Other taxation and social security		-	332,228	-	-
Other creditors		15,984,443	31,256,916	-	-
		<u>37,102,734</u>	<u>115,743,057</u>	<u>-</u>	<u>73,007,118</u>

Included in bank loans and overdrafts due as at 31 March 2022 was an amount due after more than one year of £2,462,276 (2021: £5,896,162) held with Lombard North Central Plc. Zenith Aircraft Limited is committed to repay the aggregate of US LIBOR plus 2%, per quarter, on the outstanding loan value. There is a registered charge over the plant and machinery held by Zenith Aircraft Limited in favour of Lombard North Central Plc.

Included in bank loans and overdrafts due as at 31 March 2022 was an amount due after more than one year of £3,421,015 (2021: £3,750,633) held with Paragon Business Finance Plc. There are registered charges over the plant and machinery. As part of the term for this loan, K R Spencer has provided a personal guarantee.

On 26 July 2021, a loan facility was acquired from Hampshire Trust Bank PLC totalling £4,386,000 and attracts a fixed rate of interest of 3.25%.

On 25 May 2018 a loan facility was acquired from Investec Bank Plc for £8,871,000. As a result a registered charge exists over the following properties Unit 16 Waterfall Industrial Estate Cradley Heath, Markerstudy House Chelmsford, Lancaster House St. Ives, Causeway House Chiddingstone, Markerstudy House Bessels Green, Unit 2 Chapman Way Tunbridge Wells, Oriel Cottage Tunbridge Wells and Treetops Tunbridge Wells. Interest is being charged at base rate plus 2.75% with a repayment date of 25 May 2023.

Included within bank loans is a loan falling due after more than one year held by 55VS No2 Limited of £15,235,000 repayable by December 2024. Under the terms of this loan, certain directors have each guaranteed a principal amount of £2,285,250. The loan attracts interest at 2.75% per annum and is secured over the properties held by 55VS No2 Limited.

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****23 Loans and overdrafts**

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Bank loans	91,186,946	112,788,246	66,247,402	73,007,118
Loans from group undertakings	7,308,998	7,304,498	-	-
Loans from related parties	80,392,730	92,813,417	14,758,686	13,829,947
	<u>178,888,674</u>	<u>212,906,161</u>	<u>81,006,088</u>	<u>86,837,065</u>
Payable within one year	157,770,383	110,230,642	14,758,686	13,829,947
Payable after one year	<u>21,118,291</u>	<u>102,567,519</u>	<u>-</u>	<u>73,007,118</u>

**24 Deferred taxation**

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

<b>Group</b>	<b>Liabilities 2022 £</b>	<b>Liabilities 2021 £</b>	<b>Assets 2022 £</b>	<b>Assets 2021 £</b>
Accelerated capital allowances	140,384	97,683	94,507	94,507
Valuation of investment properties	(607,625)	(607,625)	-	-
Other timing differences	1,808	1,808	12,123	15,737
Valuation of freehold land and buildings	1,204,998	1,204,998	-	-
	<u>739,565</u>	<u>696,864</u>	<u>106,630</u>	<u>110,244</u>

The company has no deferred tax assets or liabilities.

	<b>Group 2022 £</b>	<b>Company 2022 £</b>
<b>Movements in the year:</b>		
Liability at 1 April 2021	586,620	-
Charge to profit or loss	46,315	-
Liability at 31 March 2022	<u>632,935</u>	<u>-</u>

**25 Retirement benefit schemes**

	<b>2022 £</b>	<b>2021 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>284,062</u>	<u>251,771</u>



**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****25 Retirement benefit schemes****(Continued)**

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**26 Share capital**

<b>Group and company</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Ordinary share capital</b>	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Issued and fully paid</b>				
Ordinary Class A shares of £1 each	6,253,817	6,253,817	6,253,817	6,253,817
Ordinary Class B shares of £1 each	1,042,302	1,042,302	1,042,302	1,042,302
Ordinary Class C shares of £1 each	1,042,301	1,042,301	1,042,301	1,042,301
	<u>8,338,420</u>	<u>8,338,420</u>	<u>8,338,420</u>	<u>8,338,420</u>

For each class of share, they do not have the right to fixed income, each share type carries the right to one vote at general meetings of the company.

**27 Revaluation reserve**

Profit and loss account - This reserve records retained earnings and accumulated losses.

Fair value reserve – this records the value of investment property fair value movements recognised in the profit and loss account to distinguish between distributable and non-distributable reserves. This is shown net of deferred tax.

**28 Operating lease commitments****Lessee**

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	156,062	93,667	-	-
Between two and five years	610,144	348,000	-	-
In over five years	2,224,726	986,000	-	-
	<u>2,990,932</u>	<u>1,427,667</u>	<u>-</u>	<u>-</u>

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****28 Operating lease commitments****(Continued)****Lessor**

The operating leases represent leases of investment property to third parties.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	1,508,336	1,473,336	-	-
Between two and five years	2,430,593	3,180,593	-	-
In over five years	489,354	606,021	-	-
	<u>4,428,283</u>	<u>5,259,950</u>	<u>-</u>	<u>-</u>

**29 Events after the reporting date**

During the year, the Company was in breach of its loan covenants regarding a bank loan of £66,247,242 and this has resulted in the loan being reclassified from non-current to current at the balance sheet reporting date. Subsequent to the year end, the breaches have not been enforced by the lender and the loan has been refinanced. Despite the Company continuing to be in breach of the loan covenants following the refinancing of the loan, the lender has not recalled the loan at the date of approval of these financial statements.

On 19th May 2022, the company sold 6 properties for £10.36m to MSG Office Holdings Limited, which were valued in the financial statements at £10.36m at 31 March 2022. The sale took place under normal market conditions. MSG Office Holdings Limited is a subsidiary of Venus Topco Limited, a company registered in Guernsey and the controlling parent of Markerstudy Group Holdings Limited. Venus Topco Limited has shareholders in common with the Armatire Group.

**30 Related party transactions****Transactions with related parties****Key management personnel**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rent management fee income	4,681	385
Other fee income	115,540	226,729

**Other related parties**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rent invoiced	185,846	562,500
Rent management fee income	53,997	32,956
Other fee income	127,640	-
Expenditure recharged	1,013,963	3,504,193
Provision of consultancy services	-	49,219
Recharge of hotel expenses	6,814	150
Recharge of staff costs and meeting rooms	329,877	66,852
Income from charter flight services	265,050	106,475
Service and facilities charge	2,997,175	2,008,514
Income from advertising	300	-
Accrued interest	-	860,543

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****30 Related party transactions****(Continued)**

Rent management fee income is received from the landlords of properties managed by the group. Other fee income represents fees charged for services provided to the tenants of properties managed on behalf of the landlords.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Recharged staff and related costs	(121,258)	(539,220)
Recharged telephone and printing costs	(370)	(42,830)
Purchase of advertising and marketing services	(3,199)	(280)
Staff costs and meeting rooms recharged	(1,113)	(542,944)
Recharge of credit cards for hotel / Bewl Water expenses	(46,071)	-
Purchase of office equipment	(6,931)	-
Purchase of insurance cover	(81,251)	(210,185)
Purchase of gifts	-	-
Purchase of uniforms and decorations	(6,184)	-
Insurance costs	(275,745)	(581,754)
Purchase of IT/Telecommunication	(21,688)	(60,417)
Consultancy fees	(21,046)	(119,435)
Purchase of hotel equipment	(24,301)	(335)
Reimbursed expenses	(53,315)	-
Interest expense	(1,624,506)	-

The following amounts were outstanding at the reporting end date:

<b>Amounts due to related parties</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Entities with control, joint control or significant influence over the group	7,308,998	7,304,498
Other related parties	80,392,730	85,508,919
	<u>87,701,728</u>	<u>92,813,417</u>
<b>Company</b>		
Other related parties	14,758,686	13,829,946
	<u>14,758,686</u>	<u>13,829,946</u>

The following amounts were outstanding at the reporting end date:

<b>Amounts due from related parties</b>	<b>2022</b>	<b>2021</b>
	<b>Balance</b>	<b>Balance</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Entities with control, joint control or significant influence over the group	14,868,696	13,627,546
Key management personnel	219,169	423,107
Other related parties	45,526,857	52,317,042
	<u>60,614,722</u>	<u>66,367,695</u>
<b>Company</b>		
Entities with control, joint control or significant influence over the company	7,803,300	6,612,150
Other related parties	34,659,944	38,135,484
	<u>42,463,244</u>	<u>44,747,634</u>

## **SQIB LIMITED**

### **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2022**

#### **30 Related party transactions**

**(Continued)**

##### **Other information**

An amount of £5,688,601 (2021: £6,947,960) was included in bank loans owing by Zenith Aircraft Limited at the year ended 31 March 2022. As part of the terms of this bank loan, K R Spencer has provided a personal guarantee. An amount of £4,015,943 (2021: £4,396,587) was included in bank loans owing by Jet Aircraft Limited at the year ended 31 March 2022. As part of the terms of this bank loan, K R Spencer has provided a personal guarantee.

An amount of £15,235,000 was included in bank loans owing by 55VS No2 Limited. As part of the terms for these bank loans, the directors each guaranteed a principal amount of £2,285,250.

On 13 July 2021, balances owed to Markerstudy Limited by the SQIB Group were consolidated and novated across to Lustrum Investments Limited. As a result, included in balances owed to related parties is a total amount of £76,131,770 (2021: £nil) owed to Lustrum Investments Limited, a company in the Armature Group and under common control and directorship.

The remaining balances are owed to related parties that are 100% subsidiaries of Venus TopCo Limited, a company registered in Guernsey and the controlling parent of Markerstudy Group Holdings Limited. Venus TopCo Limited has shareholders in common with the Armature Group. The ultimate parent undertaking is PSC Nominee 4 Limited, as nominee for PSC IV LP, PSC IV B LP and PSC IV (C) SCSp. The Company's ultimate controlling parties are PSC IV LP, PSC IV B LP and PSC IV (C) SCSp, funds managed by Pollen Street Capital Limited (a subsidiary of Pollen Street Capital Holdings Limited).

Impairments of £116,224 (2021: £nil) have been recognised in respect of amounts owed by related parties.

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received.

#### **31 Controlling party**

The immediate and ultimate parent undertaking by virtue of its 75% shareholding is SQIB Limited is Armature Limited, a company registered in England and Wales, and represents the largest and smallest group for which consolidated accounts included SQIB Limited are prepared. Copies of these financial statements can be obtained from 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

Armature Limited is controlled by KR Spencer and A Spencer by virtue of their 50%/50% ownership of Armature Limited.

**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****32 Cash generated from group operations**

	2022 £	2021 £
Loss for the year after tax	(3,725,782)	(11,190,273)
<b>Adjustments for:</b>		
Share of results of associates and joint ventures	(640,370)	(675,239)
Taxation charged/(credited)	84,505	(8,196)
Finance costs	7,928,249	9,194,314
Investment income	(3,700,599)	(1,794,341)
Gain on disposal of tangible fixed assets	(10,000)	-
Fair value (gain)/loss on investment properties	(623,258)	5,001,587
Amortisation and impairment of intangible assets	(24,718)	(7,252)
Depreciation and impairment of tangible fixed assets	1,906,022	1,873,784
<b>Movements in working capital:</b>		
Increase in stocks	(136,377)	(132,842)
Decrease/(increase) in debtors	4,850,423	(3,961,681)
Increase in creditors	4,508,164	12,029,457
<b>Cash generated from operations</b>	<u>10,416,259</u>	<u>10,329,318</u>

**33 Analysis of changes in net debt - group**

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	2,389,265	345,772	2,735,037
Borrowings excluding overdrafts	(112,788,246)	21,601,300	(91,186,946)
	<u>(110,398,981)</u>	<u>21,947,072</u>	<u>(88,451,909)</u>