

Oxera Limited

Report and Financial Statements

Year Ended

31 December 2017

Registered No: 02589629

Registered in England & Wales



Oxera Limited

Report and Financial Statements for the year ended 31 December 2017

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Registered office

Park Central, 40/41 Park End Street, Oxford, Oxfordshire, OX1 1JD

Directors

Dr. L M Correia da Silva Domingos
Dr. H Jenkins
Dr. G Niels
Professor T J Jenkinson
Professor J Franks
Mr. P Breakwell

Secretary

Mr. Andrew Judt

Registered Number

02589629

Oxera Limited

Strategic Report for the year ended 31 December 2017

The directors present their strategic report for Oxera Limited for the year ended 31 December 2017.

Our Business

The principal activity of the company in the year under review is strategic and economic consultancy on an international basis.

Business review and results

The company continues to trade, including participating in the profits of the Oxera Consulting LLP and providing funding support.

2017 was a solid year for the company, with revenue for the year totalling £1m (2016: £0.9m). The profit before tax was £1,076,398 (2016: £960,554).

Principal risks and uncertainties

The company operates in competitive markets for the provision of strategic and economic consultancy services and for highly qualified and experienced people. The profitability of the company depends upon those activities matching the supply of staff to the needs of our clients, and there is a risk that the costs of retained staff may exceed revenues generated. In the course of our day-to-day operations, we face a number of other risks and uncertainties.

The Board considers the matters described below to be the other principal risks that currently face Oxera Consulting LLP and that could also affect the business, its results and the delivery of its long-term strategy.

Market risk

Economic uncertainties in many of the major markets could have an adverse impact on demand and hence profitability and cash flow. We have sought to mitigate this risk by broadening the services we are involved in and increasing our geographic coverage.

People risk

High quality staff are key to our success and ensuring their recruitment, development and retention is a key risk in the business. To manage this risk, there are strong recruitment policies and performance appraisal processes that establish objectives and accountabilities. Training and development is key for staff.

Liquidity risk

To mitigate liquidity risk, we monitor cash flows on a regular basis including future cash flow projections.

Credit risk

We monitor the collection of debts. The risk is not considered to be significant at the balance sheet date.

Foreign exchange risk

We monitor exposure to foreign currencies. Where possible, we minimise the risk by hedging both internally through matching revenues and costs and through financial markets.

Oxera Limited

Strategic Report (*continued*) for the year ended 31 December 2017

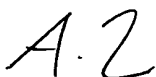
Key performance indicators

The business uses a range of KPIs to monitor and manage its performance. Our KPIs measure past performance and also provide information and context which, when combined with our detailed knowledge and experience of the segments in which we operate, helps us to anticipate future events and allows us to manage the business going forward.

On a regular basis, we monitor revenues and costs against targets set at the start of the period to ensure overall profitability.

We track pipeline and capacity and monitor our working capital to assess the efficiency with which we have turned operating profits into cash.

This report was approved by the board on 13 June 2018 and signed on its behalf.



Andrew Judt
Company Secretary

Oxera Limited

Directors' Report for the year ended 31 December 2017

The directors present their report together with the financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company during the year continued to be strategic and economic consultancy on an international basis.

Dividends

The directors do not recommend payment of a dividend (2016: £Nil)

Directors

The following persons served as directors during the year:

Dr. Luis Correia da Silva Domingos
Dr. Helen Jenkins
Dr. Gunnar Niels
Professor Julian Franks
Professor Timothy Jenkinson
Mr. Paul Breakwell

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the financial statements in accordance with FRS102 and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standard FRS102 has 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 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.

Oxera Limited

Directors' Report (continued) for the year ended 31 December 2017

Audit

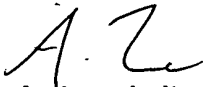
For the year ending 31st December 2017, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

This report was approved by the board on 13 June 2018 and signed on its behalf.



Andrew Judt
Company Secretary

Oxera Limited

Income Statement for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	980,703	912,730
Cost of Sales		-	-
Gross profit		<u>980,703</u>	<u>912,730</u>
Administrative expenses		(15,168)	(527,333)
Other operating income		-	538,682
Operating profit	4	<u>965,535</u>	<u>924,079</u>
Interest receivable	6	<u>110,863</u>	<u>36,475</u>
Profit on ordinary activities before taxation		1,076,398	960,554
Tax on profit on ordinary activities	7	<u>(143,348)</u>	<u>(224,767)</u>
Profit for the financial year		<u>933,050</u>	<u>735,787</u>

There was no other comprehensive income in the year.

The notes on pages 8 to 14 form part of these financial statements.

Oxera Limited

Statement of Financial Position As at 31 December 2017

Registered No: 02589629	Note	2017 £	2016 £
Current assets			
Debtors	8	5,478,804	3,907,220
Cash at bank and in hand		1,669,260	2,390,267
		<u>7,148,064</u>	<u>6,297,487</u>
Creditors: amounts falling due within one year	9	<u>(345,122)</u>	<u>(427,595)</u>
Net current assets		6,802,942	5,869,892
Total assets less current liabilities		<u>6,802,942</u>	<u>5,869,892</u>
Net assets		<u><u>6,802,942</u></u>	<u><u>5,869,892</u></u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	6,802,940	5,869,890
		<u>6,802,942</u>	<u>5,869,892</u>

For the year ending 31st December 2017, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by:



Dr. L. Correia da Silva Domingos
Director

On the 13 June 2018

For and on behalf of the Board

The notes on pages 8 to 14 form part of these financial statements.

Oxera Limited

Statement of Changes in Equity for the year ended 31 December 2017

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 January 2016	2	-	-	5,134,103	5,134,105
Profit for the financial year	-	-	-	735,787	735,787
	<u>2</u>	<u>-</u>	<u>-</u>	<u>5,869,890</u>	<u>5,869,892</u>
At 31 December 2016	2	-	-	5,869,890	5,869,892
At 1 January 2017	2	-	-	5,869,890	5,869,892
Profit for the financial year	-	-	-	933,050	933,050
	<u>-</u>	<u>-</u>	<u>-</u>	<u>933,050</u>	<u>933,050</u>
At 31 December 2017	<u>2</u>	<u>-</u>	<u>-</u>	<u>6,802,940</u>	<u>6,802,942</u>

The notes on pages 8 to 14 form part of these financial statements.

Oxera Limited

Notes forming part of the financial statements for the year ended 31 December 2017

1 Accounting policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with applicable United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. The following accounting policies have been applied.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the company's accounting policies (see note 2).

Company disclosure exemptions

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No cash flow statement has been presented for the company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals for the group as a whole.

The equivalent disclosures are made in the consolidated financial statements of Oxera Holdings Limited, the ultimate parent company, which is incorporated in England and Wales. The consolidated financial statements for the group can be obtained from Companies House.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Oxera Limited

Notes forming part of the financial statements (continued) for the year ended 31 December 2017

1 Accounting policies (continued)

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Oxera Limited

Notes forming part of the financial statements (continued) for the year ended 31 December 2017

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during that period that may not be readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The estimates and assumptions that have the most significant impact are set out below:

Oxera Limited earns profit shares through being a corporate member of Oxera Consulting LLP. Management exercise critical judgement in estimating the profit accruing to Oxera Limited from these profit sharing arrangements, as and when the right to share in this profit is earned.

3 Turnover

Turnover is wholly attributable to the principal activity of the group.

Analysis by geographical market

	2017 £	2016 £
United Kingdom	980,703	912,730
	<hr/>	<hr/>
	980,703	912,730
	<hr/>	<hr/>

4 Operating profit

This is stated after charging:

	2017 £	2016 £
Operating lease rentals – land and buildings	-	392,880
Foreign exchange (gain) / loss	(5,647)	(24,230)
	<hr/>	<hr/>

Oxera Limited

Notes forming part of the financial statements *(continued)* for the year ended 31 December 2016

5 Staff costs

	2017 £	2016 £
Wages and salaries	-	120,393
Social security costs	-	13,723
Pension costs	-	-
	<u>-</u>	<u>134,116</u>

The average number of employees during the year was made up as follows:

Administration	-	1
Consultancy	-	1
	<u>-</u>	<u>2</u>

6 Interest Receivable

	2017 £	2016 £
Bank loans and overdrafts	(21)	(44)
Other loans	(110,842)	(36,431)
	<u>(110,863)</u>	<u>(36,475)</u>

7 Taxation

	2017 £	2016 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	188,245	192,111
Adjustments in respect of previous periods	(44,897)	32,656
	<u>143,348</u>	<u>224,767</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
	<u>143,348</u>	<u>224,767</u>
Tax on profit on ordinary activities	<u>143,348</u>	<u>224,767</u>

Oxera Limited

Notes forming part of the financial statements (*continued*) for the year ended 31 December 2017

7 Taxation (continued)

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>1,076,398</u>	<u>960,554</u>
Standard rate of corporation tax in the UK	19.25%	20.00%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	207,207	192,111
Effects of:		
Timing difference on allocation of taxable profits from Oxera Consulting LLP	(21,849)	-
Immaterial difference	2,887	-
Adjustments in respect of prior period	(44,897)	32,656
	<u>143,348</u>	<u>224,767</u>
Current tax charge for the period	<u>143,348</u>	<u>224,767</u>

Factors that may affect future tax charges

There was no deferred tax asset at the 31st December 2017 therefore future tax charges will only be affected by the relevant tax rate and profit for the year.

8 Debtors

	2017 £	2016 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,251,804	2,251,804
Other debtors	3,227,000	1,654,574
Prepayments and accrued income	-	842
	<u>5,478,804</u>	<u>3,907,220</u>

Oxera Limited

Notes forming part of the financial statements *(continued)* for the year ended 31 December 2017

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	6,074
Amounts owed to group undertakings and undertakings in which the company has a participating interest	238,444	238,545
Corporation tax	70,577	100,452
Other creditors	13,101	73,774
Accruals and deferred income	23,000	8,750
	<u>345,122</u>	<u>427,595</u>

10 Share Capital

	Nominal value	2017 Number	2017 £	2016 £
Allotted, called up and fully paid: Ordinary shares	£1 each	2	<u>2</u>	<u>2</u>

11 Profit and loss account

	£	2017 £	2016
At 1 January		5,869,890	5,134,103
Profit for the financial year		933,050	735,787
		<u>6,802,940</u>	<u>5,869,890</u>
At 31 December			

Oxera Limited

Notes forming part of the financial statements (*continued*) for the year ended 31 December 2017

12 Ultimate controlling party

Oxford Economic Research Associates Limited, a company registered in England and Wales, is the company's parent company and owns 100% of the share capital.

Oxford Economic Research Associates Limited is a 100% subsidiary of Oxera Holdings Limited, which is the ultimate controlling entity of Oxera Limited.

13 Related Party Transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries.

No key management remuneration was incurred by the entity.