

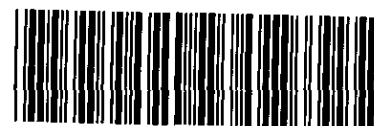
Company Registration No. 04312431

XAARJET (OVERSEAS) LIMITED

Annual report and unaudited financial statements

For the year ended 31 December 2020

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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 the company, together with the financial statements for the year ended 31 December 2020.

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 include Hong Kong Dollar and Indian Rupees. 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 (Appointed 1 March 2020)

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 2020.

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 Tichas

Director

21 September 2021

3950 Cambridge Research Park

Waterbeach, Cambridge

CB25 9PE

XAARJET (OVERSEAS) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	720	977
Cost of sales		(676)	(918)
Gross profit		44	59
Loss before taxation	4	44	59
Tax on profit	6	(6)	(11)
Profit for the financial year		38	48

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 2020**

	Notes	2020 £'000	2019 £'000
Fixed assets			
Right of use asset	7	-	6
Current assets			
Debtors	8	21	903
Cash at bank and in hand		242	310
		263	1,213
Creditors: amounts falling due within one year	9	(8)	(2)
Net current assets		255	1,211
Total assets less current liabilities, being net assets		255	1,217
Capital and reserves			
Called up share capital	10	-	-
Capital contribution reserve	11	141	141
Profit and loss account		114	1,076
EQUITY ATTRIBUTABLE TO SHAREHOLDERS		255	1,217

For the year ended 31 December 2020, 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 21 September 2021.

Signed on behalf of the Board of Directors



I Tichias
Director

XAARJET (OVERSEAS) LIMITED**STATEMENT OF CHANGES IN EQUITY****For the year ended 31 December 2020**

	Share capital £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2019	-	133	1,028	1,161
Shares allotted in the year	-	-	-	-
Total comprehensive income for the year	-	-	48	48
Charge to equity for share-based payments	-	8	-	8
At 31 December 2019	-	141	1,076	1,217
Comprehensive profit for the year	-	-	38	38
Dividend paid	-	-	(1,000)	(1,000)
At 31 December 2020	-	141	114	255

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 12.

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 2020 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 2020.

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 2020 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.

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.

XAARJET (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

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 payable to the Hong Kong state pension scheme 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.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

To the extent that the company receives a tax deduction relating to share-based payment transactions, deferred tax is provided at the appropriate tax rate on the difference in value between the market price of the underlying equity as at the date of the financial statements and the exercise price of the outstanding share options. As a result, the deferred tax impact of share options will not be derived directly from the expense reported in the profit and loss account.

Deferred tax assets and liabilities are measured on an undiscounted basis.

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.

XAARJET (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Share-based payments

The company has applied the requirements of IFRS 2 Share-based Payment. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005.

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.

The fair value of options issued under the Group's Long Term Incentive Plan is measured using a stochastic (Monte Carlo binomial) model for grants made with market based vesting conditions since 2007. The fair value of all other equity settled share-based payments is measured using the Black-Scholes pricing model. The expected life used in these models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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. PROFIT BEFORE TAXATION

	2020	2019
	£'000	£'000
Depreciation		
- on assets owned	-	1
- right of use asset	6	58
Net foreign exchange losses	10	17
Audit fees		
Fees payable to the company's auditors for the audit of the company's annual accounts	-	14

During the current 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 for this year (2019: £14,000). There is also no non-audit fees that were payable to the company's auditor in the current or previous year.

XAARJET (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. STAFF COSTS

	2020 £'000	2019 £'000
Employee costs during the year amounted to:		
Wages & Salaries	434	483
Social Security	6	-
Other pension costs	12	12
Share-based payments	-	(3)
	452	492

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

	2020 No.	2019 No.
Sale and Marketing	5	9

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.

6. TAXATION

	2020 £'000	2019 £'000
Current tax		
UK corporation tax	6	3
Deferred tax		
Origination and reversal of timing differences	-	8
Total deferred tax charge	-	8
Total tax expense for the year	6	11

The UK had a corporation tax rate of 19% for 2020 (2019: 19%). The differences in the tax charge is explained below:

	2020 £'000	2019 £'000
Profit before tax	44	59
Tax on ordinary activities at standard rate of 19% (2019: 19%)	8	11
Effects of:		
Expenses/(income) not deductible /(taxable) for tax purposes	1	8
Prior period adjustment	-	(1)
Tax rate change	5	(1)
Group relief	(8)	(6)
Total tax expense/(credit) for the year	6	11

XAARJET (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAXATION (continued)

The Finance Act 2020, which was substantively enacted on 22 July 2020, did not amend the main rate of UK corporation tax, and this remains at 19%. As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances at December 31, 2020 have been calculated at the rate at which the relevant balance is expected to be recovered or settled.

Following the UK Budget on 2 March 2021, the government have announced that the main rate of corporation tax will remain unchanged until 2023. Therefore there has been no impact on the financial statements for changes in UK tax rates.

The closing deferred tax liability at 31 December 2020 has been calculated at 19% (2019: 17%) reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods.

During the current 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 for this year (2019: £12,000). There is also no non-audit fees that were payable to the company's auditor in the current or previous year.

7. RIGHT OF USE ASSET

The company's lease for its office has ended this year. The right of use assets carried as non-current assets arising from leases are presented as follows:

	Land and buildings £'000
Cost	
At 1 January 2020	167
Disposals	(172)
Foreign exchange	5
	-
Depreciation	
At 1 January 2020	161
Charge for the year	6
Disposals	(167)
At 31 December 2019	-
Carrying amount	
At 31 December 2020	-
At 31 December 2019	6

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2020 £'000	2019 £'000
At 1 January	-	76
Disposals	-	(7)
Accretion of interest	-	3
Foreign exchange	-	(4)
Payments	-	(68)
At 31 December	-	-

XAARJET (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. DEBTORS

	2020 £'000	2019 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	9	884
Amounts owed by parent undertaking	10	-
Prepayments and accrued income	3	19
	21	903

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.

9. CREDITORS

	2020 £'000	2019 £'000
Amounts falling due within one year		
Other creditors and accruals	8	2

Amounts owed to group undertakings are trading balances under normal commercial terms and interest is not charged.

10. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

11. SHARE-BASED PAYMENTS

Equity-settled share option scheme

The parent company, Xaar plc, has share option schemes which are open to all employees of the group. Options are exercisable at a price equal to the average quoted market price of the company's shares on the date of grant. The standard vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant, or 42 months in the case of the Share Save Scheme, or five years in the case of the Share Incentive Plan (being the contractual lives), the options expire. Save as permitted in the share option scheme rules, options lapse on an employee leaving the Group.

There were no equity-settled share options outstanding at 31 December 2020 and 31 December 2019. During the current and preceding year, no options were granted and exercised.

An option granted under the Xaar plc 2004 share option plan before 2011, will be exercisable over shares with a market value at the date of grant not exceeding a person's annual salary if at the third anniversary of grant the Earnings Per Share (EPS) growth of the company since grant has exceeded the growth in the Retail Prices Index (RPI) over the same period by at least 12%. To the extent that an option relates to shares with a market value as at the date of grant in excess of a person's annual salary, the option will be exercisable over all of the excess shares if EPS growth over this period has exceeded RPI growth by at least 15%. For EPS performance between these two points, options will be exercisable over the excess shares on a sliding scale.

XAARJET (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. SHARE-BASED PAYMENTS (continued)

In addition, options can only be exercised if EPS is at least 5.5p for the financial year preceding the third anniversary of grant. Performance may be retested once only from the date of grant to the fourth or fifth anniversary of grant (at the discretion of the Remuneration Committee), but the original EPS growth targets will be increased from 12/15% to 16/20% and 20/25% respectively. The 5.5p target will apply for the final financial year in the extended period.

An option granted under the Xaar plc 2004 share option plan from 2011 onwards will be exercisable over shares with a market value at the date of grant not exceeding a person's annual salary, if at the third anniversary of grant, Xaar plc has achieved positive adjusted profit before tax as shown in the consolidated income statement in the company's Annual Report and financial statements for any of the three years ending during the vesting period. One third of the shares subject to the option granted rounded to the nearest whole share, will vest based on the performance condition being met per year for each of the three years ending in the vesting period. If the adjusted profit before tax as shown in the consolidated income statement in Xaar plc's Annual Report and financial statements for any relevant year is restated before the option becomes exercisable, the restated figure shall, unless the Remuneration Committee determines otherwise, be applied in determining whether the above targets are met. 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.

The Xaar 2007 Share Save scheme provides an opportunity to all UK employees to save a set monthly amount (up to £500) over three years towards the exercise of a discounted share option, which is granted at the start of the three years.

Options and awards under the Xaar 2007 and 2017 Share Save Schemes and Xaar Share Incentive Plan are not subject to performance conditions.

Long Term Incentive Plan

The company's Long Term Incentive Plan is open to all employees of the company. As at 31 December 2019 all unvested LTIP share awards granted before 2015 are subject to the achievement of EPS performance conditions, the number of shares that vest will depend on the EPS growth of the company for the three financial years of the company commencing on 1 January of the year of grant, as follows:

- (1) None of the Awards will vest if the company's EPS growth does not exceed growth in the Retail Prices Index (RPI) by at least 4% compound p.a.
- (2) 35% of the Awards will vest if the company's EPS growth exceeds growth in the RPI by at least 4% compound p.a.
- (3) All of the Awards will vest if the company's EPS growth exceeds growth in the RPI by at least 10% compound p.a.
- (4) Awards will vest on a straight-line basis for EPS growth in excess of growth in the RPI of between 4% and 10% compound p.a.

LTIP share awards granted from 2015 are subject to the achievement of different performance conditions depending on the level of the employee. The number of shares that vest will depend on the three financial years of the company commencing on 1 January of the year of grant, and are subject to one, two, three, four or five of the conditions as set out below:

- (1) Absolute cumulative EPS performance over the period, whereby 25% of the Awards will vest if the threshold target is achieved, below threshold 0% will vest and up to a maximum of 100% if the maximum EPS target or higher is achieved.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. SHARE-BASED PAYMENTS (continued)

(2) For 2015 and 2016 grants Total Shareholder Return (TSR) relative to FTSE TechMARK All Share Index, whereby 25% of the Awards will vest if the median rank in the comparator group is achieved, below median 0% will vest and up to a maximum of 100% if the upper quartile or higher is achieved. For 2017 grants, TSR outperformance multiplier determined by comparison to the FTSE Small Cap Index, whereby a performance multiplier of between 116.7% (for upper quartile performance) and 150% or 200% (for upper decile performance) is applied to the base award relating to awards granted with EPS and revenue performance conditions.

(3) For 2015 and 2016 grants, Achievement of positive adjusted profit before tax as shown in the consolidated income statement in the company's Annual Report and Accounts for any of the three years ending during the vesting period. One third of the shares subject to the option granted rounded to the nearest whole share, will vest based on the performance condition being met per year for each of the three years ending in the vesting period. If the adjusted profit before tax as shown in the consolidated income statement in Xaar plc's Annual Report and Accounts for any relevant year is restated before the option becomes exercisable, the restated figure shall, unless the Remuneration Committee determines otherwise, be applied in determining whether the above targets are met. 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.

(4) From 2017, revenue growth over the period, whereby 25% of the Awards will vest if the threshold target is achieved, below threshold 0% will vest and up to a maximum of 100% if the maximum revenue growth target or higher is achieved.

(5) From 2018, revenue from new products in the third year in the vesting period, whereby 25% of the Awards will vest if the threshold target is achieved, below threshold 0% will vest and up to a maximum of 100% if the maximum revenue target or higher is achieved.

(6) From 2019, Adjusted Basic EPS over the performance period, whereby 25% of the Awards will vest if the threshold target is achieved, below threshold 0% will vest and up to a maximum of 100% if the maximum EPS target or higher is achieved. TSR element over the performance period, whereby 25% of the Awards will vest if the median target v comparator group is achieved, below threshold 0% will vest and up to a maximum of 100% if the TSR ranking of the company is ranked in the upper quartile of the comparator group.

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 nil priced and 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.

Key individuals have previously been invited to participate in a bonus matching scheme where matching LTIP share awards are granted when the employee invests their bonus in Xaar shares and retains ownership of these shares for the duration of the LTIP share award vesting period. The matching share award is a 1 for 1 match on the pre-tax value of the bonus used to acquire bonus investment shares. Matching LTIP share awards are subject to the same performance criteria as all other LTIP awards.

In 2020, 12,000 share options were granted (2019: nil) and no shares were exercised (2019: 4,343). The performance share awards outstanding at 31 December 2020 had a weighted average remaining contractual life of 9 years (2019: 5 years). The weighted average share price at the date of exercise for LTIP awards exercised during the year was £nil (2019: £0.62).

The company recognised a total charge of £nil (2019: £8,000 charge) related to equity-settled share-based payment transactions in the year.

XAARJET (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. 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.