# OBERON INVESTMENTS GROUP PLC

**(previously Baskerville Capital plc)**

**ANNUAL REPORT**
**AND**
**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2021**

**Registered Number: 10712201**

**OBERON INVESTMENTS GROUP PLC**

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**REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021**

## COMPANY INFORMATION

## REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

| | |
|---|---|
| **Directors** | Hon Robert Hanson (Chairman)<br>Hon Alex Hambro<br>Simon McGivern<br>John Beaumont |
| **Company number** | 10712201 |
| **Registered office and principal place of business** | Nightingale House,<br>65 Curzon Street,<br>London,<br>W1J 8PE |
| **Auditor** | Haysmacintyre LLP<br>10 Queen Street Place<br>London<br>EC4R 1AG |

**Introduction**

Last year was a transformational year for the Company and, in February 2021, saw the Company acquire Oberon Securities Limited by way of a reverse takeover (RTO), raise £1.4m in an EIS/VCT funding round (pre-RTO) and appoint a new Board to the Company; comprising Simon McGivern, founder and CEO of Oberon Securities Limited (previously Oberon Investments Limited) and John Beaumont as CEO and FD of the Company, respectively and with Hon. Robert Hanson and Hon. Alex Hambro joining as non-executive directors.

On 26 February 2021 the Company changed its name from Baskerville Capital plc to Oberon Investments Group plc to reflect the transformation of the business from a cash shell to a boutique financial institution providing a personalised wealth management service for retail and professional clients, as well as a corporate broking arm for small and mid-cap companies.

**Information about Oberon**

Oberon Securities Limited was set up in April 2017 with the aim of acquiring a small stockbroking business, which it did in November 2017 when it acquired Oberon Investments Limited (previously called M.D. Barnard & Co. Limited). With Funds Under Management and Administration ("FUMA") of around £100m at that time and a suite of FCA permissions, this was the ideal platform for the business to grow from. From that time Oberon has invested significant resources to build a strong team, with improved systems to make Oberon a business capable of significant growth.

As evidence of this Oberon Group's FUMA has grown from £100m in November 2017 to over £600m at present. This has been achieved organically by adding new clients and new fund managers, attracted by the emerging brand. Growth in AUA has also been achieved by the acquisition of the UK wealth management business of Hanson Asset Management in June 2020. Since the year end the Group has also acquired 100% of Smythe House Limited. Established in 2009, Smythe House provides bespoke relationship-driven services and financial planning to high net-worth clients in the wealth management, capital markets and real estate sectors.

In May 2020, Oberon set up its corporate broking division, Oberon Capital, and announced its first client in July 2020. Oberon Capital takes advantage of the skill sets employed in its business in giving advice and providing access to capital. As the CEO explains in his review, this business has had an extremely successful start to its operations over the last year.

**Market Overview**

The Group operates in the UK wealth and fund management sector and in the corporate broking and financial advisory sectors. The UK fund management industry is estimated to have £8.9 trillion in FUMA in 2020-21. The industry includes assets of independently managed funds, as well as those owned by banks, insurance companies and pension funds. Conservative estimates of FUMA for the UK financial advisory and wealth management sectors stand at £272 billion and £942 billion respectively. The corporate broking and fundraising sector is very fragmented, ranging from large integrated investment banks to niche corporate advisory firms. It is in this space that your Board sees huge opportunities for an entrepreneurial based fund, wealth and advisory business giving clients a bespoke service tailored to their needs.

**Opportunities**

The recent polarisation of ever-larger groups has forced clients into pooled assets and away from stock and asset selection and the ability to take managed, and defined risk and reward positions. Teams of capable fund managers, at other firms, are attracted by Oberon's flexible approach and results-based outcomes for clients. This bespoke investment offering to numerous affluent clients is a key feature the directors believe is very scalable and differentiates the Group from many of its peers.

**Reverse Takeover**

The shareholders in Oberon Securities Limited, following the acquisition of their shares by Baskerville Capital plc, owned 79.4% of the enlarged share capital of Baskerville Capital plc (now renamed Oberon Investments Group plc) and therefore the transaction has been treated as a reverse takeover (RTO). Furthermore, because Baskerville Capital plc did not trade prior to the acquisition it could not be considered a 'business' and therefore the transaction was not a business combination. Consequently, the transaction has been accounted for as an acquisition by Oberon Securities Limited of Baskerville Capital plc and the accounting rules regarding 'reverse takeover accounting' applied. This is explained more fully in note 2.1 on page 30.

A financial summary for the Group, after applying this accounting methodology, is shown in the table below.

**Consolidated Financial Summary**

| | **Year ended 31 Mar'21 £'000** | **17m ended 31 Mar'20 £'000** |
|---|---|---|
| Turnover | 3,838 | 1,446 |
| Other income | 23 | - |
| Administrative expenses | (4,782) | (3,208) |
| Gain on value of investments | 75 | - |
| **Operating loss before acquisition related expenses** | **(846)** | **(1,762)** |

The results shown above for the year to 31 March 2021 reflect the consolidated results in the year for Oberon Securities Limited combined with, from 9 February 2021 to 31 March 2021, the results of Oberon Investments Group plc (previously Baskerville Capital plc) - which was the remaining period in the financial year following the completion of the RTO. The financial year end of Oberon Investments Group plc was changed from June to March in order to bring it in line with the financial year end of the rest of the Oberon group. The figures shown for the comparative period reflect the consolidated results of Oberon Securities Limited (as previously published) for the 17 month period to 31 March 2020.

The results reflect the significant improvement in the financial performance of the Group on both the fund management and the newly established corporate broking division. As the CEO explains in his review, the directors anticipate further improvement in the current year.

**Outlook and Prospects**

We are very excited about Oberon's future.

We now have the people in place who can execute our strategy and who together bring extensive experience in both fund management and corporate broking – and also very ably backed by a strong compliance, finance and back-office functions, with improved IT and MI systems.

In order to exploit the opportunities available to the Group, the directors intend to look closely at good quality fund management teams as and when they arise together with raising the marketing profile of the existing business over the coming year.

We believe that this strategy will result in the business being well placed to meet our growth expectations for the current financial year.

Finally, I would like to take the opportunity to thank our shareholders for their continued support.

Robert Hanson

Hon Robert Hanson
**Chairman**

28 July 2021

**Chief Executive's Report**

I am pleased to make this, my first, report as Chief Executive of Oberon Investments Group plc. I would like to start by thanking all my other directors and members of staff of Oberon for all of their hard work and achievements both before and since the RTO. Without them, and the shareholders of Oberon who have supported us throughout this process (and continue to do so) the business would not be in the position it is today.

**A Transformational year**

The period under review in this annual report was transformational for Oberon. We acquired about £100m of the fund management assets previously managed by Hanson Asset Management, in June 2020 and we also established a second strong arm to the business, namely our new corporate broking division. Both have been very beneficial for the improvement in the financial performance and 'visibility' of the overall group. Finally, the RTO in February 2021 has given the group a listing which, although not capitalised yet, is expected to enhance our ability to attract new fund management teams to the business. It has also significantly enhanced the group's profile.

**Fair review of the business**

The RTO transformed the structure of the group following the takeover of Oberon Securities Limited ("OSL") by Oberon Investments Group plc ("OIG") on the 9 February 2021. From an accounting perspective this was treated as a reverse takeover of OIG by OSL. However, the RTO did not change anything from an operational perspective, and indeed the directors are happy to report that the performance of the business remained unaffected by the changes in the group structure.

Within the group, the main operating company, Oberon Investments Limited ("OIL"), has continued to restructure many elements of the business which was acquired in 2017. This includes areas to support future growth, including infrastructure, new IT systems, new personnel and staff training. This consistent investment approach has helped generate revenue growth for the group increasing on a comparable basis by over 200% during the 12 month period to 31 March 2021 to £3,861k (compared to 12 months to 31 March 2020: £1,145k).

On a reported basis, as per the Consolidated Statement of Comprehensive Income, revenue grew by 167% from £1,446k (which was a 17 month period) to £3,861k. This increase in revenues has been generated both through the development of our new corporate finance division (Oberon Capital) as well as strong growth in our fund management business which has seen AUA grow from circa £126m at 31 March 2020 to over £550m at the 31 March 2021. Although a lot of this work has been completed, there are still further opportunities to invest to grow the business both organically and through acquisition.

Because of the increase in costs associated with the investments mentioned above, the business made an operating loss before acquisition related expenses of £846,057 in the year to 31 March 2021 compared to a loss of £1,762,492 in the 17 month period to 31 March 2020.

The COVID-19 pandemic unsurprisingly had some negative implications for the business, with the decline in the markets in the first half of last year leading to a decrease in some of its fee revenue. However, our business continuity plans worked well and the natural growth in the company, together with measures taken by the management team, mitigated the impact from the pandemic. During the year we furloughed 3 members of staff, out of our total headcount of 33 employees at the end of the year (compared with 26 at 31 March 2020). Although we are mindful that there could be further market volatility associated with further spikes in the spread of the disease, our experience so far suggests that this should be manageable. The company is in a strong position for growth in 2021/22.

**Growth Strategy**

The Board is firmly committed to grow the business by adding the right businesses and teams that will thrive under the Group's ownership and entrepreneurial culture. Additionally, it is the intention of the directors that the Group will launch new funds and wealth management solutions to enhance organic growth rates and by adding services where we can take advantage of experienced practitioners, as evidence by the setting-up of Oberon Capital. We are also talking to a number of fund management and wealth management teams with a view to them joining the business over the coming year. In addition the recent acquisition of Smythe House, a well-regarded independent financial advisor, will lead to further opportunities to grow its existing business and to be able to offer Smythe House's advisory services to some of Oberon's existing clients.

**Development and performance**

We anticipate the company will continue to grow in the coming year, both because of its encouraging first quarter's performance, but also because we have a good pipeline of potential deals in the Oberon Capital division for the rest of this year. In addition the directors believe that the company is in a strong position to attract new clients and teams to the fund management business.

The Group has made an encouraging start to the year and I look forward to updating you on further developments as they arise.

Simon McGivern
Chief Executive 28 July 2021

**Principal Activity**

Oberon provides fund management and stock broking services to professional and private clients, and has recently developed a corporate broking and advisory division for corporate clients. Its 'front' office is located in London and its 'back' office and support functions, such as settlements and finance, is based in its office in Essex.

**Key Performance Indicators ("KPIs")**

We monitor the business using a number of KPIs, the most important of which is the performance of our Funds Under Management and Administration ("FUMA"). Our FUMA has increased by over 300% over the reporting period from £126.2m to circa £550m. This was partially helped by the acquisition of the funds from Hanson Asset Management on 26 June 2020 which contributed about £100m to FUMA. FUMA has continued to increase since the period end and as at 9 July 2021 our FUMA had increased to over £625m.

In Oberon Capital (the new corporate broking division), we closely monitor the number of new corporate clients and capital raises this new division achieves. However, this information is commercially sensitive and at this stage in the development of this division we do not propose disclosing this information.

**Principal risks and uncertainties**

The board identifies, assesses and manages risks in line with the company's business objectives and goals. We are subject various risks which we monitor at our fortnightly operational committee meetings and if necessary escalate to the Board.

The directors consider the principal risks and uncertainties facing the Group, and the key measures to mitigate those risks, are as follows:

| **Risk: Regulation** | **Mitigation** |
|---|---|
| The Group's subsidiary company, Oberon Investments Limited, is authorised by and subject to supervision from the FCA, and supervision from bodies such as HMRC, the Pensions Regulator and more recently, following the RTO, the Aquis Stock Exchange. The withdrawal of, or a significant amendment to, a regulatory approval (particularly if by the FCA) could result in the cessation of the Group's business or a material part thereof. | The Group is acutely aware of these risks and employs an experienced Compliance and Risk officer who is responsible for monitoring the Group's activities, managing the Group's regulatory and reporting obligations and ensuring that all FCA requirements are complied with. The Finance Director and the CEO also monitor and manage some of these processes as and when necessary and make sure that all staff training and reporting procedures are given top priority within the firm.<br><br>In addition the group employs the services of a compliance service company (and also other specialists where necessary) to support the compliance function on a continuous basis. |
| **Risk: Capital** | **Mitigation** |
| The group is required to comply with the FCA's regulatory capital requirements to have enough capital to ensure that it can perform its activities without causing or creating any risk of harm to the firm's clients' assets or to the proper functioning of the market and the firm's counterparties. | The regulatory capital position of the regulated company and the group as a whole is regularly monitored (and quarterly returns are submitted to the FCA) to ensure that we comply with our capital requirements.<br><br>The implementation of the group's strategy is also heavily influenced by the group's regulatory capital requirements, to ensure that there is no likelihood of |

| | |
|---|---|
| | the group breaching the various regulatory capital thresholds. |
| **Risk: Liquidity** | **Mitigation** |
| The Group's regulated subsidiaries have to ensure that they maintain adequate levels of liquidity at all times so that the firm can fulfil all of the outstanding orders with its market counterparties in the event that one or more of its clients default on a trade. | The liquidity position of the regulated company is monitored every day (and stress tested) to ensure that it has sufficient liquidity to ensure that all of its clients' trades settle when they become due, even if a client defaults. This also requires careful monitoring of our clients' portfolios by our traders before an order is made to reduce the possibility of a client defaulting on a trade. Most of the firm's clients are now only permitted to trade on a T+2 basis and any exception to that has to be approved by a senior manager. |
| **Risk: IT services and infrastructure** | **Mitigation** |
| Like most firms which use computers to hold financial data on their clients and to perform the majority of their clients' operations and communications, the Group is reliant on the efficient and reliable functioning of its computers and its trading systems for the smooth operation of its activities. If this is disrupted for any length of time, then this could have an adverse impact on the business. | The Group's IT infrastructure is duplicated across its two sites. This should ensure that if one system were to fail then the other system would take its place. The firm's employees are also very familiar with the procedure should they need to work from home – and thus reduce the risk of any trading activity being disrupted. |
| **Risk: Retention of key staff** | **Mitigation** |
| The Group is dependent on key members of its management team. The loss of their services could have a short-term significant effect on the Group's performance. There is no guarantee that the Group will be able to attract and retain all personnel for the for the future development and operation of the business. | The Group's remuneration Committee will ensure that all key members of the Group are incentivised and an appropriate culture at work is maintained to try and prevent the loss of key personnel. In addition the Group has recently introduced a share option scheme to incentivise staff and enable them to benefit from the growth of the business. |
| **Risk: Competition** | **Mitigation** |
| The Group operates in a very competitive sector of the financial services sector and it may be adversely affected by the performance of other companies that have access to more capital or have greater scale which could have a negative effect on the performance of the Group. | The Group has recently raised funds which puts it in a good position to fulfil its own strategy without being adversely impacted by the actions of others – and of course it retains the ability, as a quoted business to do this in the future if necessary. We also strongly believe that the bespoke service we offer our clients will enable us to withstand any temporary negative competitive pressures. |

**Employment without discrimination**

The Group is committed to employ on the basis of ability. We hire on this basis alone, regardless of gender, orientation, disability or any other inappropriate discrimination.

**Environment and social**

In our day to day business, we commit to comply with applicable environmental laws, and the direct impact of our operations is low.

**Directors, senior managers and employees**

At 31 March 2021, there were four male directors of the Company and the Group had a total of 29 other employees. Please see page 11 for details of the biographies of the directors.

The Strategic Report was approved by the Board of Directors on 28 July 2021 and was signed on its behalf by:

……………………………………
Simon McGivern
Chief Executive 28 July 2021

The directors present their report and the financial statements for the year to 31 March 2021. The comparative period included in these financial statements is the 17 month period to 31 March 2020.

**Results and dividends**

The results for the period are set out on page 3 and page 20.
No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

**Research and development**

The company does not conduct research and development as part of its activities.

**Future developments**

We anticipate the company continuing to grow strongly over the coming year, both organically and through the acquisition of new funds, as well as through the development of Oberon Capital – the new corporate advisory segment of the business.

**Substantial shareholders**

On 31 March 2021 the following shareholders held an interest of 3% or more in the ordinary share capital of the Company

| | **Ordinary shares of 0.5p** | **% of issued share capital** |
|---|---|---|
| S McGivern | 52,756,925 | 12.9% |
| D Evans | 27,587,000 | 6.8% |
| B Sellers | 26,740,925 | 6.6% |
| Octopus Investments * | 25,000,000 | 6.1% |
| S Like | 20,375,000 | 5.0% |
| M Hennigan | 18,407,675 | 4.5% |
| A Headley | 17,130,325 | 4.2% |

*Octopus Investments holds these shares in various funds.
On 23 July 2021 an additional 'substantial shareholder', Mr H Hyman, disclosed, in a TR1 filing, a holding of 12,729,808 shares (being 3.1% of the issued share capital). Also, on 26 July 2021, a further 'substantial shareholder', Mr C Akers, disclosed in a TR1 filing, a holding of 14,650,000 shares (being 3.6% of the issued share capital).

**Directors**

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

| | | |
|---|---|---|
| Roger Sargent | Non-Executive | (resigned 9 February 2021) |
| James Kehoe | Non-Executive | (resigned 9 February 2021) |
| Simon McGivern | Executive (CEO) | (appointed 9 February 2021) |
| John Beaumont | Executive (FD) | (appointed 9 February 2021) |
| Robert Hanson | Non-Executive (Chairman) | (appointed 9 February 2021) |
| Alex Hambro | Non-Executive | (appointed 9 February 2021) |

**Section 172 Statement**

Section 172 of the Companies Act 2006 requires each director of the Group to act in the way he or she considers in good faith, would most likely promote the success of the Group for the benefit of its members as a whole. In this way, Section 172 requires a director to have regard to the likely consequences of any decisions made to the long-term performance of the business and the interests of the Group's employees; the need to maintain good relationships with its business suppliers, customers and consultants; and the wish for the Group to maintain a reputation for high standards of business conduct; and the need to act fairly between members of the Group. In discharging its Section 172 duties, the Board has considered the factors set out above and the views of key stakeholders as follows:

**Employees**
The directors engage regularly with employees and maintain an open communication channel at all levels of the Company/Group. This is formalised at the end of each year during the appraisal process where employees can discuss any matter and give any feedback on both their own and the Company's performance.

**Customers**
The Directors and senior management engage with customers on an informal basis to ensure that the service levels provided by the Group are as a minimum consistent with our T&Cs, and indeed hopefully exceed these levels to ensure further/continued custom for the business. Such customer feedback is circulated to those areas concerned by either the Board or senior managers in a timely manner.

**Investors**
The Board is committed to open and ongoing engagement with the Group's shareholders to understand their needs and expectations. The Group utilises the services of a good PR/IR firm which helps communicate all important and relevant information to the market on a timely basis. In addition, the Board will communicate with shareholders via the annual report and accounts and the interim statement and of course at the Group's AGM.

**Biographical details of each of the directors is set out below:**

**The Hon Robert Hanson – Non-Executive Chairman**
Robert Hanson founded Hanson Asset Management Limited and Hanson Capital Limited. Robert is currently the Chairman of Hanson Capital Investments Limited, Chairman of Hanson Family Holdings Limited, and Co-Chairman & Managing Partner at Millennium Hanson Advisors LLC. He is also on the board of The Lord Hanson Foundation and Sport & Artist Management Limited. Robert previously held the positions of Chairman for Strand Hanson Ltd and Chairman of Hanson Asset Management Ltd. Robert's corporate broking background included roles at N.M. Rothschild & Sons Ltd. He is Chairman of the Company's Audit Committee.

**Simon McGivern – Chief Executive Officer**
Simon started his professional career at Panmure Gordon Asset Management in 1996 where he worked in the wealth management division for six years. He focused on investment management and financial analysis. In 2002 Simon left the City and founded a number of companies, including Handpicked Companies, an ecommerce venture, which he grew substantially and exited via a trade sale ot News Corp in 2014. Simon also founded Litebulb Group in 2008, which grew from two members of staff in the first year of trading to 100 members of staff and revenues of £25m when he left in 2015. During his time there, Simon executed six acquisitions, raised over £10m in funding and led its IPO on AIM in 2010. Additionally, Simon was a founder of Cleeve Capital plc and oversaw its IPO on the Standard List in December 2014 and the reverse takeover of Satellite Solutions Worldwide (now Bigblu Broadband plc). He also set up and is a director of Map Ventures in 2015, a corporate advisory firm. Simon founded Oberon (previously GMC Holdings) in April 2017 and led the acquisition of MD Barnard later that year. He is CEO of all Oberon group's companies.

**John Beaumont – Finance Director**
John is a qualified Chartered Account and began his 'City' career with Goldman Sachs in 1988 where he specialised in producing institutional research in the brewing, pubs and leisure sectors. He moved to Smith New Court in 1992, which was acquired by Merrill Lynch in 1995. Whilst at Merrill Lynch, John worked with some of the firm's largest UK clients including Diageo, Compass Group and Bass. In 2001, John moved to Cheuvreux, the broking arm of Credit Agricole, as Head of Research in London, focusing on corporate research. In 2011 helped set up Peat & Co. LLP and was COO and Head of Finance, where along with his research activities, John is responsible for all the finance and regulatory reporting requirements of the business. John joined Oberon in a non-executive capacity in January 2018 before becoming Finance Director in March 2020.

**The Hon Alexander Hambro – Non-Executive Director**
Alex Hambro has worked in the venture and private equity sector both in the UK and USA for much of his career, during which time he has acted as a principal investor, manager and sponsor of private equity and venture capital management teams and advisor on private equity investment strategies. Alex is an active personal investor in small, growth-oriented private and public companies. As well as his roles at Oberon, which includes being Chairman of the Remuneration Committee, Alex is Chairman of AIM-listed Judges Scientific plc; Falanx Group Limited and OTAQ plc. He is also a director of Octopus Apollo VCT plc. In addition to his responsibilities at these listed companies, Alex is also Chairman of IWP Holdings Limited; Crescent Capital Limited; and a non-executive director of Time Partners Limited.

The Board holds board meetings on a quarterly basis. The Board has also established an Audit Committee and a Remuneration Committee. The Company considers that, at this stage of its development, and given the size of the current Board, it is not necessary to establish a formal Nominations Committee and nominations to the Board will be dealt with by the whole Board.

Both of the Non-Executive Directors are considered to be independent. The two Non-Executive Directors sit on the Audit Committee, which is chaired by Robert Hanson and on the Remuneration Committee, which is chaired by Alex Hambro.

During the year under review the Board held 6 board meetings, two of which were held since the RTO, at which all members of the Board participated.

**Audit Committee report**

The Audit Committee comprises Robert Hanson as Chairman and Alex Hambro (plus whomever they wish to invite to participate, such as the Finance Director and external lead audit partner). This committee meets at least once a year and such other times as the Chairman of the committee shall require. The committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee receives and reviews reports from management and the auditors relating to the interim report, the annual report and accounts and the various internal reports on the control systems of the Group.

The year under review in this annual report covers a period prior to the audit committee needing to meet, but it has subsequently had a meeting to approve this Annual Report & Accounts. In its advisory capacity, the Audit Committee confirmed to the Board that, based on its review of the Annual Report and financial statements and internal controls that support the disclosures, the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable, and provide necessary information for shareholders to assess the Group's position and performance, its business model and strategy.

**Remuneration Report**

The Remuneration Committee comprises Alex Hambro as Chairman and Robert Hanson and meets at least once a year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options, having due regard to the interests of shareholders and the performance of the Group. Under their service agreements, the appointments of the two Executive directors' end when their service agreements terminate and both have 6 month notice periods. Under their service agreements the two NEDs are on a fixed two year term starting 1 September 2020, unless terminated earlier by either party giving to the other three months' prior written notice.

During the year under review, the Remuneration Committee made recommendations to the Board in relation to the salaries and bonuses and the award of options to the senior managers in the Group. The amounts of remuneration for each director are set out below. The Board did not require any consultations in this respect.

**Directors' emoluments**

The following table details the directors' remuneration for the year ended 31 March 2021 and the 17 month period to 31 March 2020.

| | Salary/fees | Bonus | Pension | Benefits | Share based payment | Year to March 2021 | 17m to March 2020 |
|---|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ | £ |
| **Executive directors** | | | | | | | |
| S McGivern, CEO | 183,750 | 35,000 | 3,226 | 2,814 | 32,455 | **257,244** | **249,101** |
| J Beaumont, FD | 84,000 | 16,000 | - | - | - | **100,000** | **33,333** |
| **Non-Executive directors** | | | | | | | |
| Robert Hanson | 35,000 | - | 766 | - | - | **35,766** | **-** |
| Alex Hambro | 17,500 | - | - | - | - | **17,500** | **-** |

The emoluments of the current directors of Oberon Investments Group plc shown above include their emoluments for the period prior to the RTO completing, whilst they were directors of the current subsidiary companies of OIG plc. The comparative figures for the 17 month period to 31 March 2020 are shown on a similar basis.

The emoluments relating to the two previous directors of Baskerville Capital plc were disclosed in that company's Report & Accounts for its financial year ended 30 June 2020. These two directors resigned from Baskerville Capital plc on 9 February 2021 and their total emoluments for the period between 1 July 2020 up to the date of resignation was £58,334 in aggregate.

**Director's interests**

The beneficial interests of the directors of the Company in the ordinary share capital of the Company and warrants to purchase such shares were as follows:

**31 March 2021**

| Director | Ordinary shares | Warrants (Ex. Price 2.5p) | Warrants (Ex. Price 7.5p) |
|---|---|---|---|
| Simon McGivern* | 52,756,925 | - | - |
| John Beaumont | 1,144,975 | - | - |
| Rodger Sargent (resigned 9/2/21) | 2,500,000 | 1,000,000 | 625,000 |
| James Kehoe (resigned 9/2/21) | 3,700,000 | 1,000,000 | 925,000 |

**31 March 2020**

| Director | Ordinary shares | Warrants (Ex. Price 2.5p) | Warrants (Ex. Price 7.5p) |
|---|---|---|---|
| Simon McGivern | - | - | - |
| John Beaumont | - | - | - |
| Rodger Sargent (resigned 9/2/21) | 2,500,000 | 1,000,000 | 625,000 |
| James Kehoe (resigned 9/2/21) | 3,700,000 | 1,000,000 | 925,000 |

**Going Concern**

The directors have prepared these financial statements on the basis that the Company and the Group is a going concern. The Directors believe the going concern basis is appropriate because (i) the Company has a strong net asset position, (ii) it is a listed company with the ability to raise new funds if required and (iii) it has a 100% subsidiary (Oberon Investments Limited) which is profitable and has a strong cash position. In addition the directors have reviewed the cash flow forecasts for both the Company and the other companies in the group, and have concluded that the group has enough cash resources (of currently about £2.1m), which will be made available to OIG plc as and when necessary, for OIG plc to meet all of its obligations and liabilities as they fall due for at least the next 12 months from the date of approving these financial statements.

**Events after the period end**

The Group has agreed a new lease for offices at 65 Curzon Street. The new lease commits the group to pay circa £620k in rent over the 2 year term of the lease (plus a deposit of £59k).

On the 27 May 2021 the group acquired Smythe House. Established in 2009, Smythe House provides bespoke relationship-driven services and financial planning to high net-worth clients in the wealth management, capital markets and real estate sectors.

The initial consideration for Smythe House was satisfied by the payment of £217,000 in cash and the issue to the vendors of 2,454,710 new Ordinary shares which at that date had a value of £83,460. In addition, and dependent on the performance of the acquired business over the next two years, deferred consideration could be payable to the vendors.

This could consist, as a maximum, of up to 4,909,420 shares which at the date of acquisition would have a value of £199,920) plus £33,000 in cash. The exact mix of cash and shares used to satisfy the payment of any deferred consideration will be agreed between the two parties, if and when it becomes due.
On the 27 April 2021 warrants over 2.0m shares were exercised, raising £50,000 for the Company.

**Directors' responsibilities statement**
The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

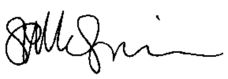
- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed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

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

**Disclosure of information to auditors**
So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors 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 company's auditors are aware of that information.

**Auditor**
Haysmacintyre were appointed auditor to the company 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.

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



……………………………………
Simon McGivern
Director

Date: 28 July 2021

The Board recognises the importance of sound corporate governance and the Group has adopted the Quoted Companies Alliance Corporate Governance (QCA Code). The Board considers that the Group complies with the QCA Code in all respects, and details of its compliance can be found on the Corporate Governance page of its website.

**The Board**

The Board is responsible for the management of the business of the Group, setting the strategic direction of the Group and establishing the policies of the Group. It is the Board's responsibility to oversee the financial position of the Group and monitor its business and affairs on behalf of the shareholders, to whom the directors are accountable. The primary duty of the Board is to act in the best interests of the Group at all times. The Board will also address issues relating to the internal controls within the Group and its approach to risk management.

The Group will hold board meetings at least 4 times a year and whenever issues arise which require urgent attention. Operational Executive meetings take place on a fortnightly basis.

**Board Directors**

The Board comprises two Executive Directors and two Non-Executive Directors (both of whom are deemed to be independent). The Board believes that it has an appropriate balance of sector, financial and public market skills and experience, an appropriate balance of personal qualities and capabilities. Having said this, it should be noted that the Board is currently looking for an additional Non-Executive Director and it is hoped that an announcement will be made shortly.

Biographical details of each of the directors are set out in the Director's Report on page 11.

**Board Committees**

The Group has established a remuneration committee (the Remuneration Committee) and an audit committee (the Audit Committee).

The Remuneration Committee comprises Alex Hambro as Chairman and Robert Hanson and meets at least once a year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options, having due regard to the interests of shareholders and the performance of the Group.

The Audit Committee comprises Robert Hanson as Chairman and Alex Hambro (plus whomever they wish to invite to participate, such as the Finance Director and external lead audit partner). This committee meets at least once a year and such other times as the Chairman of the committee shall require. The committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee receives and reviews reports from management and the auditors relating to the interim report, the annual report and accounts and the various internal reports on the control systems of the Group.

**Shareholder Engagement**

The Group will seek to engage with shareholders to understand the needs and expectations of all elements of the shareholder base.

The Board will communicate with shareholders primarily through the annual report and accounts, as well as through the release of the interim results and other financial or non-financial releases to the market and via the Group's website. Communication in person will also be available via the Company's AGM and also via regular meetings between institutional investors and analysts with the Group's CEO and FD to ensure that the Group's financials and business development strategy is communicated effectively.

**Stakeholders**

The Board believes that its stakeholders (other than its shareholders) are its employees and its customers. In order to understand their needs and expectations, the Group will communicate directly and closely with both its employees and customers to make sure we provide the best service as we can between the former to the latter.

The Executive directors will continue to maintain ongoing communications with all stakeholders and thus to adjust strategy or the day-to-day running of the business if required.

**Share Dealing Code**

The Group has adopted and operates a share dealing code governing the share dealings of the directors and all employees with a view to ensuring compliance with the AQSE rules. The directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AQSE. Any share transactions which involve PDMRs or directors are notified to the Company's corporate advisor and to the FCA.

**Annual General Meeting**

The next Annual General Meeting of the Group will be held at 11:00am on 22 September 2021 at the offices of our legal advisor Fladgate, at 16 Great Queen Street, London WC2B 5DG.

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

…………………………………

Simon McGivern
Director

Date: 28 July 2021

## INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF OBERON INVESTMENTS LIMITED

**Opinion**

We have audited the financial statements of Oberon Investments Group PLC (the "Parent Company") and its subsidiaries (the "Group") for the period ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and notes to the financial statements, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

• give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's loss for the period then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 as applied to listed entities, 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.

Our audit procedures to evaluate the directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included, but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and the Parent's ability to continue as a going concern;
- Evaluating the methodology used by the directors to assess the Group and the Parent's ability to continue as a going concern;
- Reviewing the directors' going concern assessment and evaluating the key assumptions used and judgments applied;
- Reviewing the liquidity headroom and applying a number of sensitivities to the base forecast assessment of the directors to ensure there was sufficient headroom to adopt the going concern basis of accounting;
- Reviewing the appropriateness of the director's disclosures in the financial statements.

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 or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| **Key Audit Matter Description** | **How the matter was addressed in the audit** |
|---|---|
| **Reverse Acquisition accounting in the Group's financial statements** | |
| On 9 February 2021 the Parent Company acquired the entire share capital of Oberon Securities Limited (previously Oberon Investments Limited) and its subsidiary Oberon Investments Limited (previously M.D.Barnard & Co Limited, (together ("Oberon")) satisfied by the issue of 323,919,525 ordinary shares for a consideration of £12,956,781.<br>The acquisition has been treated as a Reverse Takeover since following the transaction, 79.43% of the shares in the Parent Company, were owned by previous Oberon shareholders.<br>The Parent Company did not have an existing trade prior to the transaction and therefore did not meet the definition of a business, in accordance with Section 19 of FRS 102: "Business Combinations".<br>The transaction could not be considered to be a business combination and has been treated as a share-based payment transaction in accordance with Section 26 of FRS 102 for Share-based Payments.<br>There is a risk that the accounting treatment does not follow the requirements of Section 19 and Section 26 of FRS 102.<br>The Board assessed the full details of the takeover, concluding that the legal acquirer could not be defined as a business and therefore the accounting treatment should be in accordance with Section 26 and not Section 19.<br>This has been reflected within the financial statements. | Our audit work reviewed and considered the Board's assessment that the:<br>• Transaction was a Reverse Takeover<br>• Parent Company was not a business prior to the transaction and therefore the transaction was not a business combination<br>• Transaction was a share-based payment within the scope of Section 26.<br><br>We also reviewed the valuation of the share-based payment of £35,618 and the assumptions which underpinned it, as well as the consolidation adjustments in respect of the transaction. |

| **Valuation of investments in the Parent Company's financial statements** | |
|---|---|
| The Parent Company acquired a new subsidiary, Oberon Securities Limited ("OSL") and Oberon Investments Limited ("OIL").<br><br>The Parent Company's Statement of Financial Position as at 31 March 2021 includes a total investment of £14,411,988 in 100% of the ordinary share capital of OSL and OIL.<br><br>There is a risk that this investment might be overstated within the parent company's financial statements.<br><br>The Board concluded that no impairment was required to the carrying value of those investments, based on their assessment of the forecasted future cash flows of the business and the proximity of the acquisition to the year-end.<br><br>Since 31 March 2021, the subsidiary undertakings have continued to exceed budgeted performance. | Our audit work considered, but was not restricted to, the following work:<br><br>• A review of the calculation of the valuation of both investments in line with the transaction documentation to ensure that the value had been calculated correctly<br><br>• A review of the impairment assessment of the carrying value of the investment as prepared by the Board. This has been prepared in accordance with its forecast performance in all scenarios considered by the Board.<br><br>• A review of post year-end activity of the business. |

**Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements and in forming an option. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements, or related disclosures, that would make it probable that the judgment of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we used to determine the extent of testing need, to reduce to an appropriately low level the risk that the aggregate of uncorrected and undetected misstatement exceeds materiality for the financial statements as a whole.

The materiality for the Group financial statements as a whole was set at £376,000. This was determined with reference to 2% of gross assets of the Group since a key performance indicator ("KPI") is the valuation of the business.
On the basis of our risk assessment and review of the Group's control environment, performance materiality was set at 75% of materiality, being £282,000.

The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £18,800. If in our opinion differences below this level warranted reporting on qualitative grounds, these would also be reported.

The materiality for the Parent Company financial statements was set at 2% of the gross assets of the Company, £307,000.

On the basis of our risk assessment and review of the Parent Company's control environment, performance materiality was set at 75% of materiality, being £230,250 and the reporting threshold was the same as the Group.

**An overview of the scope of our audit**

Our audit scope included all components of the Group which are all registered companies in the United Kingdom, other than those entities with levels of activity below a clearly trivial threshold when compared to group materiality, which have been provided with a parental guarantee and are claiming exemption from audit. We are comfortable that the level of activity in these components was sufficiently small that they could be excluded from the audit process.

We performed our audit of the trading subsidiaries of the Group using a turnover based materiality where 2% of turnover was considered to be materiality.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 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 or the directors' report.

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

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

**Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

**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:

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

<u>Identifying and assessing potential risks related to irregularities</u>

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the potential for management override of controls. We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this Company and tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

S Wilks

Simon Wilks
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
Date: 28 July 2021

10 Queen Street Place
London
EC4R 1AG

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE PERIOD ENDED 31 MARCH 2021**

| | Notes | Period to 31 March 2021 £ | 17m to 31 March 2020 £ |
|---|---|---|---|
| Turnover | **3** | 3,838,032 | 1,445,613 |
| Other income | **4** | 22,623 | - |
| Administrative expenses | | (4,782,166) | (3,208,105) |
| Gain on value of investments | 5 | 75,454 | - |
| **Operating loss before acquisition related expenses** | **5** | (846,057) | (1,762,492) |
| Transaction costs | | (9,000) | - |
| Share based payment on reverse acquisition | **14** | (35,618) | - |
| **Operating loss** | | (890,675) | (1,762,492) |
| Interest income & similar income | **8** | 11,896 | 20,997 |
| Interest payable | **9** | (15,399) | (32,218) |
| **Loss before tax** | | (894,178) | (1,773,713) |
| Tax on loss on ordinary activities | **10** | - | - |
| **Loss for the financial period** | | (894,178) | (1,773,713) |
| **Total comprehensive loss for the financial year** | | (894,178) | (1,773,713) |
| **Loss per share – basic and diluted (pence)** | **11** | (0.23) | (0.72) |

Turnover and operating loss for the period were derived from continuing operations.

The Group has no recognised gains or losses other than the loss for the current year.

There was no other comprehensive income in the period (2020: £nil).

The notes on pages 30 to 48 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** **Company Registration No. 10726349**

**AS AT 31 MARCH 2021**

| | Notes | 31 March 2021 £ | 31 March 2020 £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Intangible fixed assets | **12** | 1,575,039 | 847,505 |
| Tangible fixed assets | **13** | 62,669 | 54,249 |
| | | **1,637,708** | **901,754** |
| **CURRENT ASSETS** | | | |
| Investments | **16** | 75,454 | - |
| Debtors | **17** | 3,625,491 | 1,699,254 |
| Cash at bank | **18** | 1,856,568 | 839,114 |
| | | **5,557,513** | **2,538,368** |
| **CREDITORS: amounts falling due within one year** | **19** | (3,749,839) | (1,961,774) |
| **NET CURRENT ASSETS** | | **1,807,674** | **576,594** |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **3,445,382** | **1,478,348** |
| **CREDITORS: amounts falling due after one year** | **20** | (43,688) | (2,694) |
| **NET ASSETS** | | **3,401,694** | **1,475,654** |
| **REPRESENTED BY:** | | | |
| **CAPITAL AND RESERVES** | | | |
| Share capital | **23** | 2,038,949 | 455 |
| Share premium | **23** | 2,724,103 | 3,749,349 |
| Share option reserve | **25** | - | 25,789 |
| Warrant reserve | **25** | 53,252 | - |
| Merger relief reserve | **25** | 11,337,183 | - |
| Reverse acquisition reserve | **25** | (9,557,676) | - |
| Retained earnings | **25** | (3,194,117) | (2,299,939) |
| **TOTAL** | | **3,401,694** | **1,475,654** |

The notes on pages 30 to 48 form part of these financial statements. The financial statements were approved and authorised for issue by the Directors on 28 July 2021 and were signed below on its behalf by:

Simon McGivern

**COMPANY STATEMENT OF FINANCIAL POSITION** **Company Registration No. 10726349**

**AS AT 31 MARCH 2021**

| | Notes | 31 March 2021 £ | 30 June 2020 £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Investments | **14** | 14,411,988 | 1,146,030 |
| | | **14,411,988** | **1,146,030** |
| **CURRENT ASSETS** | | | |
| Debtors | **17** | 3,202 | 12,882 |
| Cash at bank | **18** | 1,275,936 | 160,474 |
| | | **1,279,138** | **173,356** |
| **CREDITORS: amounts falling due within one year** | **19** | (123,592) | (65,981) |
| **NET CURRENT ASSETS** | | **1,155,546** | **107,375** |
| **NET ASSETS** | | **15,567,534** | **1,253,405** |
| **CAPITAL AND RESERVES** | | | |
| Share capital | **23** | 2,038,949 | 239,000 |
| Share premium | **23** | 2,724,103 | 1,467,894 |
| Merger relief reserve | **25** | 11,337,183 | - |
| Warrant reserve | **25** | 53,252 | 53,252 |
| Retained earnings | **25** | (585,953) | (506,741) |
| **TOTAL** | | **15,567,534** | **1,253,405** |

The parent company, Oberon Investments Group plc, generated a loss of £79,212 in the 9 month period to 31 March 2021 (year to 30 June 2020: £237,555).

The notes on pages 30 to 48 form part of these financial statements. The financial statements were approved and authorised for issue by the Directors on 28 July 2021 and were signed below on its behalf by:

Simon McGivern

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**AS AT 31 MARCH 2021**

| | Note | Year to 31 March 2021 £ | 17m to 31 March 2020 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash used in operations | 28 | (501,259) | (1,734,087) |
| **Net cash outflow from operating activities** | | **(501,259)** | **(1,734,087)** |
| **Cash flows from investing activities** | | | |
| Purchase of tangible fixed assets | 13 | (44,491) | (38,359) |
| Acquisition of subsidiary | | (309,173) | |
| Cash in subsidiary acquired | | 1,438,984 | - |
| Purchase of intangible assets | 12 | (650,000) | (112,000) |
| Increase in investments | 12 | (254,763) | (195,778) |
| Issue of loans | | (50,000) | (167,000) |
| Proceeds on disposal of tangible fixed assets | | - | 28 |
| Interest paid | | (15,399) | (32,218) |
| Interest received | | 11,896 | 20,997 |
| **Net cash generated from/(used in) investing activities** | | **127,054** | **(524,330)** |
| **Net cash from financing activities** | | | |
| Issue of equity by subsidiary | | 1,566,147 | 2,334,562 |
| Repayment of borrowings | | (220,783) | - |
| Proceeds of new loan | | 50,000 | 169,649 |
| (Sources)/repayment of capital from finance leases | | (3,705) | 6,400 |
| **Net cash generated from financing activities** | | **1,391,659** | **2,510,611** |
| **Net increase in cash and cash equivalents** | | **1,017,454** | **252,193** |
| **Cash and cash equivalents at the beginning of year** | | **839,114** | **586,921** |
| **Cash and cash equivalents at end of period** | | **1,856,568** | **839,114** |

The notes on pages 30 to 48 form part of these financial statements

## CONSOLIDATED STATEMENT OF ANALYSIS OF NET FUNDS

## AS AT 31 MARCH 2021

**GROUP**

| | As at 31 Mar'20 £ | Change in period £ | As at 31 Mar'21 £ |
|---|---|---|---|
| Loans | (220,783) | 170,783 | 50,000 |
| Finance lease liabilities | (6,400) | 3,705 | 2,695 |
| Cash at bank and in hand | 839,114 | 1,017,454 | 1,856,568 |
| **Net funds** | **611,931** | **1,191,942** | **1,803,873** |

| | As at 31 Oct'18 £ | Change in period £ | As at 31 Mar'20 £ |
|---|---|---|---|
| Loans | (51,134) | (169,649) | (220,783) |
| Finance lease liabilities | - | (6,400) | (6,400) |
| Cash at bank and in hand | 586,921 | 252,193 | 839,114 |
| **Net funds** | **535,787** | **76,144** | **611,931** |

The notes on pages 30 to 48 form part of these financial statements

OBERON INVESTMENTS GROUP PLC (formerly Baskerville Capital plc)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2021 AND 31 MARCH 2020

| | Share capital £ | Share premium £ | Merger relief reserve £ | Reverse acquisition reserve £ | Warrant reserve £ | Option reserve £ | Retained losses £ | Total equity £ |
|---|---|---|---|---|---|---|---|---|
| Balance as at 31 October 2018 | 327 | 1,414,916 | - | - | - | - | (526,226) | 889,017 |
| Issue of shares | 128 | 2,334,433 | - | - | - | - | - | 2,334,561 |
| Share option charge | - | - | - | - | - | 25,789 | - | 25,789 |
| Loss in the period | - | - | - | - | - | - | (1,773,713) | (1,773,713) |
| **Balance as at 31 March 2020** | **455** | **3,749,349** | **-** | **-** | **-** | **25,789** | **(2,299,939)** | **1,475,654** |
| | | | | | | | | |
| Parent company reflected on reverse acquisition | 239,000 | 1,467,894 | - | - | 53,252 | - | - | 1,760,146 |
| Issue of shares by OSL to OIG prior to acquisition | 11 | 295,379 | - | (295,390) | - | - | - | - |
| Issue of shares by OSL prior to RTO | 59 | 1,270,698 | - | - | - | - | - | 1,270,757 |
| Reverse acquisition adjustment | (525) | (5,315,426) | - | 3,694,495 | - | (25,789) | - | (1,647,245) |
| Issue of shares (by OIG) | 180,351 | 1,262,459 | - | - | - | - | - | 1,442,810 |
| Issue of consideration shares | 1,619,598 | - | 11,337,183 | (12,956,781) | - | - | - | - |
| Costs of raising funds | - | (6,250) | - | - | - | - | - | (6,250) |
| Loss for the year | - | - | - | - | - | - | (894,178) | (894,178) |
| **Balance as at 31 March 2021** | **2,038,949** | **2,724,103** | **11,337,183** | **(9,557,676)** | **53,252** | **-** | **(3,194,117)** | **3,401,694** |

OBERON INVESTMENTS GROUP PLC (formerly Baskerville Capital plc)

**COMPANY STATEMENT OF CHANGES IN EQUITY**

**AS AT 31 MARCH 2021 AND 30 JUNE 2020**

| | Share capital £ | Share premium £ | Merger relief reserve £ | Warrant reserve £ | Retained losses £ | Total equity £ |
|---|---|---|---|---|---|---|
| Balance as at 30 June 2019 | 239,000 | 1,467,894 | - | 53,252 | (269,186) | 1,490,960 |
| Loss for the year | - | - | - | - | (237,555) | (237,555) |
| **Balance as at 30 June 2020** | **239,000** | **1,467,894** | **-** | **53,252** | **(506,741)** | **1,253,405** |
| Issue of shares | 180,351 | 1,262,459 | - | - | - | 1,442,810 |
| Issue of consideration shares | 1,619,598 | - | 11,337,183 | - | - | 12,956,781 |
| Costs of raising funds | - | (6,250) | - | - | - | (6,250) |
| Share based payments | - | - | - | - | - | - |
| Loss for the 9m period to 31 March 2021 | - | - | - | - | (79,213) | (79,213) |
| **Balance as at 31 March 2021** | **2,038,949** | **2,724,103** | **11,337,183** | **53,252** | **(585,954)** | **15,567,533** |

## 1. GENERAL INFORMATION

The company is a public listed company incorporated and domiciled in England and Wales and listed on the AQSE. The address of its registered office, and its principal trading address, is Nightingale House, 65 Curzon Street, London, W1J 8PE. Its principal activity is arranging deals in investments and financial planning.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), Companies Act 2006. The financial statements of the Parent company (previously Baskerville Capital plc) were prepared under IFRS in accordance with the requirements of the London Stock Exchange. Oberon Securities Limited was deemed to be the accounting acquirer in the RTO of Baskerville Capital plc, on 9 February 2021 and prepares its financial statements under UK GAAP. As the Group is now listed on the Aquis Growth Market, the Parent company transitioned to FRS 102 on 9 February 2021, for the period ended 31 March 2021 in line with the Group, and the consolidated financial statements of the Group are prepared using UK GAAP. The only significant difference between the two different sets of accounting standards relates to the amortisation of intangible assets. These financial statements reflect an amortisation cost of £177,229 through the Statement of Comprehensive Income, which otherwise would not be charged under IFRS.

The financial statements have been prepared using reverse takeover accounting rules because the acquisition by Baskerville Capital plc of Oberon Securities Limited was not deemed to be a business combination, and so consequently Section 19 of FRS102 does not apply. Instead because of the share exchange between the two entities Section 26 of FRS 102 (Share based payments) has been used to account for the extra consideration deemed to have been paid by Oberon Securities Limited over and above the fair value of the assets acquired in Baskerville Capital plc.

The Company changed its accounting reference date from 30 June to 31 March on 15 February 2021, to bring it in-line with its new legal subsidiary undertakings. Ordinarily this would mean that these financial statements would be for a 9 month period ended 31 March 2021. However, because the RTO has to be accounted for using reverse takeover accounting rules, these accounts are deemed to be a continuation of the legal subsidiary's financial statements and therefore the Consolidated Statement of Comprehensive Income is for the year ended 31 March 2021. The comparative period was a 17 month period to 31 March 2020. The extended period arose as Oberon Securities Limited brought its accounting reference date in line with its subsidiary undertaking in the year of acquisition.

The results of the Company are consolidated from the date of the RTO and therefore just under 2 months of the Company's trade is included within the Group Statement of Comprehensive Income.

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

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

### 2.2 Going concern

The Group has prepared the financial statements on a going concern basis. The Directors believe the going concern basis is appropriate because (i) the company has a strong net asset position, (ii) it had high levels of cash at the period end of £1.85m, and (iii) the Group has continued to operate profitably since the year end and has generated significant cash flow such that the group's cash balances at 22 July 2021 have increased to £2.2m. The directors have also reviewed the detailed profit and loss and cash flow budgets for all the companies in the group for the next 12 months and allied with this strong starting position, believe the 'going concern' status of the business is justified. In particular the directors believe that the business will generate positive cash flow and will be profitable in the current year. In addition, subsequent to the year end, on the 27 April 2021, Oberon Investments Group plc benefitted from the exercise 2,000,000 warrants which raised £50,000 for the company.

Consequently, the directors believe that the company will meet all of its obligations and liabilities as they fall due for at least the next 12 months from the date of approving these financial statements.

**2.3 Turnover**

Turnover represents amounts earned from stockbroking commissions receivable on executed transactions, account administration charges and fees receivable for the management of investment funds net of VAT. Turnover from stockbroking is recognised upon settlement of transactions; all other turnover is recognised when the company is contractually entitled to do so.

**2.4 Other Income**

Grant income is recognised when it is received and is included in Other Income.

**2.5 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.6 Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquire plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

**2.7 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.
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:

The useful economic life of the intangible asset is based over a period of ten years. On 26 June 2020 the 'Contracts' acquired with the HIM assets were ascribed a fair value of £650,000.

**2.8 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset. The goodwill is amortised over a period of 10 years on a straight line basis with the expense being recognised in the profit and loss account on an annual basis. The directors believe this is a reasonable period over which to amortise the goodwill associated with the acquisition of the Oberon group of companies – all underpinned by the continuing success of Oberon Investments Limited, given the business has been in existence since 1987 and the value of the business has increased significantly since being acquired in 2017.

**2.9 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| Land and buildings Freehold | 4% per annum |
| Fixtures, fittings & equipment | 25% per annum |
| Computer equipment | 16.6% per annum |

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 credited or charged to profit or loss.

Additions are depreciated as if they were acquired at the beginning of the period at a full year’s rate

**2.10 Impairment of fixed assets**

At each reporting period end date, the company 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.

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

**2.11 Fixed asset investments**

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements. The directors have assessed the value of the investment in the subsidiary and based on the value of the business as per the recent investments into the parent company (whose only asset is the subsidiary), no impairment charge is required to be made.

Deferred consideration is usually recognised at the time of acquisition, where its value is known with reasonable certainty, and is included in the cost of the fixed asset investment. Where deferred consideration is not initially recognised at the time of acquisition, but subsequently becomes recognised, the cost of the fixed asset investment is increased at that subsequent occasion. In the period to 31 March 2021, the final deferred consideration payment of £213,680 was made relating to the acquisition of Oberon Investments Limited.

**2.12 Debtors**

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

**2.13 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.

**2.14 Creditors**

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

**2.15 Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

**2.16 Finance leases**

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets are depreciated over the shorter of the lease term and their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance elements of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.17 Pension**

The Group operates a defined contribution pension scheme. All contributions are charged to the Statement of Comprehensive Income in the period to which they relate. The units of the plan are held separately from the Group in independently administered funds.

**2.18 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 period. 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**
In accordance with FRS102, deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

**2.19 Foreign currency**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the report date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

**2.20 Financial Instruments**

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***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 company 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 company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 company's contractual obligations expire or are discharged or cancelled.

**2.19 Equity instruments**

Equity instruments issued by the company 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 company.

**2.20 Share-based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted.

Additionally, under the requirements of Section 26 of FRS 102, when an acquisition is required to be accounted for as a reverse takeover, the legal subsidiary is required to account for the difference between the fair value of the assets acquired and the fair value of the shares used as consideration for those assets, as a share-based payment. Consequently, in the RTO on 9 February 2021, the fair value of the net assets of the legal parent (Baskerville Capital plc) were £2,629,207 and the fair value of the shares transferred by the legal subsidiary (Oberon Securities Limited) to the original shareholders of the legal parent was £2,664,825. As the fair value of the shares paid as consideration was greater than the fair value of the net assets acquired, the difference of £35,618, has been charged to the Consolidated Statement of Comprehensive Income as a share-based payment.

**2.21 Significant judgements and estimates**

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities and the inputs for the share based payment calculations (as required by Section 26 of FRS102) included in its option pricing model. The option pricing model requires assumptions and estimates over inputs such as the expected volatility of the shares, the expected life of the options, and the risk-free interest rate. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

***Intangible assets***

***Contracts and Goodwill***

As described in note 2.7 and note 2.8, contracts and goodwill are recognised at the point of acquisition and have been stated as intangible assets on the balance sheet and are amortised to the income statement over a period of 10 years from the date of acquisition.

Both the value of contracts and goodwill is subject to review for impairment in accordance with FRS 102. The carrying values are written down by the amount of any impairment and the loss is recognised in the profit and loss account in the period in which this occurs. Having considered the increasing value of the business acquired, as demonstrated by the higher valuations attributed to new issues of equity over the intervening years, in the case of goodwill associated with the acquisition of MD Barnard, and the growth in revenues derived from the acquired contracts in HIM, the directors are confident that no impairment charge is required to either the contracts nor the goodwill recognised in the consolidated balance sheet.

## 3. TURNOVER AND SEGMENTAL REPORTING

The directors consider that there is one main operating segment within the business, based on the way the Group is organised and the way the internal management system operates and reports are produced. All of the Group's revenues are generated from activities within the UK.

| An analysis of the group's turnover is as follows: | **Year to 31 Mar 2021 £** | **17m to 31 Mar 2020 £** |
|---|---|---|
| Commissions | 1,724,170 | 843,435 |
| Investment management fees | 1,220,060 | 528,178 |
| Corporate finance income | 893,802 | 74,000 |
| | **3,838,032** | **1,445,613** |

## 4. OTHER INCOME

| | **Year to 31 Mar 2021 £** | **17m to 31 Mar 2020 £** |
|---|---|---|
| Grant income from UK Government (CJRS) | **22,623** | **-** |

## 5. OPERATING LOSS

| | **Year to 31 Mar 2021 £** | **17m to 31 Mar 2020 £** |
|---|---|---|
| The operating loss is stated after charging: | | |
| Depreciation of tangible assets | 32,918 | 48,943 |
| Amortisation of intangible assets | 177,229 | 120,428 |
| Impairment of intangible assets | - | 112,000 |
| Revaluation gain on current asset investments | 75,454 | - |
| Loss on disposal of fixed assets | 3,153 | 1,771 |
| Operating lease rentals and service charge | 142,402 | 122,534 |

| **Auditors' remuneration** | **£** | **£** |
|---|---|---|
| Fees payable to the Group's auditor for the audit of the Group's annual financial statements | 48,300 | 39,500 |
| All other services | - | 4,500 |

## 6. DIRECTORS REMUNERATION

The average number of Directors during the period was 2 (2020: 2).

The Directors and senior managers are considered to be the key management personnel. The total remuneration paid to key management personnel is disclosed in note 23. There is 1 director of the Company for whom pension contributions are being paid and on a Group basis there are a further 2 directors for whom pension contributions are being paid.

## 7. STAFF COSTS

| | Year to 31 Mar 2021 £ | 17m to 31 Mar 2020 £ |
|---|---|---|
| Wages and salaries | 2,450,386 | 1,151,110 |
| Social security costs | 253,924 | 120,230 |
| Pension costs | 44,778 | 27,542 |
| | **2,749,088** | **1,298,882** |

| | No. | No. |
|---|---|---|
| The average monthly number of group employees during the period was: | 26 | 18 |

## 8. INTEREST RECEIVABLE AND SIMILAR INCOME

| | Year to 31 Mar 2021 £ | 17m to 31 Mar 2020 £ |
|---|---|---|
| Interest income | 11,896 | 20,997 |

## 9. INTEREST PAYABLE AND SIMILAR EXPENSES

| | Year to 31 Mar 2021 £ | 17m to 31 Mar 2020 £ |
|---|---|---|
| Interest payable | 15,399 | 32,218 |

## 10. TAXATION

| | Year to 31 Mar 2021 £ | 17m to 31 Mar 2020 £ |
|---|---|---|
| **Corporation tax – Group income statement** | | |
| UK corporation tax at 19% (2020: 19%) | - | - |
| **Deferred tax** | | |
| Origination and reversal of timing differences | - | - |
| Taxation on loss on ordinary activities | **Nil** | **Nil** |

**Factors affecting the group tax credit for the period**

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

| | Year to 31 Mar 2021 £ | 17m to 31 Mar 2020 £ |
|---|---|---|
| Group loss on ordinary activities before tax | (894,178) | (1,773,713) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2018: 19%) | (169,893) | (337,005) |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | 15,290 | 32,726 |
| Depreciation on assets not qualifying for tax allowances | 11,116 | 18,892 |
| Other adjustments | (14,336) | (2,375) |
| Deferred tax not recognised | 157,823 | 287,762 |
| Total tax for the period | **Nil** | **Nil** |

The group has cumulative trading losses carried forward of £2,698,433 (2020: £2,061,604), which potentially can be utilised against future profits generated by the group. However, no deferred tax asset has been recognised in respect of these losses in view of the group's history of losses and consequently recoverability is not sufficiently certain.

**Factors that may affect future tax charges**

Losses carried forward to use against future profits. In addition the Finance Act 2021 announced that the main UK Corporation Tax rate will increase from 19% to 25% on 1 April 2023.

## 11. LOSS PER SHARE

The loss per share is based upon the loss of £894,178 (2020: loss of £1,773,713) and the weighted average number of ordinary shares is issue for the year of 381,859,613 (2020: 247,952,787).

The loss incurred by the Group means that the effect of any outstanding warrants and options would be considered anti-dilutive and is ignored for the purposes of the loss per share calculation.

## 12. INTANGIBLE ASSETS

**Group**

| | Goodwill | Contracts | Totals |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 April 2020 | 1,045,857 | 112,000 | 1,157,857 |
| Additions | 254,763 | 650,000 | 904,763 |
| Disposals | - | - | - |
| **At 31 March 2021** | **1,300,620** | **762,000** | **2,062,620** |
| **Amortisation** | | | |
| At 1 April 2020 | 198,352 | 112,000 | 310,352 |
| Amortisation | 123,062 | 54,167 | 177,229 |
| Eliminated on disposals | - | - | - |
| **At 31 March 2021** | **321,414** | **166,167** | **487,581** |
| **Net Book Value** | | | |
| At 31 March 2020 | 847,505 | - | 847,505 |
| **At 31 March 2021** | **979,206** | **595,833** | **1,575,039** |

The addition to contracts shown above relates to the acquisition of the fund management assets which now constitutes Hanson Investment Management. The increase in goodwill shown above reflects the payment of the final deferred consideration payment relating to the acquisition of Oberon Investments Limited.

The Company has no intangible assets.

## 13. TANGIBLE FIXED ASSETS

| Group | Fixtures, fittings & equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2020 | 60,254 | 74,599 | 134,853 |
| Additions | 7,701 | 36,790 | 44,491 |
| Disposals | (12,747) | (100) | (12,847) |
| **At 31 March 2021** | **55,208** | **111,289** | **166,497** |
| **Depreciation** | | | |
| At 1 April 2020 | 38,154 | 42,450 | 80,604 |
| Charge for period | 15,184 | 17,734 | 32,918 |
| Eliminated on disposals | (9,647) | (47) | (9,694) |
| **At 31 March 2021** | **43,691** | **60,137** | **103,828** |
| **Net Book Value** | | | |
| At 1 April 2020 | 22,100 | 32,149 | 54,249 |
| **At 31 March 2021** | **11,517** | **51,152** | **62,669** |

The Company has no fixed assets.

## 14. FIXED ASSET INVESTMENTS

| PARENT COMPANY | £ |
|---|---|
| At 1 July 2020 | 1,146,030 |
| Additions | 13,265,598 |
| **At 31 March 2021** | **14,411,988** |

The additions relate to the acquisition of the remaining 91.13% of the shares (or 47,721 shares) in Oberon Securities Limited which the Company did not previously own. This was completed, as part of the RTO transaction, on 9 February 2021.

## 14. FIXED ASSET INVESTMENTS (CONTINUED)

### SUBSIDIARY UNDERTAKINGS

On 9 February 2021, the Company acquired the remaining 91.13% of the issued share capital of Oberon Securities Limited ('legal subsidiary') which it did not already own, for a consideration of £12,956,781 by the issue of 323,919,525 shares. As the Company acquired more than 90% of the shares in Oberon Securities Limited, Section 612 of the Companies Act 2006 applies, and accordingly the Company set up a Merger Relief Reserve on the issue of these shares. As the legal subsidiary is reversed into the Company ('legal parent'), which originally was a publicly listed cash shell company, this transaction cannot be considered a business combination, as the legal parent does not meet the definition of a business. As the transaction is capital in nature and completed through the issue of shares it falls within the scope of Section 26 of FRS 102 "Share Based Payments". Any difference in the fair value of shares deemed to be issued by the legal subsidiary and the fair value of the net assets in the legal parent will form part of the deemed cost of acquisition.

The Consolidated Statement of Comprehensive Income includes a loss before tax of £18,455 following the RTO of Oberon Investments Group plc for the period from 9 February 2021 to the end of the financial year.

The following were subsidiary undertakings of Oberon Investments Group plc:

| Company Name | Registered Office | Interest | Country of Incorporation | Nature of Business |
|---|---|---|---|---|
| **Oberon Securities Ltd (OSL)** | 65 Curzon Street, London | 100% (direct) | UK | Corporate Advisory and parent of OIL (below) |
| **Oberon Investments Ltd (OIL)** | First floor, 12 Hornsby Square Southfields Business Park Basildon, Essex | 100% (indirect) | UK | Broker & wealth manager |
| **GMC EBT Ltd** | 65 Curzon Street, London | 100% (indirect) | UK | Dormant |
| **Barnard Nominees Ltd** | First floor, 12 Hornsby Square Southfields Business Park Basildon, Essex | 100% (indirect) | UK | Dormant |

The share capital and reserves at 31 March 2021 and the profit and loss for the year ended on that date for the individual subsidiary undertakings were as follows:

| Company Name | Aggregate of share capital and reserves | Profit/(Loss) |
|---|---|---|
| | £ | £ |
| **Oberon Securities Ltd** | 4,090,815 | (606,157) |
| **Oberon Investments Ltd** | 3,350,738 | 1,389,114 |
| **GMC EBT Ltd** | 100 | - |
| **Barnard Nominees Ltd** | 2 | - |

The consolidated share capital and reserves of Oberon Securities Limited at 31 March 2021 was £2,246,148 and the consolidated loss for the year ended on that date was £840,105.

## 15. BUSINESS COMBINATIONS

Effective on 26 June 2020 the Group acquired all of the assets under management previously managed by Hanson Asset Management for a total consideration of £650,000. These assets are now managed under the trading name Hanson Investment Management (HIM). The business combination has been accounted for using acquisition based accounting.

The following amounts of assets, liabilities and contingent liabilities were recognised at the acquisition date:

| | £ |
|---|---|
| Intangible assets | - |
| Fixed assets | - |
| Creditors | - |
| **Book value of acquisition** | - |
| | |
| Fair value adjustment to contracts | 650,000 |
| **Fair value of net assets acquired** | **650,000** |
| | |
| Goodwill on acquisition | - |
| Consideration paid | 635,000 |
| Contingent consideration | 15,000 |
| | **650,000** |

The contingent consideration of £15,000 relates to a payment the Group will make to the vendor once it has received various documents relating to the acquisition.

The fair value adjustment relates to the directors' conservative estimate of the value of the contracts with the underlying clients whose assets are being managed by HIM, at the time of the acquisition.

These assets generated revenues of about £590k from the date of acquisition to 31 March 2021.

There were no business combinations in the previous year.

## 16. CURRENT ASSET INVESTMENTS

**Group**

| | £ |
|---|---|
| At 1 April 2020 | - |
| Additions at valuation | 75,454 |
| **At 31 March 2021** | 75,454 |

The investments are warrants taken as part of the Group's fees. These were valued at the date the warrants were issued and then subsequently revalued through the income statement using the Black-Scholes methodology. A 20% liquidity discount was then applied to the resulting valuation, as a conservative estimate, to reflect the relatively illiquid nature of the underlying financial instruments.

## 17. DEBTORS

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Trade debtors | 2,817,102 | - | 1,305,029 | - |
| Rent and other deposits | 63,911 | - | 116,747 | - |
| Other debtors | 262,438 | - | 200,265 | - |
| Prepayments and accrued income | 482,040 | 3,202 | 77,213 | 12,882 |
| | **3,625,491** | **3,202** | **1,699,254** | **12,882** |

The balances for the Company in the two columns above are as at 31 March 2021 and 30 June 2020 respectively.

## 18. CASH AND CASH EQUIVALENTS

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 1,856,568 | 1,275,936 | 839,114 | 160,474 |

The balances for the Company in the two columns above are as at 31 March 2021 and 30 June 2020 respectively.

## 19. CREDITORS: amounts falling due within one year

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Trade creditors | 2,843,660 | 23,401 | 1,350,486 | 36,071 |
| Other taxes and social security | 211,642 | - | 18,414 | - |
| Other creditors | 80,720 | - | 18,527 | - |
| Borrowings | 7,471 | - | 220,783 | - |
| Deferred consideration | - | - | 200,000 | - |
| Finance lease creditor | 2,694 | - | 3,705 | - |
| Accruals and deferred income | 603,652 | 55,047 | 149,859 | 29,910 |
| Amounts due to subsidiary undertakings | - | 45,145 | - | - |
| | **3,749,839** | **123,593** | **1,961,774** | **65,981** |

The balances for the Company in the two columns above are as at 31 March 2021 and 30 June 2020 respectively.

## 20. CREDITORS: amounts falling in more than one year

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Borrowings | 43,688 | - | - | - |
| Finance lease creditor | - | - | 2,694 | - |
| | **43,688** | **-** | **2,694** | **-** |

The balances for the Company in the two columns above are as at 31 March 2021 and 30 June 2020 respectively

## 21. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the Group and Company had future minimum commitments under non-cancellable operating leases as set out below:

| **Group** | **2021** | **2020** |
|---|---|---|
| | **Land & Buildings** | **Land & Buildings** |
| | **£** | **£** |
| Within one year | 314,000 | 58,859 |
| Between one and five years | 222,125 | 28,125 |
| | **536,125** | **86,984** |

**Company**

The Company had no commitments under non-cancellable operating leases at the end of either period.

## 22. PENSION COMMITMENTS

The Group contributes to a defined contribution scheme. The assets and liabilities of the scheme are held separately from those of the Group. Employer's contributions in respect of the scheme totalled £44,778 (2020: £23,602) during the year, and at 31 March 2021 £4,348 (2020: £2,617) remained payable.

## 23. SHARE CAPITAL OF OBERON INVESTMENTS GROUP PLC

| | March 2021 £ | June 2020 £ |
|---|---|---|
| **Share capital** | | |
| Nominal value £0.005 per share: 407,789,775 shares (2020: 47,800,000 shares) | 2,038,949 | 239,000 |
| **Share premium** | 2,724,103 | 1,467,894 |
| | **4,763,052** | **1,706,849** |

**Movements in share capital and share premium reserves**

| | No. of shares | Share capital £ | Share premium £ |
|---|---|---|---|
| Total as at 1 July 2020 | 47,800,000 | 239,000 | 1,467,894 |
| February 2021 – Fund raise shares issued | 36,070,250 | 180,351 | 1,256,209 |
| February 2021 – RTO shares issued | 323,919,525 | 1,619,598 | 11,337,183 |
| Transfer to merger relief reserve | - | - | (11,337,183) |
| **Increase in period** | **359,989,775** | **1,799,949** | **1,259,209** |
| **Total as at 30 March 2021** | **407,789,775** | **2,038,949** | **2,724,103** |

## 24. EQUITY SETTLED WARRANT RESESERVE

The Company operates share-based payment arrangements to remunerate directors and key employees in the form of options and warrants. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The following table sets out the details of the warrants granted on 12 July and 11 September 2017:

| | Warrants at 30 Jun'20 | Warrants at 31 Mar'21 | Exercise price | Issue date | Expiry date |
|---|---|---|---|---|---|
| **Warrant holder** | | | | | |
| J Kehoe (director up to 8/2/21) | 1,000,000 | 1,000,000 | 2.5p | 12/07/2017 | 22/09/2021 |
| R Sargent (director up to 8/2/21) | 1,000,000 | 1,000,000 | 2.5p | 12/07/2017 | 22/09/2021 |
| Shareholders | 11,500,000 | 11,500,000 | 7.5p | 11/09/2017 | 22/09/2021 |
| | 13,500,000 | 13,500,000 | | | |

24. **EQUITY SETTLED WARRANT RESERVE (CONTINUED)**

The fair value of the warrants issued to directors was determined using the Black-Scholes option pricing model and the inputs to the model were as follows:

| | 12 July 2017 |
|---|---|
| Grant date share price | 5p |
| Exercise share price | 2.5p |
| No. of shares under warrant | 2,000,000 |
| Risk free rate | 1% |
| Expected volatility | 40% |
| Expected warrant life | 2.5 years |
| Calculated fair value per share | 2.7p |

Warrants issued to shareholders were issued on the basis of one warrant share for every four ordinary shares purchased during the 2017 fund raise process. As they were part of a fund raise process they have not been valued under Section 26 of FRS 102.

The total share-based payment expense recognised in the parent company's statement of comprehensive income for the 9 month period to 31 March 2021in respect of these warrants granted was £nil (2020: £nil), because the total expense was charged in the period the warrants were issued.

On the 27 April 2021 the warrants owned by the two former directors shown above were exercised.

**25. RESERVES**

**Retained earnings**
The group's retained earnings reserve consists of accumulated profits and losses of the parent company since incorporation, less any dividends which have been paid, plus any accumulated profits and losses of its subsidiary companies generated from the date of their acquisition, less any dividends which they have paid.

**Share premium**
The share premium reserve represents the premium paid for share capital in excess of its nominal value.

**Share warrant reserve**
The share warrant reserve represents the cumulative fair value of warrants which have vested and have been charged through the income statement but have not yet been exercised.

**Share option reserve**
The share option reserve represents the cumulative fair value of warrants which have vested and have been charged through the income statement but have not yet been exercised.

**Merger relief reserve**
The merger relief reserve represents the premium for the consideration shares, issued as part of the RTO, over their nominal value.

**Reverse acquisition reserve**
This represents the impact on equity of the reverse acquisition of Oberon Securities Limited.

## 26. PROFIT FOR THE FINANCIAL PERIOD

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company's loss for the 9 month period to 31 March 2021 was £79,213 (12 month period to 30 June 2020: loss of £237,555) which is dealt with in the financial statements of the Company.

## 27. OFF BALANCE SHEET ARRANGEMENTS

In line with the 'Balances with clients and counterparties' accounting policy (note 1.15), client free money balances have been recognised off balance sheet.

At the year end the group held £17,859,983 (2020: £11,845,252) in the client free money balances off the balance sheet.

## 28. CASH GENERATED FROM OPERATIONS

| **Group** | **Year to 31 March 2021 £** | **17m to 31 March 2020 £** |
|---|---|---|
| Loss for the period after tax | (894,178) | (1,773,713) |
| Adjustments for: | | |
| Tax charged | - | - |
| Finance costs | 15,399 | 32,218 |
| Investment income | (11,896) | (20,997) |
| Loss on disposal of tangible fixed assets | 3,153 | 1,771 |
| Revaluation gains on current asset investments | (75,454) | - |
| Depreciation | 32,918 | 48,941 |
| Amortisation | 177,229 | 120,428 |
| Impairment charge | - | 112,000 |
| Employment related share based charge | 44,453 | 25,789 |
| Reverse acquisition share based charge | 35,618 | - |
| **Movement in working capital** | | |
| Increase in debtors | (1,876,237) | (209,460) |
| Increase/(decrease) in creditors | 2,047,736 | (71,064) |
| Cash (used in) from operations | **(501,259)** | **(1,734,087)** |

## 29. RELATED PARTY TRANSACTIONS

**Group**

Remuneration of key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. The remuneration of key management personnel is as follows.

| | Year to March 2021 £ | 17m to March 2020 £ |
|---|---|---|
| Key management personnel remuneration | 975,959 | 694,664 |

In an agreement dated 1 September 2020, MC Peat & Co. LLP, a small corporate broking firm, engaged with the Company to help raise funds in the Company's pre-IPO fund raise process. As a result of this MC Peat & Co. LLP earned a fee of £14,014. The terms of the engagement were commercial and were in-line with the usual terms offered for this type of fund raise activity. All of the fee was paid by the end of the financial year.

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with its wholly owned subsidiaries.

## 30. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no one controlling party who controls the Group.

## 31. SUBSEQUENT EVENTS TO THE PERIOD END

The group has agreed a new lease for offices at 65 Curzon Street. The new lease commits the group to pay circa £620k in rent over the 2 year term of the lease (plus a deposit of £59k).

On 27 May 2021 the group acquired Smythe House. Established in 2009, Smythe House provides bespoke relationship-driven services and financial planning to high net-worth clients in the wealth management, capital markets and real estate sectors.

The initial consideration for Smythe House was satisfied by the payment of £217,000 in cash and the issue to the vendors of 2,454,710 new Ordinary shares which at that date had a value of £83,460. In addition, and dependent on the performance of the acquired business over the next two years, deferred consideration could be payable to the vendors. This could consist, as a maximum, of up to 4,909,420 shares which at the date of acquisition would have a value of £199,920) plus £33,000 in cash. The exact mix of cash and shares used to satisfy the payment of any deferred consideration will be agreed between the two parties, if and when it becomes due.

On 27 April 2021 warrants over 2.0m shares have been exercised, raising £50,000 for the Company.