

Apache

Company Registration No. 08528951 (England and Wales)

SQIB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Apache

SQIB LIMITED

COMPANY INFORMATION

Directors	K R Spencer G Humphreys K J Barber
Secretary	C J Payne
Company number	08528951
Registered office	45 Westerham Road Bessels Green Sevenoaks Kent TN13 2QB
Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE

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SQIB LIMITED

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SQIB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

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 and management, jet aircraft investment and charter aircraft service, and 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 11 and show a loss before taxation for the year of £11,198,469 (2020: £19,106,642). The directors have not recommended a dividend.

The parent company results for the year show a loss before taxation of £3,099,287 (2020: £19,169,265).

The group results for the year listed below are in addition to the amortisation of goodwill for the year of £(27,075) and the share of profit for the year of associated undertakings of £675,239. 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 2021.

The group overall had a better year, with the group reporting an operating profit of £527,852 compared to an operating loss of £10,793,182 in 2020. Despite this the group is reporting a loss before tax of £11,198,469 which is still an improvement when compared to £19,106,642 in the previous year. Results include a fair value adjustment on investment properties resulting in a loss of £5,001,587 (2020: £3,985,425 gain).

The key driver of the increase in operating profits is due to the fact that administrative expenses have reduced to £7,974,735 in 2021 (2020: £11,306,275) as a result of steps which have been taken include a reduction in headcount in some areas of the business and controlling the use of casual staffing in the leisure areas, as well as a focus on some areas of the group where processes, centralisation and synergies have been looked at to generate cost savings. In addition, Jet Aircraft Limited and Zenith Aircraft Limited reported foreign exchange profits on translation of the US Dollar aircraft loans of £491,037 and £780,972 respectively.

The group total comprehensive loss for the year was £11,190,273 (2020: £19,118,458). As a result the group is showing a shareholders deficit of £43,229,404 (2020: £32,039,131) at 31 March 2021.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out on page 2 of the 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 directors.

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

Note 1.4 on page 19 sets out the consequential material uncertainty in relation to going concern and the effect of the Covid-19 virus pandemic, the impact of which is described further down in this report.

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 2021

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 Covid-19 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 would affect the revenue achievable within Salomons UK Limited. Increase in global fuel prices would lead to a reduction in gross profit margin for Zenith Aviation Limited and rising utility costs across the group.

Covid-19 virus pandemic

The ongoing worldwide pandemic of Covid-19 has had a significant impact on the short-term performance of the group. The Government-imposed travel bans meant all aircraft in the aviation division were temporarily grounded. Whilst this had a significant negative impact on chartering in the short term, maintenance was at capacity for the period as aircraft owners were using this as an opportunity to carry out major maintenance and upgrades. Following the governments lifting of the travel restrictions, 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. Albeit the impact and benefit of this was slower in the first half of 2021 but has seen the peak season extended through the second half of 2021 and onwards.

Salomons UK Limited and the trade at Bewl Water during the height of the pandemic had also suffered due to the social distancing measures imposed. Conferences, weddings and other private events have been cancelled or postponed, and the hotel, Aqua Park, and leisure facilities were all forced to close temporarily.

Despite this the leisure division have seen a recovery in the volume and turnover as restrictions have been lifted. This is due to customers rebooking weddings, events and conferences with higher attendance numbers, along with food, beverage and hotel room occupancy also increasing on a business as usual basis as the general public become more comfortable with the post-pandemic situation and life returning to normality.

Income of the property division is protected by legally enforceable lease agreements, but cash flows were affected by some lease deferrals.

Despite the continued widespread roll out of a Covid-19 vaccine, there is still some uncertainty due to several variants that have become prevalent globally. The UK Government are reluctant to reintroduce a full national lockdown, but it cannot be ruled out. There is medium to long term uncertainty and risk in the commercial and residential property markets as to valuations and sustainable rental values, however greater understanding of these risks will be known when the longer-term effect of the pandemic from the virus on the property market is clearer and to what extent it changes demand and working practices.

Management have taken several steps to mitigate the impact of the reductions to turnover caused by the Covid-19 pandemic. This included reducing headcount within Integra Property Management's maintenance team, controlling leisure's casual staffing and considering areas where it can refocus on higher contribution areas of the business, centralise support functions and implement other cost savings in the longer term. Despite the ongoing uncertainty as to the longevity of the Covid-19 crisis and its continued impact, the directors now feel that they are in a better position to be able to predict and where possible react should any further impact from the pandemic arise. Therefore, the director KR Spencer is committed to supporting all the SQIB subsidiary companies and this is expected to continue for the foreseeable future. The impact of Covid-19 is also considered in the going concern accounting policy in note 1.4 on page 19.

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.

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SQIB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

	2021	2020
	£	£
Group Turnover	21,562,848	29,507,714
Group Gross Profit	6,863,657	8,267,093
Group Operating Profit/(Loss)	527,852	(10,793,182)
Group Comprehensive Loss	(11,190,273)	(19,118,458)

For the year ended 31 March 2021, the group's gross profit percentage was 32% (2020: 28%).

	2021	2020
	£	£
Group Net Current Liabilities	(36,357,868)	(127,937)
Group Net Liabilities	(43,229,404)	(32,039,131)

The group's net liabilities have increased from the prior year by £11,190,273. Losses incurred by Bishops UK Limited, Salomons 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.

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.

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SQIB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 profits both now and throughout the covid-19 pandemic and subsequently since the relaxation of restrictions, the business has seen an increase in demand for charter. New customers are entering the market, which will support both future charter and engineering revenue.

Prior to the impact of Covid-19, management were continuing to focus on maximising revenue in Salomons UK Limited by increasing the volume of wedding bookings, event bookings, and restaurant/bar sales. As restrictions have been relaxed this has now become a key focus once again, looking at new sales opportunities in the market place and enhancing the existing businesses products. In addition, management are continuing to review fixed costs to achieve cost savings and efficiencies wherever possible.

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. This has proved successful, following the lifting of restrictions, and Salomons UK has and continues to benefit from ongoing business growth and increase in volume through the strong spring and summer seasons through 2021 and onwards.

Businesses across the Group have continued the good discipline and cost cutting that was necessary following the period of lockdowns to operate more efficiently.

On behalf of the board

K R Spencer
Director

10 May 2022

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SQIB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

Results and dividends

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

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

Directors

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

K R Spencer
G Humphreys
K J Barber

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.

Auditor

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

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.

On behalf of the board

K R Spencer
Director

10 May 2022

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SQIB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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 ;
- prepare the 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.

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SQIB LIMITED

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

Opinion

We have audited the financial statements of SQIB Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 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 FRS 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 2021 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 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 20 of the financial statements concerning the group's and the company's ability to continue as a going concern, the impact and potential impact of Covid 19 and the mitigating actions implemented and proposed by the group and the company.

The group had net current liabilities of £36,357,868 (2020: £127,936) and net liabilities of £43,229,404 as at 31 March 2021 (2020: £32,039,131) which included £92,813,417 owed to other related parties (2020: £72,976,254). The company had net current assets of £52,949,529 (2020: £56,110,851) and net liabilities of £17,961,360 (2020: £14,862,072) which included £13,829,946 (2020: £12,475,151) owed to other related parties.

The group and the company will rely on the ongoing support of 3rd party lenders and related parties and K R Spencer 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 12 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 3rd 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 K R Spencer, 3rd party lenders and related parties may be adversely affected by ongoing impact of the Covid 19 outbreak and other 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 19, these events or conditions, along with the other matters explained in note 1.4 on 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.

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SQIB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SQIB LIMITED

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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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SQIB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SQIB LIMITED

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 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.

Alexander Bell FCA
For and on behalf of Mercer & Hole

11 May 2022

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

*Apache***SQIB LIMITED****GROUP STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2021**

		2021	2020
	Notes	£	£
Turnover	3	21,562,848	29,507,714
Cost of sales		(14,699,191)	(21,240,621)
Gross profit		<u>6,863,657</u>	<u>8,267,093</u>
Distribution costs		(23,804)	(76,593)
Administrative expenses		(7,974,735)	(11,306,275)
Other operating income		1,662,734	1,322,593
Impairment of investment		-	(9,000,000)
Operating profit/(loss)	4	<u>527,852</u>	<u>(10,793,182)</u>
Share of results of associates and joint ventures		675,239	1,112,579
Loan written off		-	(6,303,288)
Interest receivable and similar income	7	1,794,341	2,436,279
Interest payable and similar expenses	8	(9,194,314)	(10,016,860)
Fair value (losses)/gains on investment properties		(5,001,587)	3,985,425
Profit on disposal of subsidiary undertakings		-	472,405
Loss before taxation		<u>(11,198,469)</u>	<u>(19,106,642)</u>
Tax on loss	9	8,196	(11,816)
Loss and total comprehensive expense for the financial year		<u><u>(11,190,273)</u></u>	<u><u>(19,118,458)</u></u>

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.

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SQIB LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Goodwill	10		-		60
Negative goodwill	10		(70,870)		(98,009)
			<u> </u>		<u> </u>
Net goodwill			(70,870)		(97,949)
Other intangible assets	10		1,290		21,117
			<u> </u>		<u> </u>
Total intangible assets			(69,580)		(76,832)
Tangible assets	11		31,468,484		33,001,973
Investment properties	12		77,397,011		82,656,279
Investments	13		772,470		635,982
			<u> </u>		<u> </u>
			109,568,385		116,217,402
Current assets					
Stocks	17	862,839		729,997	
Debtors falling due after more than one year	18	46,614,726		41,394,626	
Debtors falling due within one year	18	32,077,956		34,103,487	
Cash at bank and in hand		2,389,265		2,430,158	
		<u> </u>		<u> </u>	
		81,944,786		78,658,268	
Creditors: amounts falling due within one year	19	(118,302,654)		(78,786,204)	
		<u> </u>		<u> </u>	
Net current liabilities			(36,357,868)		(127,936)
Total assets less current liabilities			73,210,517		116,089,466
Creditors: amounts falling due after more than one year	20		(115,743,057)		(146,623,837)
Provisions for liabilities					
Deferred tax liability	22	696,864		1,504,760	
		<u> </u>	(696,864)	<u> </u>	(1,504,760)
Net liabilities			<u> </u>		<u> </u>
			(43,229,404)		(32,039,131)
Capital and reserves					
Called up share capital	24		8,338,420		8,338,420
Revaluation reserve	25		6,031,881		10,810,660
Profit and loss reserves			(57,599,705)		(51,188,211)
			<u> </u>		<u> </u>
Total equity			<u> </u>		<u> </u>
			(43,229,404)		(32,039,131)

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SQIB LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The financial statements were approved by the board of directors and authorised for issue on 10 May 2022 and are signed on its behalf by:

K R Spencer
Director

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SQIB LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Investments	13		2,096,229		2,096,229
Current assets					
Debtors falling due after more than one year	18	62,488,555		66,170,648	
Debtors falling due within one year	18	10,558,528		2,484,492	
Cash at bank and in hand		1,772		304	
		<u>73,048,855</u>		<u>68,655,444</u>	
Creditors: amounts falling due within one year	19	<u>(20,099,326)</u>		<u>(12,544,593)</u>	
Net current assets			<u>52,949,529</u>		<u>56,110,851</u>
Total assets less current liabilities			<u>55,045,758</u>		<u>58,207,080</u>
Creditors: amounts falling due after more than one year	20		<u>(73,007,118)</u>		<u>(73,069,152)</u>
Net liabilities			<u>(17,961,360)</u>		<u>(14,862,072)</u>
Capital and reserves					
Called up share capital	24		8,338,420		8,338,420
Profit and loss reserves			<u>(26,299,780)</u>		<u>(23,200,492)</u>
Total equity			<u>(17,961,360)</u>		<u>(14,862,072)</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 £3,099,287 (2020 - £19,169,265 loss).

The financial statements were approved by the board of directors and authorised for issue on 10 May 2022 and are signed on its behalf by:

K R Spencer
Director

Company Registration No. 08528951

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SQIB LIMITED

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

	Share capital	Fair value reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2019	8,338,420	6,540,847	(27,799,940)	(12,920,673)
Year ended 31 March 2020:				
Loss for the year	-	-	(19,118,458)	(19,118,458)
Revaluation of tangible fixed assets	-	4,269,813	(4,269,813)	-
Total comprehensive income for the year	-	4,269,813	(23,388,271)	(19,118,458)
Balance at 31 March 2020	8,338,420	10,810,660	(51,188,211)	(32,039,131)
Year ended 31 March 2021:				
Loss for the year	-	-	(11,190,273)	(11,190,273)
Revaluation of tangible fixed assets	-	(4,778,779)	4,778,779	-
Total comprehensive income for the year	-	(4,778,779)	(6,411,494)	(15,969,052)
Balance at 31 March 2021	8,338,420	6,031,881	(57,599,705)	(43,229,404)

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SQIB LIMITED

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

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2019	8,338,420	(4,031,227)	4,307,193
Year ended 31 March 2020:			
Loss and total comprehensive income for the year	-	(19,169,265)	(19,169,265)
Balance at 31 March 2020	8,338,420	(23,200,492)	(14,862,072)
Year ended 31 March 2021:			
Loss and total comprehensive income for the year	-	(3,099,288)	(3,099,288)
Balance at 31 March 2021	8,338,420	(26,299,780)	(17,961,360)

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SQIB LIMITED

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	31	10,329,318		14,123,230	
Interest paid		(9,194,314)		(9,596,198)	
Income taxes (paid)/refunded		(27,863)		109,009	
Net cash inflow from operating activities		1,107,141		4,636,041	
Investing activities					
Purchase of tangible fixed assets		(340,296)		(2,002,425)	
Purchase of investment property		(142,318)		(2,191,821)	
Proceeds on disposal of investment property		400,000		-	
Proceeds on disposal of subsidiaries		-		(179,082)	
Receipts from associates		538,751		-	
Loans made to related parties		(7,000)		-	
Interest received		1,794,341		2,436,279	
Net cash generated from/(used in) investing activities		2,243,478		(1,937,049)	
Financing activities					
Proceeds of new bank loans		-		2,374,000	
Repayment of bank loans		(3,391,512)		(5,639,402)	
Net cash used in financing activities		(3,391,512)		(3,265,402)	
Net decrease in cash and cash equivalents		(40,893)		(566,410)	
Cash and cash equivalents at beginning of year		2,430,158		2,996,567	
Cash and cash equivalents at end of year		2,389,265		2,430,157	

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 the revaluation of freehold properties and to include investment properties and certain financial instruments 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: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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.

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 2021. 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.

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.4 Going concern

The group made a loss before tax of £11,198,469 (2020: £19,106,642) during the year ended 31 March 2021. At 31 March 2021 the group had net current liabilities of £36,357,868 (2020: £127,936) and net liabilities of £43,229,404 (2020: £32,039,131) including amounts due from the parent undertaking and other related parties of £66,367,695 (2020: £58,166,122) of which £43,620,919 (2020: £47,697,914) was due after more than one year. At 31 March 2021 the group owed £92,813,417 (2020: £72,976,254) to other related parties.

At 31 March 2021 the company had net current assets of £52,949,529 (2020: £56,110,851) including £72,985,035 (2020: £68,616,508) due from group companies and related parties, £62,488,554 (2020: £66,170,648) of which was due after more than one year. At 31 March 2021 the company owed £20,014,469 (2020: £12,475,151) 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, K R Spencer has confirmed that he 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.

The directors have continued to consider the effect of the ongoing worldwide pandemic of Covid-19, which has made an impact on the short-term performance of the group as detailed in the Strategic Report on page 2. Should the economic impacts reoccur following the recent pandemic recovery and be longer lasting and result in widespread corporate failure across the economy then the risk to the business will again increase significantly, as assets may not be recoverable in order to settle creditor balances as they become payable and loans could be repayable if the group is unable to meet or renegotiate loan covenants which were breached during the year.

Management have taken several steps to mitigate the impact of the reductions to turnover caused by the Covid-19 pandemic. Albeit we are now seeing, income and volumes begin to recover to pre-pandemic levels. The steps which have been taken include a reduction in headcount in some areas of the business and controlling the use of casual staffing in the leisure areas, as well as a refocus on looking at new sales opportunities in the market place, enhancing the existing businesses products and in some areas of the group where processes, centralisation and synergies can be looked at to generate cost savings.

Given the unpredictable nature and impact of the initial outbreak, and how rapidly the responses to the outbreak were changing, the directors now feel that they are in a better position to be able to predict and where possible react should any further impact from the pandemic arise. Therefore giving more certainty, with regards to the going concern basis of accounting and its related disclosures.

The group, group companies and K R Spencer have a number of options available to generate cash flows to meet the group's and the company's working capital requirements including potential asset disposals or additional funds provided by external borrowings or by its shareholders. However the ability to generate these additional funds will depend on the economic situation which has improved in recent months following the reduction in restrictions in relation to the pandemic which is providing more certainty to the economy.

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 2021

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.

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.

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.

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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.

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.

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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 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.

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.

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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.

Derecognition of financial liabilities

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

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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.

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.

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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 2021

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

	2021	2020
	£	£
Turnover analysed by class of business		
Property development, investment and management	7,578,839	11,265,269
Jet investment and charter service	10,863,979	12,768,951
Provision of hotel accommodation, venue hire and food and drink	2,374,128	4,261,928
Advertising, publishing and PR services	246,612	658,353
Pawnbrokers	499,290	553,213
	<u>21,562,848</u>	<u>29,507,714</u>

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover and other revenue		(Continued)	
	2021	2020	
	£	£	
Other significant revenue			
Interest income	1,794,341	2,436,279	
Grants received	1,640,456	-	
	<u> </u>	<u> </u>	
The group's turnover is generated solely from its activities in the United Kingdom.			
4 Operating profit/(loss)		2021	2020
		£	£
Operating profit/(loss) for the year is stated after charging/(crediting):			
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(1,255,078)	760,931	
Government grants	(1,640,456)	-	
Depreciation of owned tangible fixed assets	1,873,785	1,908,555	
Amortisation of intangible assets	19,887	26,005	
Release of negative goodwill	(27,139)	(27,136)	
(Profit)/loss on disposal of intangible assets	-	3,324	
Impairment of preference share capital		9,000,000	
Operating lease charges	41,687	75,186	
	<u> </u>	<u> </u>	
5 Auditor's remuneration		2021	2020
		£	£
Fees payable to the company's auditor and associates:			
For audit services			
Audit of the financial statements of the group and company	15,000	15,000	
Audit of the financial statements of the company's subsidiaries	120,000	-	
	<u> </u>	<u> </u>	
	135,000	15,000	
	<u> </u>	<u> </u>	
For other services			
Taxation compliance services	40,000	-	
	<u> </u>	<u> </u>	

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Management and charter staff	63	52	-	-
Catering and hospitality staff	65	125	-	-
Administrative staff	33	3	-	-
Retail and hospitality staff	10	14	-	-
Total	<u>171</u>	<u>194</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	5,222,207	5,564,875	-	-
Social security costs	474,202	445,121	-	-
Pension costs	251,771	108,751	-	-
Total	<u>5,948,180</u>	<u>6,118,747</u>	<u>-</u>	<u>-</u>

The average number of persons employed by the company during the year, excluding the directors amounted to nil (2020: nil). The aggregate payroll costs incurred by the company during the year was nil (2020: nil).

During the year the directors received no remuneration in respect of qualifying services (2020: none).

7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	7,085	13,106
Other interest income	1,787,256	2,423,173
Total income	<u>1,794,341</u>	<u>2,436,279</u>

Apache**SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021**

8	Interest payable and similar expenses	2021	2020
		£	£
	Interest on bank overdrafts and loans	7,358,810	8,337,588
	Other interest on financial liabilities	834,447	948,593
	Other interest	1,001,057	730,679
	Total finance costs	<u>9,194,314</u>	<u>10,016,860</u>
9	Taxation	2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	34,445	34,626
	Adjustments in respect of prior periods	-	(10,121)
	UK income tax	-	56,008
	Total current tax	<u>34,445</u>	<u>80,513</u>
	Deferred tax		
	Origination and reversal of timing differences	(42,641)	(71,960)
	Adjustment in respect of prior periods	-	3,263
	Total deferred tax	<u>(42,641)</u>	<u>(68,697)</u>
	Total tax (credit)/charge	<u>(8,196)</u>	<u>11,816</u>

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

In March 2021 the Chancellor announced that the corporation tax rate would increase from 19% to 25% from 1 April 2023, however as this was not substantively enacted at the reporting date, this rate has not been used to measure deferred tax.

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

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Taxation (Continued)

The actual (credit)/charge 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:

	2021	2020
	£	£
Loss before taxation	(11,198,469)	(19,106,642)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(2,127,709)	(3,630,262)
Tax effect of expenses that are not deductible in determining taxable profit	120,764	4,411,462
Tax effect of income not taxable in determining taxable profit	-	(130,005)
Change in unrecognised deferred tax assets	2,256,347	(441,525)
Adjustments in respect of prior years	-	(4,020)
Effect of change in corporation tax rate	-	(257,083)
Group relief	(268,320)	(20,179)
Permanent capital allowances in excess of depreciation	-	87,555
Depreciation on assets not qualifying for tax allowances	8,754	-
Effect of overseas tax rates	-	475
Associates results reported net of tax	1,968	(75,457)
Chargeable gains	-	70,855
Taxation (credit)/charge	(8,196)	11,816

10 Intangible fixed assets

Group	Goodwill	Negative goodwill	Website	Total
	£	£	£	£
Cost				
At 1 April 2020 and 31 March 2021	6,814,079	(686,335)	55,007	6,182,751
Amortisation and impairment				
At 1 April 2020	6,814,019	(588,326)	33,890	6,259,583
Amortisation charged for the year	60	(27,139)	19,827	(7,252)
At 31 March 2021	6,814,079	(615,465)	53,717	6,252,331
Carrying amount				
At 31 March 2021	-	(70,870)	1,290	(69,580)
At 31 March 2020	60	(98,009)	21,117	(76,832)

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Intangible fixed assets

(Continued)

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.

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 April 2020	10,228,720	3,962,584	2,139,670	22,735,114	1,179,497	52,486	98,385	40,396,456
Additions	-	15,450	146,816	166,280	5,060	6,690	-	340,296
At 31 March 2021	10,228,720	3,978,034	2,286,486	22,901,394	1,184,557	59,176	98,385	40,736,752
Depreciation and impairment								
At 1 April 2020	818,778	184,306	668,812	4,841,287	741,296	44,785	95,219	7,394,483
Depreciation charged in the year	205,902	47,622	432,479	1,043,060	140,717	3,105	900	1,873,785
At 31 March 2021	1,024,680	231,928	1,101,291	5,884,347	882,013	47,890	96,119	9,268,268
Carrying amount								
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
At 31 March 2020	9,409,942	3,778,278	1,470,858	17,893,827	438,201	7,701	3,166	33,001,973

The company had no tangible fixed assets at 31 March 2021 or 31 March 2020.

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets (Continued)

The freehold land and buildings were valued as at 31 March 2021 by Avison Young on a desktop basis. The directors consider the value of the freehold land and buildings to be correct as at 31 March 2021.

The historical cost of the freehold land and building is £3,249,220 (2020: £3,249,220).

12 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 April 2020	82,656,279	-
Additions through external acquisition	142,319	-
Disposals	(400,000)	-
Net gains or losses through fair value adjustments	(5,001,587)	-
At 31 March 2021	<u>77,397,011</u>	<u>-</u>

During the year the group undertook improvement work across various investment properties within the UK. The cost of additions was £142,319 (2020: £2,191,821).

During the year, desktop valuations of the investment properties were carried out by Avison Young, which resulted in an overall net fair value loss of £5,001,587 arising in the year (2020: £3,985,425 fair value gain).

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 2021 £	2020 £	Company 2021 £	2020 £
Cost	76,534,191	76,391,873	-	-
Accumulated depreciation	-	-	-	-
Carrying amount	<u>76,534,191</u>	<u>76,391,873</u>	<u>-</u>	<u>-</u>

13 Fixed asset investments

		Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	2,096,189	2,096,189
Investments in associates	15	772,394	635,906	-	-
Unlisted investments		76	76	40	40
		<u>772,470</u>	<u>635,982</u>	<u>2,096,229</u>	<u>2,096,229</u>

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments (Continued)

Movements in fixed asset investments Group	Shares in associates £	Other investments £	Total £
Cost or valuation			
At 1 April 2020	635,906	76	635,982
Share of associate profits	136,488	-	136,488
At 31 March 2021	772,394	76	772,470
Carrying amount			
At 31 March 2021	772,394	76	772,470
At 31 March 2020	635,906	76	635,982

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	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 April 2020 and 31 March 2021	2,096,189	40	2,096,229
Carrying amount			
At 31 March 2021	2,096,189	40	2,096,229
At 31 March 2020	2,096,189	40	2,096,229

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Subsidiaries (Continued)

Name of undertaking	Address	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	Property investment and development	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	0	100.00
Zenith Strutton Ground Holdings Limited	England and Wales	Property investment and development	Ordinary	0	100.00
Zenith Strutton Ground Property Limited	England and Wales	Property investment and development	Ordinary	0	100.00
55 VS No 2 Limited	England and Wales	Property investment and development	Ordinary	0	100.00
55 VS HL N1 Limited		Dormant company		0	100.00
55 VS HL N2 Limited		Dormant company		0	100.00
55 VS UL N1 Limited		Dormant company		0	100.00
55 VS UL N2 Limited		Dormant company		0	100.00

15 Associates

Details of associates at 31 March 2021 are as follows:

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Associates (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
RQ Capital Limited	England and Wales		Ordinary	0	30

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

16 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		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	(3,629,957)	5,948,804

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 1st Floor, Kirkdale House, 7 Kirkdale Road, Leytonstone, London, E11 1HP.

17 Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials	-	40,334	-	-
Finished goods and goods for resale	651,746	658,893	-	-
Food and drink	18,912	25,024	-	-
Development properties	-	5,746	-	-
Aviation consumables	192,181	-	-	-
	<u>862,839</u>	<u>729,997</u>	<u>-</u>	<u>-</u>

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,180,908	1,631,556	3,430	-
Corporation tax recoverable	1,017	9,875	-	-
Amounts owed by group undertakings	6,612,150	982,990	8,966,520	2,445,860
Other debtors	22,678,063	27,640,264	1,573,367	12,472
Prepayments and accrued income	1,495,574	2,963,304	15,211	26,160
	<u>31,967,712</u>	<u>33,227,989</u>	<u>10,558,528</u>	<u>2,484,492</u>
Deferred tax asset (note 22)	110,244	875,498	-	-
	<u>32,077,956</u>	<u>34,103,487</u>	<u>10,558,528</u>	<u>2,484,492</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	7,015,395	4,400,000	25,883,032	29,176,022
Amount owed by related parties	2,993,808	-	-	-
Other debtors	36,605,523	36,994,626	36,605,523	36,994,626
	<u>46,614,726</u>	<u>41,394,626</u>	<u>62,488,555</u>	<u>66,170,648</u>
Total debtors	<u>78,692,682</u>	<u>75,498,113</u>	<u>73,047,083</u>	<u>68,655,140</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.

Also included within amounts owed to the company by group undertakings is £nil (2020: £8,096,884) owed from a subsidiary company which is secured over the title of the investment property of that company.

19 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2021	2020	2021	2020
		£	£	£	£
Bank loans	21	28,634,333	1,885,064	-	-
Trade creditors		2,536,359	2,924,915	2,400	-
Amounts owed to group undertakings		7,304,498	7,305,998	6,184,522	7,456,475
Corporation tax payable		34,626	36,901	-	-
Other taxation and social security		872,891	276,758	-	-
Other creditors		76,920,156	61,677,032	13,843,499	5,032,228
Accruals and deferred income		1,999,791	4,679,536	68,905	55,890
		<u>118,302,654</u>	<u>78,786,204</u>	<u>20,099,326</u>	<u>12,544,593</u>

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Creditors: amounts falling due within one year (Continued)

Included within other creditors are loans of £5,950,000 (2020: £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.

One of the bank loans held by Connect Centre Limited is committed to repay the aggregate of LIBOR plus 2.5% per quarter. The amount due within a year is £1,676,698 (2020: £200,000) and the balance of £nil (2020: £1,975,000) falls due after more than one year. There is a registered charge over the property and bank accounts held by Connect Centre Limited in favour of Santander Bank plc.

Included within bank loans held by 55VS No 2 Limited is an amount of £25,262,400 (2020: £25,961,633). During 2018, 55VS No 2 Limited entered into a new financing arrangement with Deutsche Bank Plc which resulted in no short-term repayment being due. The entire remaining bank loan balance due of £25,262,400 was repayable on 25 October 2021 and has subsequently been refinanced. The interest rate to be charged on this loan is LIBOR plus 2.5% per annum. The bank loan is secured by way of a fixed and floating charge over all of the assets of 55VS No 2 Limited including a legal charge over the title of the development property.

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 (2020: £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.

20 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	21	84,153,913	114,294,694	73,007,118	73,069,152
Other taxation and social security		332,228	-	-	-
Other creditors		31,256,916	32,329,143	-	-
		<u>115,743,057</u>	<u>146,623,837</u>	<u>73,007,118</u>	<u>73,069,152</u>

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Creditors: amounts falling due after more than one year (Continued)

A bank loan that was obtained during the year ended 31 March 2015 for £1,500,000 relates to a mortgage held with Handelsbanken. As part of this agreement Handelsbanken hold a charge over the investment property within Goswell Properties Limited. Interest on this loan is charged at LIBOR plus 3.5%.

Included in bank loans and overdrafts due as at 31 March 2021 was an amount due after more than one year of £5,896,162 (2020: £7,046,857) 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 2021 was an amount due after more than one year of £3,750,633 (2020: £4,742,052) 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.

The loan facility that was acquired from Natwest Bank Plc on 22 June 2018 has been further drawn down during the year and amounts to £4,053,668 at 31 March 2021 (2020: £4,053,668). Interest is being charged at base rate plus 3%. An agreement was signed extending the repayment date to 13 August 2021.

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 SQIB Limited of £73,007,118 (2020: £73,069,152) 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.

21 Loans and overdrafts

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	112,788,246	116,179,758	73,007,118	73,069,152
Loans from group undertakings	7,304,498	7,305,998	-	-
Loans from related parties	92,813,417	72,976,254	13,829,947	5,018,676
	<u>212,906,161</u>	<u>196,462,010</u>	<u>86,837,065</u>	<u>78,087,828</u>
Payable within one year	110,230,642	82,167,316	13,829,947	5,018,676
Payable after one year	<u>102,675,519</u>	<u>114,294,694</u>	<u>73,007,118</u>	<u>73,069,152</u>

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Deferred taxation

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

Group	Liabilities	Liabilities	Assets	Assets
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	97,683	97,450	94,507	227,011
Valuation of investment properties	(607,625)	199,974	-	-
Other timing differences	1,808	2,338	15,737	648,487
Valuation of freehold land and buildings	1,204,998	1,204,998	-	-
	<u>696,864</u>	<u>1,504,760</u>	<u>110,244</u>	<u>875,498</u>

The company has no deferred tax assets or liabilities.

Movements in the year:	Group	Company
	2021	2021
	£	£
Liability at 1 April 2020	629,262	-
Credit to profit or loss	(42,642)	-
Liability at 31 March 2021	<u>586,620</u>	<u>-</u>

23 Retirement benefit schemes

Defined contribution schemes	2021	2020
	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>251,771</u>	<u>108,751</u>

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.

24 Share capital

Ordinary share capital Issued and fully paid	2021	2020	2021	2020
	Number	Number	£	£
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>

*Apache***SQIB LIMITED****NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****24 Share capital (Continued)**

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.

25 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.

26 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:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	93,667	97,000	-	-
Between two and five years	348,000	354,667	-	-
In over five years	986,000	1,073,000	-	-
	<u>1,427,667</u>	<u>1,524,667</u>	<u>-</u>	<u>-</u>

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:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	1,473,336	1,677,467	-	-
Between two and five years	3,180,593	4,957,292	-	-
In over five years	606,021	1,350,583	-	-
	<u>5,259,950</u>	<u>7,985,342</u>	<u>-</u>	<u>-</u>

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Acquisition of tangible fixed assets	137,880	31,514	-	-

28 Events after the reporting date

Subsequent to the year end, the Company has refinanced its bank loan amounting to £73,213,167 despite being in breach of the loan covenants during the year.

The Group has also refinanced a bank loan of £25,262,400 post year end. The Directors have provided a personal guarantee for a balance of of £2,285,250 in respect of this loan.

29 Related party transactions

Transactions with related parties

Key management personnel

	2021	2020
	£	£
Rent management fee income	385	275
Other fee income	226,729	93,803

Other related parties

	2021	2020
	£	£
Rent invoiced	562,500	718,885
Rent management fee income	32,956	44,969
Other fee income	-	(1,000)
Expenditure recharged	3,131,384	3,214,946
Expenditure incurred	372,809	503,250
Provision of consultancy services	49,219	14,225
Recharge of hotel expenses	150	280,383
Accommodation, room and venue hire	-	172,644
Recharge of staff costs and meeting rooms	66,852	343,108
Income from charter flight services	106,475	400,278
Service and facilities charge	2,008,514	2,794,771
Income from advertising	-	74,183
Accrued interest	860,543	1,936,593

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.

	2021	2020
	£	£
Recharged staff and related costs	(539,220)	(467,746)
Recharged telephone and printing costs	(42,830)	(68,307)

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

29 Related party transactions		(Continued)
Purchase of advertising and marketing services	(280)	(72,973)
Recharged computer expenses	-	(3,680)
Staff costs and meeting rooms recharged	(542,944)	(23,395)
Recharge of credit cards for hotel / Bewl Water expenses	-	(68,479)
Purchase of office equipment	-	(184)
Purchase of insurance cover	(210,185)	(214,023)
Purchase of gifts	-	(187)
Purchase of uniforms and decorations	-	(278,697)
Insurance costs	(581,754)	(223,749)
Purchase of IT/Telecommunication	(60,417)	(151,604)
Consultancy fees	(119,435)	(128,716)
Provision of staff and associated costs	-	(2,178)
Purchase of hotel equipment	(335)	(13,539)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£	£
Group		
Entities with control, joint control or significant influence over the group	7,304,498	-
Other related parties	85,508,919	72,976,254
	<u> </u>	<u> </u>
Company		
Other related parties	13,829,946	5,018,676
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021	2020
	Balance	Balance
	£	£
Group		
Entities with control, joint control or significant influence over the group	13,627,546	5,382,990
Key management personnel	423,107	49,319
Other related parties	52,317,042	58,166,122
	<u> </u>	<u> </u>
Company		
Entities with control, joint control or significant influence over the company	6,612,150	-
Other related parties	38,135,484	36,994,626
	<u> </u>	<u> </u>

SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

29 Related party transactions

(Continued)

Other information

An amount of £6,947,960 (2020: £8,794,807) was included in bank loans owing by Zenith Aircraft Limited at the year ended 31 March 2021. As part of the terms of this bank loan, K R Spencer has provided a personal guarantee. An amount of £4,396,587 (2020: £5,326,619) was included in bank loans owing by Jet Aircraft Limited at the year ended 31 March 2021. As part of the terms of this bank loan, K R Spencer has provided a personal guarantee.

An amount of £25,262,400 (2020: £25,321,007) was included in bank loans owing by 55VS No2 Limited. As part of the terms for these bank loans, KR Spencer provided a personal guarantee.

Other related parties comprise companies in the group headed by Markerstudy Holdings Limited, and a company with common directorship, and are related by virtue of common control.

Impairments of £nil (2020: £6,303,288) have been recognised in respect of amounts owed by related parties.

Included in other creditors is £70,000 (2020: £420,000) which related to funding provided by a related party company, which is related by virtue of common control.

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

30 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.

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SQIB LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

31 Cash generated from group operations

	2021	2020
	£	£
Loss for the year after tax	(11,190,273)	(19,118,458)
Adjustments for:		
Share of results of associates and joint ventures	(675,239)	(1,112,579)
Taxation (credited)/charged	(8,196)	11,816
Finance costs	9,194,314	10,016,860
Investment income	(1,794,341)	(2,436,279)
(Gain)/loss on disposal of intangible assets	-	3,325
Gain on disposal of business	-	(472,405)
Fair value gain on investment properties	-	(3,985,425)
Amortisation and impairment of intangible assets	(7,252)	(1,130)
Depreciation and impairment of tangible fixed assets	1,873,784	1,908,554
Other gains and losses	5,001,587	-
Impairment of preference share capital	-	9,000,000
Loans written off	-	6,303,288
Movements in working capital:		
(Increase)/decrease in stocks	(132,842)	4,671,368
Increase in debtors	(3,961,681)	(11,615,222)
Increase in creditors	12,029,457	20,949,517
Cash generated from operations	<u>10,329,318</u>	<u>14,123,230</u>

32 Analysis of changes in net debt - group

	1 April 2020	Cash flows 31 March 2021	
	£	£	£
Cash at bank and in hand	2,430,158	(40,893)	2,389,265
Borrowings excluding overdrafts	(116,179,758)	3,391,512	(112,788,246)
	<u>(113,749,600)</u>	<u>3,350,619</u>	<u>(110,398,981)</u>

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