

OXFORD CONVERSIIS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

OXFORD CONVERSIS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The Directors who served during the year were:

C D Harrison
A M Muddyman
J P Larbey (resigned 30 June 2021)

Directors' responsibilities statement

The Directors are responsible for preparing 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 year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

OXFORD CONVERSIS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Business review

In assessing the performance of the business, the principal financial KPIs (Key Performance Indicators) monitored by management are turnover, gross profit and EBITDA.

The Company's prime objective is to increase the sustainable levels of all three. Turnover, gross profit, gross profit margin, adjusted EBITDA and adjusted EBITDA margin are shown below:

	2021	2020
	£	£
Turnover	5,510,429	5,172,486
Gross profit	2,551,751	2,450,528
Gross profit margin	46.3%	47.4%
Profit before tax	649,408	822,788
Add back:		
Depreciation	39,755	20,487
Interest payable	-	1
Group loss relief payable	117,379	197,861
Exceptional expenditure		293,942
Adjusted EBITDA	1,100,484	1,041,137
Adjusted EBITDA margin	20.0%	20.1%

Disclosure of information to auditor

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

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

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

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

OXFORD CONVERSIS LIMITED
REGISTERED NUMBER: 04580340

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	487,199	-
Tangible assets	5	120,900	67,520
Investments	6	8	8
		<hr/>	<hr/>
		608,107	67,528
Current assets			
Debtors: amounts falling due within one year	7	1,519,384	1,912,705
Cash at bank and in hand	8	473,018	612,437
		<hr/>	<hr/>
		1,992,402	2,525,142
Creditors: amounts falling due within one year	9	(1,044,205)	(1,174,839)
		<hr/>	<hr/>
Net current assets		948,197	1,350,303
Total assets less current liabilities		<hr/>	<hr/>
		1,556,304	1,417,831
Provisions for liabilities			
Deferred tax	10	(26,850)	(16)
Provisions	11	(20,000)	-
		<hr/>	<hr/>
		(46,850)	(16)
Net assets		<hr/>	<hr/>
		1,509,454	1,417,815
Capital and reserves			
Called up share capital	12	115,680	100,000
Share premium account		106,371	-
Profit and loss account		1,287,403	1,317,815
		<hr/>	<hr/>
		1,509,454	1,417,815
		<hr/>	<hr/>

OXFORD CONVERSIS LIMITED
REGISTERED NUMBER: 04580340

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

C D Harrison

Director

Date: 11 October 2022

The notes on pages 5 to 16 form part of these financial statements.

OXFORD CONVERSIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Oxford Conversis Limited is a private limited company, incorporated and domiciled in England and Wales. The Company's registered office is Office 10 Building B, Kirtlington Business Centre, Slade Farm, Kirtlington, Oxfordshire, United Kingdom, OX5 3JA.

The principal activity of the Company is that of the provision of localisation and translation services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are rounded to the nearest pound Sterling.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible by the Directors for the exemption to prepare consolidated financial statements.

2.3 Revenue

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Going concern

While the impact of COVID-19 continued during the year ended 31 December 2021 and continued to present challenges during the early period in 2022 despite the UK lifting all restrictions, the pandemic has continued to have a positive impact on the performance of Oxford Conversis Limited. This is reflected in the results for the year ended 31 December 2021, where the Company achieved a profit before tax of £649,408 (2020: £825,378) and had net assets as at 31 December 2021 of £1,626,833 (2020: £1,417,815), which included cash and cash equivalents of £473,018 (2020: £612,437). The profit before tax for the year ended 31 December 2021 includes £293,942 of exceptional, one-off expenditure in relation to business structure changes undertaken in the year.

Management have prepared budgets and forecasts for a period of at least 12 months from approval of these financial statements that they consider to be achievable. Based on the forecasts prepared and the above factors, the Directors consider that the Company has adequate resources to continue in operation for the foreseeable future. Therefore, the Directors have prepared the financial statements on the going concern basis.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%	straight line
Computer equipment	-	33%	straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Pensions

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 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.

2.9 Cash and cash equivalents

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

2.10 Creditors

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

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life of 10 years.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

OXFORD CONVERSIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Employees

The average monthly number of employees, including directors, during the year was 35 (2020 - 30).

4. Intangible assets

	Goodwill
	£
Cost	
Hive up of subsidiary	487,199
	<hr/>
At 31 December 2021	487,199
	<hr/>
Net book value	
At 31 December 2021	487,199
	<hr/> <hr/>
At 31 December 2020	-
	<hr/> <hr/>

On 31 December 2021, the trade and assets of Zebra Translations Limited were hived up to Oxford Conversis Limited. This resulted in investments of £546,350 being accounted for as goodwill in the Company as at 31 December 2021.

See note 13 for further details on the acquisition of Oxford Conversis Limited in the year ended 31 December 2021.

OXFORD CONVERSIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2021	59,177	73,042	132,219
Additions	-	93,135	93,135
At 31 December 2021	59,177	166,177	225,354
Depreciation			
At 1 January 2021	39,923	24,776	64,699
Charge for the year on owned assets	9,935	29,820	39,755
At 31 December 2021	49,858	54,596	104,454
Net book value			
At 31 December 2021	9,319	111,581	120,900
At 31 December 2020	19,254	48,266	67,520

OXFORD CONVERSIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Fixed asset investments

	Investment in subsidiary £
Cost or valuation	
At 1 January 2021	8
Additions	546,350
Disposals	(546,350)
	<hr/>
At 31 December 2021	<u>8</u>

On 30 September 2021, the Company acquired 100% of the share capital of Zebra Translations Limited. On 31 December 2021, the trade and assets of Zebra Translations Limited were hived up to Oxford Conversis Limited. This resulted in investments of £546,350 being accounted for as goodwill in the Company at 31 December 2021.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Conversis USA, Inc.	The Corporate Trust Centre, 1209 Orange Street, Wilmington, DE 19801	Ordinary	100 %
Zebra Translations Ltd	Office 10, Building B Kirtlington Business Centre, Kidlington, OX5 3JA	Ordinary	100 %

OXFORD CONVERSIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Debtors

	2021 £	2020 £
Trade debtors	718,400	1,105,183
Other debtors	171,420	485
Prepayments and accrued income	629,564	807,037
	<u>1,519,384</u>	<u>1,912,705</u>

8. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>473,018</u>	<u>612,437</u>

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	275,805	263,314
Amounts owed to group undertakings	149,321	197,861
Corporation tax	24,886	85
Other taxation and social security	181,482	279,367
Other creditors	5,526	2,575
Accruals and deferred income	407,185	431,637
	<u>1,044,205</u>	<u>1,174,839</u>

Amounts owed at 31 December 2020 to the immediate parent company, Ruxley Holdings Limited, of £197,861 were secured by fixed and floating charges over the undertaking and all property and assets present and future.

Amounts owed at 31 December 2021 of £31,942 to Zebra Translations Limited are in respect of an intercompany loan arising on hive up of Zebra Translations Limited. This loan is unsecured, non-interest bearing and repayable on demand.

OXFORD CONVERSIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Deferred taxation

	2021 £	2020 £
At beginning of year	(16)	(2,606)
Charged to profit or loss	(26,834)	2,590
At end of year	(26,850)	(16)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(26,850)	(16)

11. Provisions

	Dilapidation provision £
Charged to profit or loss	20,000
At 31 December 2021	20,000

The dilapidation provision represents Management's estimate of the expected cost of returning leased premises to their original condition on termination of the lease. This provision is expected to be utilised in the year ended 31 December 2022.

12. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
53,572 (2020 - 53,572) Ordinary A shares of £1.00 each	53,572	53,572
17,857 (2020 - 17,857) Ordinary B shares of £1.00 each	17,857	17,857
15,680 (2020 - nil) Ordinary C shares of £1.00 each	15,680	-
28,571 (2020 - 28,571) Deferred shares of £1.00 each	28,571	28,571
	115,680	100,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Share capital (continued)

On 13 September 2021, the Company issued 15,680 Ordinary C shares of £1 each for a total consideration of £109,290.

Ordinary A shares carry one vote per share and are entitled to receive distributions, Ordinary B shares carry no votes and are entitled to receive distributions and Ordinary C shares carry no votes and do not entitle the shareholder to the right to receive distributions. Deferred shares have no right to a dividend nor to vote at a general meeting.

13. Business combinations

Acquisition of Zebra Translations Limited

On 30 September 2021, the Company acquired a 100% shareholding in Zebra Translations Limited for a total consideration of £546,350.

The financial position of Zebra Translations Limited on the date of acquisition was as follows:

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value £
Current Assets		
Debtors	86,376	86,376
Total Assets	<u>86,376</u>	<u>86,376</u>
Creditors		
Due within one year	(39,717)	(39,717)
Total identifiable net assets	<u>46,659</u>	<u>46,659</u>
Goodwill		499,691
Total purchase consideration		<u>546,350</u>
Consideration		
		£
Cash		360,000
Other consideration		15,000
Contingent consideration		125,000
Directly attributable costs		46,350
Total purchase consideration		<u>546,350</u>

OXFORD CONVERSIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	500,000
Directly attributable costs	46,350
	<hr/> 546,350 <hr/>
Net cash outflow on acquisition	546,350

The goodwill is attributable to the profitability of the acquired business. It will not be deductible for tax purposes.

The results of Zebra Translations Limited since acquisition up to the date of hive up on 31 December 2021 are as follows:

	Current period since acquisition £
Turnover	<hr/> 183,068 <hr/>
Profit for the period since acquisition	<hr/> 25,838 <hr/>

14. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amounted to £70,934 (2020: £99,848). Contributions payable at the year end total £10,336 (2020: £51,638).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Related party transactions

The Company has taken advantage of Section 33.1A of FRS 102 not to disclose information on transactions entered into between 100% owned group companies.

During the year ended 31 December 2021, dividends of £139,771 were paid to Garry Muddyman and £419,314 paid to Ruxley Holdings Limited (2020: £40,000 paid to Garry Muddyman and £120,000 paid to Ruxley Holdings Limited).

During the year ended 31 December 2021, the Company incurred costs of £nil (2020: £18,081) from its immediate parent company, Ruxley Holdings Limited, for accounting, tax and IT services. £nil (2020: £197,861) was owed to its immediate parent company at the year end.

During the year ended 31 December 2021, the Company incurred costs of £10,400 (2020: £nil) from the spouse of a Director for financial support services. At the year end £nil (2020: £nil) was outstanding.

During the year ended 31 December 2021, the Company made ex gratia payments amounting to £nil (2020: £85,590) in respect of Gary Muddyman and his wife leaving office and incurred consultancy fees from Gary Muddyman amounting to £nil (2020: £145,360). Consultancy fees of £nil (2020: £16,348) were outstanding at the year end and are included in trade creditors.

During the year ended 31 December 2021, the Company loaned Ruxley Holdings £330,000 (2020: £nil). At the year end £nil (2020: £nil) was outstanding.

During the year ended 31 December 2021, a Director subscribed to shares in the Company for a total consideration of £86,806 (2020: £nil). No amounts were outstanding at the year-end (2020: £nil).

16. Post balance sheet events

On 8 June 2022, the Company repurchased and subsequently cancelled 28,571 deferred shares of £1 each for total consideration of £28,571.

17. Controlling party

The immediate parent company is Ruxley Holdings Limited.

The ultimate control of the Company rests with the Muddyman Family Trust of which A M Muddyman, a Director of the Company, is a beneficiary.

18. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 18 October 2022 by Sue Staunton MA FCA CF (Senior Statutory Auditor) on behalf of James Cowper Kreston.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.