

Registered number: 10104382 (England & Wales)

PLEXAL (GROUP) LIMITED
CONSOLIDATED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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PLEXAL (GROUP) LIMITED

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PLEXAL (GROUP) LIMITED

COMPANY INFORMATION

Directors	Gavin Poole DV4 Administration Limited DV4 Administration UK Limited
Registered number	10104382
Registered office	6th Floor Lansdowne House Berkeley Square London W1J 6ER
Independent auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

PLEXAL (GROUP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their report and the consolidated financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the Company is the provision of management services.

The principal activity of the Group is the provision of office space and other business support activities.

Directors

The Directors who served during the year were:

Gavin Poole
DV4 Administration Limited
DV4 Administration UK Limited

Going concern

The financial statements have been prepared on a going concern basis. In considering whether this is appropriate the Directors have taken into account the following:

- The Group had net current liabilities of £3.3m, and total net assets of £4.5m as at 31 March 2022.
- The ultimate parent company has undertaken to continue to provide such financial support as the Group may require for the period to 30 November 2023.

Given the impact of geopolitical tensions on macroeconomic conditions in which the Group is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 March 2022.

The Group's going concern assessment covers the period to 30 November 2023 and takes into account the Group's budgeted income and expenditure over the period. In preparing the assessment, the Directors have considered downside factors, including losses from operating activities. Management continues to monitor the Covid-19 situation as it develops and has taken several measures to protect its cash flow.

The ultimate parent company, DV4 Limited, has agreed to provide continued financial support to the Group for the foreseeable future to meet its obligations as and when they fall due, for a period to 30 November 2023, to the extent that the Group is unable to meet its liabilities.

Taking into account the position of the ultimate parent company, and their assessment of the impact of Covid-19, the Directors are of the view, to the best of their current knowledge, that DV4 Limited will be able to financially support the Group for the foreseeable future and Covid-19 will not have a material adverse impact on the Company's and Group's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PLEXAL (GROUP) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Directors' liabilities

The Company and the Group held third party indemnity insurance on behalf of the Directors during the year.

Disclosure of information to auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

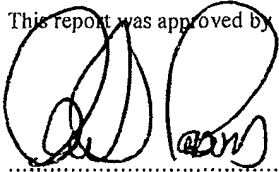
Small companies provisions

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

PLEXAL (GROUP) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

This report was approved by the board and signed on its behalf by:



Andrew Parsons
Duly Authorized Signatory of
DV4 Administration Limited (Director)

.....
DV4 Administration Limited
Director

Date: 30/11/2022

PLEXAL (GROUP) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXAL (GROUP) LIMITED

Opinion

We have audited the financial statements of Plexal (Group) Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise of the Group Profit and Loss Account, the Group and Company Balance Sheet, the Group and Parent Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern for a period to 30 November 2023.

Our responsibilities and the responsibilities of the directors' with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

PLEXAL (GROUP) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXAL (GROUP) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' Report has 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 or Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report .

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXAL (GROUP) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors' are responsible for assessing the group's and 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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

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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the significant are those that relate to the reporting framework (UK GAAP).
- We understood how Plexal (Group) Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in this area and corroborated this by reviewing supporting documentation and evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of controls. Additionally, we held meetings with management to understand where they considered there was susceptibility to fraud, and assessed the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management and legal counsel and we tested specific transactions to source documentation, including assessing appropriate authorization of the transactions and segregation of duties. We also performed journal entries testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

PLEXAL (GROUP) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLEXAL (GROUP) LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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.

Ernst & Young LLP

.....
Graeme Downes (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: *30 November 2022*

PLEXAL (GROUP) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover		8,526,875	7,344,392
Cost of sales		(3,205,575)	(2,408,784)
Gross profit		<u>5,321,300</u>	<u>4,935,608</u>
Administrative expenses		(7,717,360)	(7,423,732)
Other operating income	3	-	76,372
Operating loss	5	<u>(2,396,060)</u>	<u>(2,411,752)</u>
Interest receivable and similar income		11	28
Loss before tax		<u>(2,396,049)</u>	<u>(2,411,724)</u>
Tax on loss	6	-	-
Loss for the financial year		<u>(2,396,049)</u>	<u>(2,411,724)</u>
Loss for the year attributable to:			
Owners of the parent		<u>(2,396,049)</u>	<u>(2,411,724)</u>
		<u>(2,396,049)</u>	<u>(2,411,724)</u>

No Profit and Loss Account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its loss for the financial year was £nil (2021 - £nil).

All amounts related to continuing operations.

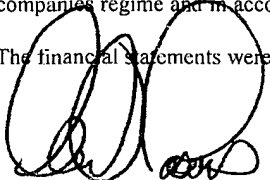
PLEXAL (GROUP) LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	7	7,796,191	8,676,910
Current assets			
Debtors	9	2,706,254	1,579,510
Cash at bank and in hand		904,734	1,392,465
		<u>3,610,988</u>	<u>2,971,975</u>
Creditors: amounts falling due within one year	10	<u>(6,883,160)</u>	<u>(6,428,817)</u>
Net current liabilities		(3,272,172)	(3,456,842)
Net assets		<u>4,524,019</u>	<u>5,220,068</u>
Capital and reserves			
Called up share capital	11	3,100,001	1,400,001
Profit and loss account		1,424,018	3,820,067
		<u>4,524,019</u>	<u>5,220,068</u>

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

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


.....
DV4 Administration Limited
Director

Andrew Parsons
Duly Authorized Signatory of
DV4 Administration Limited (Director)

Date: *30/11/2022*

The notes on pages 13 to 21 form part of these financial statements.

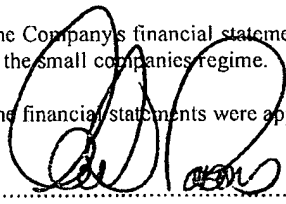
PLEXAL (GROUP) LIMITED

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments in subsidiary companies	8	17,525,887	15,825,887
Current assets			
Debtors	9	399	696
Creditors: amounts falling due within one year	10	-	(297)
Net current assets		<u>399</u>	<u>399</u>
Net assets		<u><u>17,526,286</u></u>	<u><u>15,826,286</u></u>
Capital and reserves			
Called up share capital	11	3,100,001	1,400,001
Profit and Loss Account		14,426,285	14,426,285
		<u><u>17,526,286</u></u>	<u><u>15,826,286</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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


.....
DV4 Administration Limited
Director

Andrew Parsons
Duly Authorized Signatory of
DV4 Administration Limited (Director)

Date: 30/11/2022

The notes on pages 13 to 21 form part of these financial statements.

PLEXAL (GROUP) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Profit and Loss Account £	Total equity £
At 1 April 2021	1,400,001	3,820,067	5,220,068
Loss for the year	-	(2,396,049)	(2,396,049)
Issue of shares	1,700,000	-	1,700,000
At 31 March 2022	3,100,001	1,424,018	4,524,019

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

	Called up share capital £	Profit and Loss Account £	Total equity £
At 1 April 2020	1	6,231,791	6,231,792
Loss for the year	-	(2,411,724)	(2,411,724)
Issue of shares	1,400,000	-	1,400,000
At 31 March 2021	1,400,001	3,820,067	5,220,068

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

	Called up share capital £	Profit and Loss Account £	Total equity £
At 1 April 2021	1,400,001	14,426,285	15,826,286
Issue of shares	1,700,000	-	1,700,000
At 31 March 2022	3,100,001	14,426,285	17,526,286

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

	Called up share capital £	Profit and Loss Account £	Total equity £
At 1 April 2020	1	14,426,285	14,426,286
Issue of shares	1,400,000	-	1,400,000
At 31 March 2021	1,400,001	14,426,285	15,826,286

PLEXAL (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Plexal (Group) Limited is a private company limited by share capital, incorporated in England and Wales, registration number 10104382. The address of the registered office is 6th Floor Lansdowne House, Berkeley Square, London W1J 6ER.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiary ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Going concern

The financial statements have been prepared on a going concern basis. In considering whether this is appropriate the Directors have taken into account the following:

- The Group had net current liabilities of £3.3m, and total net assets of £4.5m as at 31 March 2022.
- The ultimate parent company has undertaken to continue to provide such financial support as the Group may require for the period to 30 November 2023.

Given the impact of geopolitical tensions on macroeconomic conditions in which the Group is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 March 2022.

The Group's going concern assessment covers the period to 30 November 2023 and takes into account the Group's budgeted income and expenditure over the period. In preparing the assessment, the Directors have considered downside factors, including losses from operating activities. Management continues to monitor the Covid-19 situation as it develops and has taken several measures to protect its cash flow.

The ultimate parent company, DV4 Limited, has agreed to provide continued financial support to the Group for the foreseeable future to meet its obligations as and when they fall due, for the period to 30 November 2023, to the extent that the Group is unable to meet its liabilities.

Taking into account the position of the ultimate parent company, and their assessment of the impact of Covid-19, the Directors are of the view, to the best of their current knowledge, that DV4 Limited will be able to financially support the Group for the foreseeable future and Covid-19 will not have a material adverse impact on the Company's and Group's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PLEXAL (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Group

Group turnover from a contract to provide a desk, room or work space, auxiliary office services and business support advisory services to third party companies and individuals is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

- | | |
|--------------------------|---------------------------------------|
| Land and buildings | - Straight-line over the lease term |
| Plant and machinery etc. | - Between 3 and 5 years straight-line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

PLEXAL (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.6 Debtors

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

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Related party transactions

The Company has taken advantage of the exemption in Section 1A FRS 102 from the requirement to disclose transactions with members of the same group that are wholly owned.

2.11 Cash flow statement

The Company has taken advantage of the exemption in Section 1A FRS 102 from the requirement to produce a cash flow statement on the grounds that it is a small company.

PLEXAL (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Profit and Loss Account in the same period as the related expenditure.

2.13 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight line basis over the lease term.

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

2.14 Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total profit that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. Other operating income

	2022	2021
	£	£
Government grants	-	76,372

Other income consisted of government grants of £nil (2021 - £76,372) relating to the Coronavirus Job Retention Scheme. The company also took advantage of the VAT deferral scheme and creditors: amounts falling due within one year (note 10) in the prior year includes a deferred VAT liability of £173,162 relating to the quarter ended 31 March 2020 which was fully repaid during the current year.

4. Employees

The average monthly number of employees, including directors, during the year was 33 (2021 - 29).

There was no director's remuneration in the current or prior year. There were no other qualifying services provided by Directors in the current or prior year.

PLEXAL (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Operating loss

The operating loss is stated after charging:

	2022	2021
	£	£
Auditors' remuneration	25,610	35,146

6. Taxation

	2022	2021
	£	£
UK Corporation Tax	-	-
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Loss on ordinary activities before tax	(2,396,049)	(2,411,724)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(455,249)	(458,225)
Effects of:		
Non-deductible expenditure	43,252	36,747
Depreciation for year in excess of capital allowances	22,013	(2,045)
Group relief surrendered	389,984	423,523
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has unrecognised deferred tax assets at 31 March 2022 in respect of tax losses carried forward of £758,184 (2021 - £576,220) and unrecognised deferred tax liabilities in respect of fixed asset timing differences of £271,861 (2021 - £142,658). The deferred tax assets have not been recognised on the basis that it is not sufficiently certain that suitable taxable profits will arise against which to offset them.

In the 2021 Spring Budget, the government announced that from 1 April 2023 the corporation tax rate will increase to 25% for profits in excess of £250,000. The Finance Bill 2021 was substantively enacted on 24 May 2021 and therefore the deferred tax assets and liabilities have been calculated using a rate of 25% (2021: calculated using 19%).

PLEXAL (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery etc. £	Total £
Cost			
At 1 April 2021	10,810,381	1,566,284	12,376,665
Additions	106,052	61,884	167,936
At 31 March 2022	<u>10,916,433</u>	<u>1,628,168</u>	<u>12,544,601</u>
Depreciation			
At 1 April 2021	2,730,452	969,303	3,699,755
Charge for the year	760,719	287,936	1,048,655
At 31 March 2022	<u>3,491,171</u>	<u>1,257,239</u>	<u>4,748,410</u>
Net book value			
At 31 March 2022	<u>7,425,262</u>	<u>370,929</u>	<u>7,796,191</u>
At 31 March 2021	<u>8,079,929</u>	<u>596,981</u>	<u>8,676,910</u>

PLEXAL (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2021	24,630,161
Additions	1,700,000
At 31 March 2022	<u>26,330,161</u>
Impairment	
At 1 April 2021	8,804,274
At 31 March 2022	<u>8,804,274</u>
Net book value	
At 31 March 2022	<u>17,525,887</u>
At 31 March 2021	<u>15,825,887</u>

Plexal (Group) Limited purchased 1,700,000 Ordinary shares in Plexal (City) Limited at par at an aggregate nominal value of £1,700,000.

The Directors have reviewed the carrying value of the investment at the year end and deem that no further impairment in the value of the investment is required.

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Country of incorporation	Class of shares	Holding
Plexal (City) Limited	England and Wales	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Loss
Plexal (City) Limited	<u>4,637,444</u>	<u>(2,396,049)</u>

PLEXAL (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	1,624,673	1,284,156	-	-
Amounts owed by group undertakings	-	-	292	690
Other debtors	1,081,581	295,354	107	6
	<u>2,706,254</u>	<u>1,579,510</u>	<u>399</u>	<u>696</u>

Other debtors of £1,081,581 (2021: £295,354) includes prepayments, rent smoothing, accrued income and amounts held by third parties on behalf of the Plexal (Group) Limited.

10. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	601,912	579,669	-	-
Other taxation and social security	430,605	538,381	-	297
Other creditors	646,558	507,412	-	-
Accruals	5,204,085	4,803,355	-	-
	<u>6,883,160</u>	<u>6,428,817</u>	<u>-</u>	<u>297</u>

Other creditors of £646,558 (2021: £507,412) includes deferred income, repayable tenant deposits and amounts payable to the pension fund after the year end.

11. Share capital

Group and Company

	2022 £	2021 £
Allotted, called up and fully paid		
3,100,001 (2021 - 1,400,001) Ordinary shares of £1.00 each	<u>3,100,001</u>	<u>1,400,001</u>

The Company issued 1,700,000 Ordinary shares at par at an aggregate nominal value of £1,700,000 during the year. The consideration was received in full.

PLEXAL (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. Capital commitments

As at 31 March 2022 the Group had capital commitments contracted for but not provided in these financial statements of £54,908 (2021 - £nil) (Company - £nil (2021 - £nil)).

13. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	1,850,003	1,687,538	-	-
Later than 1 year and not later than 5 years	7,580,490	7,386,894	-	-
Later than 5 years	9,894,873	11,851,193	-	-
	<u>19,325,366</u>	<u>20,925,625</u>	<u>-</u>	<u>-</u>

14. Controlling party and parent undertaking

The Company's immediate parent undertaking is DV4 innovation Centres Limited. The Company's ultimate parent undertaking and controlling party is DV4 Limited. DV4 Innovation Centres Limited and DV4 Limited are registered and incorporated in the British Virgin Islands. DV4 Limited is the parent company of the largest group of which the Company and Group is a member and for which group financial statements are prepared. Plexal (Group) Limited is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.