

**Company Registration No. 04312431**

**XAARJET (OVERSEAS) LIMITED**

**Annual report and unaudited financial statements**

**For the year ended 31 December 2022**

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## **XAARJET (OVERSEAS) LIMITED**

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## **XAARJET (OVERSEAS) LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report on the affairs of XaarJet (Overseas) Limited ('the company'), together with the financial statements for the year ended 31 December 2022.

The directors' report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The directors have taken advantage of the small Companies' exemption provided by section 414B of the Companies Act 2006 not to provide a strategic report.

The company is a private company limited by shares.

#### **Principal activity and business review**

The company is a member of Xaar group of companies ('the group') whose ultimate parent company is Xaar plc. The principal activity of the company is the provision of sales and marketing services for the group's technology and products through the company's presence in Asia. The revenue of the company is obtained by a recharge of its costs, with a mark-up to XaarJet Limited.

#### **Future developments**

The directors expect the general level of activity going forward to remain similar to the results of the current year.

#### **Going concern**

The company is a member of the group whose ultimate parent company is Xaar plc, and is subject to the overall financing arrangements of the group. The directors have received a formal letter of support from the company's parent undertaking, Xaar plc, guaranteeing continued financial support to enable the company to meet its liabilities to creditors as they fall due for the foreseeable future. The directors have assessed that Xaar plc has sufficient resources to provide such support, notwithstanding the risks and uncertainties disclosed in its annual report. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements for the company.

#### **Financial risk management objectives and policies**

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The company incurs the majority of its expenses in Pound Sterling, but also in a number of currencies which includes Hong Kong Dollar. Expenses not in Sterling require conversion from Sterling in order to fund the costs of the company, as there are no natural hedges. Revenues are in Sterling, but are exposed to changes in foreign currency exchange rates as the revenue generated is a marked-up recharge of costs incurred.

#### **Directors**

The directors, who served during the year, and subsequent to year end, unless otherwise stated, were as follows:

R Mills  
I Tichias

The directors also served as directors of Xaar plc during the same year. Details of their remuneration and share-based payment arrangements are included in the Directors' Remuneration Report in the Annual Report and Financial Statements of Xaar plc for the year ended 31 December 2022.

## **XAARJET (OVERSEAS) LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year.

Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Directors' liabilities**

Xaar plc, the ultimate parent company, has granted an indemnity to one or more of the directors of Xaar Digital Limited against liability in respect of any potential proceedings that may be brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

*Approved by the Board of Directors and signed on behalf of the Board*



**I Tichias**

Director

14 September 2023

3950 Cambridge Research Park  
Waterbeach, Cambridge  
CB25 9PE

# **XAARJET (OVERSEAS) LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2022**

		<b>2022</b>	2021
	Notes	<b>£'000</b>	£'000
<b>Turnover</b>	3	<b>313</b>	643
Cost of sales		<b>(325)</b>	(601)
<b>Gross (Loss) / Profit</b>		<b>(12)</b>	42
Foreign Exchange Gain / (Loss)		<b>5</b>	(7)
<b>(Loss) / Profit before taxation</b>	4	<b>(7)</b>	35
Tax on (loss)/profit	6	-	-
<b>(Loss) / Profit for the financial year</b>		<b>(7)</b>	35

All activities derive from continuing operations.

There were no other comprehensive income or expenses other than the profit for the current financial year and the loss for the preceding financial year. Accordingly, no Statement of total comprehensive income has been prepared.

**XAARJET (OVERSEAS) LIMITED****BALANCE SHEET****As at 31 December 2022**

	Notes	2022 £'000	2021 £'000
<b>Current assets</b>			
Debtors	7	285	294
Cash at bank and in hand		36	21
		<u>321</u>	<u>315</u>
<b>Creditors: amounts falling due within one year</b>	8	(12)	(20)
<b>Net current assets</b>		<u>309</u>	<u>295</u>
<b>Total assets less current liabilities, being net assets</b>		<u>309</u>	<u>295</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Capital contribution reserve	10	167	146
Profit and loss account		142	149
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS</b>		<u>309</u>	<u>295</u>

For the year ended 31 December 2022, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary 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.

The financial statements of Xaar (Overseas) Limited, registered number 04312431, were approved by the Board of Directors and authorised for issue on 14 September 2023.

Signed on behalf of the Board of Directors



**I Tichias**  
Director

14 September 2023

3950 Cambridge Research Park  
Waterbeach, Cambridge  
CB25 9PE

**XAARJET (OVERSEAS) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2022

	Note	Share capital £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total Shareholders' funds £'000
At 1 January 2021	-	-	141	114	255
Comprehensive income for the year	-	-	-	35	35
Charges to equity for share-based payments	10	-	5	-	5
At 31 December 2021	-	-	146	149	295
Comprehensive expense for the year	-	-	-	(7)	(7)
Charge to equity for share-based payments	10	-	21	-	21
<b>At 31 December 2022</b>	-	-	<b>167</b>	<b>142</b>	<b>309</b>

## **XAARJET (OVERSEAS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. ACCOUNTING POLICIES**

The principal accounting policies, all of which have been applied consistently throughout the year and preceding year unless otherwise stated, are set out below.

##### **Basis of accounting**

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments (IFRS 9), financial instruments disclosure (IFRS 7), capital management, presentation of a cash-flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers (IFRS 15), disclosure of remuneration of key management personnel and related party transactions.

Where relevant, equivalent disclosures are given in the consolidated financial statements of Xaar plc. The group accounts of Xaar plc are available to the public and can be obtained as set out in note 11.

These financial statements are separate financial statements. The company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Xaar plc.

The company has taken the exemption from an audit for the year ended 31 December 2022 by virtue of s479A of the Companies Act 2006. In order to allow the company to take the audit exemption, the ultimate parent company, Xaar plc has given a statutory guarantee of all the outstanding liabilities of the company as at 31 December 2022.

Under s479C of the Companies Act 2006, the ultimate parent company, Xaar plc has guaranteed all outstanding liabilities to which the company was subject at the end of 31 December 2022 until they are satisfied in full. Such guarantees are enforceable against Xaar plc by any person to whom any such liabilities is due.

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards.

##### **Going concern**

The company is a member of the group whose ultimate parent company is Xaar plc, and is subject to the overall financing arrangements of the group. The directors have received a formal letter of support from the company's parent undertaking, Xaar plc, guaranteeing continued financial support to enable the company to meet its liabilities to creditors as they fall due for the foreseeable future. The directors have assessed that Xaar plc has sufficient resources to provide such support, notwithstanding the risks and uncertainties disclosed in its annual report. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements for the company.

##### **Turnover**

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.



## **XAARJET (OVERSEAS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Turnover (continued)**

Revenue from goods and services is recognised in accordance with IFRS 15 when control has been transferred to the customer. For sale of goods and services revenue is recognised at a point in time, unless specific conditions have been satisfied allowing revenue to be recognised over a period of time.

##### **Foreign exchange**

Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year end. Gains or losses arising from a change in exchange rates subsequent to the date of the transactions are included in the profit and loss account.

##### **Pension costs**

Amounts charged in the profit and loss account comprise employer's contributions in respect of pensionable payroll costs for the accounting year.

##### **Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### **Share-based payments**

The company has applied the requirements of IFRS 2 Share-based Payment.

Xaar plc (the parent company) issues equity-settled share-based payments to certain of the group's employees. These 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 the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

## **XAARJET (OVERSEAS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS**

There were no critical accounting judgements or assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **3. SEGMENT INFORMATION**

Sales and marketing services is the only class of business, therefore total turnover relates to sales and marketing activities, which are recharged to XaarJet Limited at a mark-up.

#### **4. (LOSS) / PROFIT BEFORE TAXATION**

During the current and preceding year, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Hence there is no audit fees payable to the company's auditors for the audit of the company's annual accounts. There is also no non-audit fees that were payable to the company's auditor in the current or previous year.

#### **5. STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Employee costs during the year amounted to:</b>		
Wages & Salaries	<b>167</b>	<b>340</b>
Social Security	<b>-</b>	<b>8</b>
Other pension costs	<b>3</b>	<b>10</b>
Share-based payments	<b>21</b>	<b>5</b>
	<b>191</b>	<b>363</b>

The average monthly number of persons employed by the company was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Sales and Marketing	<b>2</b>	<b>3</b>

The directors did not receive any remuneration during the current and preceding year in respect of their services provided to the Company. They are remunerated by the parent company, Xaar plc.

Pension contributions to the Hong Kong state pension scheme are paid through a payroll service provider; no contributions were owed but not paid for the current and preceding year.

# **XAARJET (OVERSEAS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **6. TAXATION**

	2022 £'000	2021 £'000
<b>Current tax</b>		
UK corporation tax	-	-
<b>Total tax expense for the year</b>	-	-

The UK had a corporation tax rate of 19% for 2022 (2021: 19%). The differences in the tax charge is explained below:

	2022 £'000	2021 £'000
(Loss) / Profit before tax	(7)	35
Tax on ordinary activities at standard rate of 19% (2021: 19%)	(1)	7
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	6
Share based payments – IFRS 2 charge	4	-
Group relief	(3)	(13)
<b>Total tax expense for the year</b>	-	-

The Finance Act 2021, which was substantively enacted on 10 June 2021, amended the main rate of corporation tax to 25% from the financial year 2023.

### **7. DEBTORS**

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	275	284
Amounts owed by parent undertaking	10	10
	<b>285</b>	<b>294</b>

Amounts owed by parent and group undertakings are trading balances under normal commercial terms and interest is not charged. Group undertakings consists of companies within the Xaar group where Xaar plc is the ultimate controlling company.

### **8. CREDITORS**

	2022 £'000	2021 £'000
<b>Amounts falling due within one year</b>		
Other creditors and accruals	12	20

### **9. CALLED UP SHARE CAPITAL**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	1	1

## **XAARJET (OVERSEAS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **10. SHARE-BASED PAYMENTS**

##### **Long Term Incentive Plan**

Xaar plc's Long-Term Incentive Plan is open to all employees of the Group.

There are also a number of LTIP share awards granted that are subject to the achievement of different performance conditions for specific individuals, dependent on revenue or profit performance over a set performance period.

In addition, options shall only become exercisable in respect of any shares if the Committee in its absolute discretion determines that the overall financial performance of Xaar plc over the performance period is satisfactory. All awards that will vest will be calculated on a straight-line basis. All awards made under this scheme are exercisable within three to ten years after the date of grant. Save as permitted in the Long-Term Incentive Plan rules, awards lapse on an employee leaving the Group.

The weighted average share price at the date of exercise for awards exercised during the period was £2.48 (2021: £nil). The options outstanding at 31 December 2022 had a weighted average remaining contractual life of eight years (2021: nine years). In 2022, Performance Share Awards were made in April. The aggregate of the estimated fair value of the grants made during the year is £26,004. In 2021, Performance Share Awards were made in October. The aggregate of the estimated fair values of grants made on that date is £38,940.

The company recognised a total charge of £21,000 (2021: £5,000) related to share-based transactions in the year.

#### **11. ULTIMATE PARENT AND CONTROLLING PARTY**

The company is incorporated and domiciled in England and Wales. The registered office address is 3950 Cambridge Research Park, Waterbeach, Cambridge, CB25 9PE.

At the year-end, the company was a wholly-owned subsidiary undertaking of Xaar plc, a company incorporated in England and Wales, registered number 03320972. The directors consider Xaar plc to be the ultimate controlling party of the company. The largest and smallest group in which the results of the company are consolidated is that headed by Xaar plc, whose registered office is 3950 Cambridge Research Park, Waterbeach, Cambridge, CB25 9PE. The consolidated financial statements of the group are available to the public and may be obtained from the above address or at [www.xaar.com](http://www.xaar.com).