

OXFORD CONVERSIIS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2022

OXFORD CONVERSIS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

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.

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:

	2022 £	2021 £
Turnover	5,756,996	5,510,429
Gross profit	2,521,478	2,551,751
Gross profit margin	43.8%	46.3%
Profit before tax	738,357	649,408
Add back:		
Depreciation	58,659	39,755
Amortisation	50,809	-
Group loss relief payable	-	117,379
Exceptional expenditure	92,399	293,942
Adjusted EBITDA	940,224	1,100,484
Adjusted EBITDA margin	16.3%	20.0%

OXFORD CONVERSIS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors

The Directors who served during the year were:

R A H Barrett (appointed 18 February 2022)

C D Harrison

A M Muddyman

C Terry (appointed 18 February 2022)

Disclosure of information to auditor

Auditor

The auditor, James Cowper Kreston Audit, 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.

.....
C D Harrison

Director

Date: 5 September 2023

OXFORD CONVERSIS LIMITED
REGISTERED NUMBER: 04580340

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	557,488	487,199
Tangible assets	5	76,167	120,900
Investments	6	8	8
		<hr/> 633,663	<hr/> 608,107
Current assets			
Debtors: amounts falling due within one year	7	1,978,697	1,519,384
Cash at bank and in hand	8	407,739	473,018
		<hr/> 2,386,436	<hr/> 1,992,402
Creditors: amounts falling due within one year	9	(997,823)	(1,044,205)
		<hr/> 1,388,613	<hr/> 948,197
Net current assets			
		<hr/> 2,022,276	<hr/> 1,556,304
Total assets less current liabilities			
Provisions for liabilities			
Deferred tax	10	(18,047)	(26,850)
Provisions	11	-	(20,000)
		<hr/> (18,047)	<hr/> (46,850)
Net assets		<hr/> 2,004,229	<hr/> 1,509,454
Capital and reserves			
Called up share capital	12	87,109	115,680
Share premium account		106,371	106,371
Capital redemption reserve		28,571	-
Profit and loss account		1,782,178	1,287,403
		<hr/> 2,004,229	<hr/> 1,509,454

OXFORD CONVERSIS LIMITED
REGISTERED NUMBER: 04580340

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

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: 5 September 2023

The notes on pages 5 to 14 form part of these financial statements.

OXFORD CONVERSIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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.

2.4 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.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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.

2.6 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 as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 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.

2.8 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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 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.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 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.

2.16 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.

3. Employees

The average monthly number of employees, including directors, during the year was 41 (2021 - 35).

OXFORD CONVERSIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Intangible assets

	Goodwill £
Cost	
At 1 January 2022	487,199
Additions	121,098
	<hr/>
At 31 December 2022	608,297
	<hr/>
Amortisation	
Charge for the year on owned assets	50,809
	<hr/>
At 31 December 2022	50,809
	<hr/>
Net book value	
At 31 December 2022	<u>557,488</u>
At 31 December 2021	<u>487,199</u>

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.

During the year ended 31 December 2022, the Company settled its contingent consideration liability. This resulted in additions to goodwill of £165,491 being recognised. This liability was primarily settled out of Escrow monies.

OXFORD CONVERSIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	59,177	166,177	225,354
Additions	5,353	13,961	19,314
Disposals	(59,177)	-	(59,177)
At 31 December 2022	5,353	180,138	185,491
Depreciation			
At 1 January 2022	49,858	54,596	104,454
Charge for the year on owned assets	9,320	49,375	58,695
Disposals	(59,177)	-	(59,177)
Impairment charge	5,352	-	5,352
At 31 December 2022	5,353	103,971	109,324
Net book value			
At 31 December 2022	-	76,167	76,167
At 31 December 2021	9,319	111,581	120,900

OXFORD CONVERSIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Fixed asset investments

	Investment in subsidiary £
Cost or valuation	
At 1 January 2022	8
	<hr/>
At 31 December 2022	<u><u>8</u></u>

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 2022**

7. Debtors

	2022 £	2021 £
Trade debtors	1,383,542	718,400
Other debtors	60,296	171,420
Prepayments and accrued income	534,859	629,564
	<u>1,978,697</u>	<u>1,519,384</u>

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>407,739</u>	<u>473,018</u>

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	291,231	275,805
Amounts owed to group undertakings	6,605	149,321
Corporation tax	166,223	24,886
Other taxation and social security	243,277	181,482
Other creditors	3,691	5,526
Accruals and deferred income	286,796	407,185
	<u>997,823</u>	<u>1,044,205</u>

Amounts owed to group undertakings at 31 December 2022 of £46,984 (2021: £31,942) 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.

Amounts owed at 31 December 2021 to the immediate parent company, Ruxley Holdings Limited, of £197,861 were secured by a fixed and floating charge over the undertaking and all property and assets present and future. This balance was repaid during the year ended 31 December 2022.

OXFORD CONVERSIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Deferred taxation

	2022 £	2021 £
At beginning of year	(26,850)	(16)
Charged to profit or loss	10,141	(26,834)
Other movement - hive up	(1,338)	-
At end of year	(18,047)	(26,850)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(18,047)	(26,850)

11. Provisions

	Dilapidation provision £
At 1 January 2022	20,000
Utilised in year	(20,000)
At 31 December 2022	-

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

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
53,572 (2021 - 53,572) Ordinary A shares of £1.00 each	53,572	53,572
17,857 (2021 - 17,857) Ordinary B shares of £1.00 each	17,857	17,857
15,680 (2021 - 15,680) Ordinary C shares of £1.00 each	15,680	15,680
Nil (2021 - 28,571) Deferred shares of £1.00 each	-	28,571
	87,109	115,680

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Share capital (continued)

On 8 June 2022, the Company repurchased and subsequently cancelled 28,571 Deferred shares for consideration of £28,571.

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.

13. 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 £85,023 (2021: £70,934). Contributions payable at the year end total £9,933 (2021: £10,336).

14. 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 2022, dividends of £20,000 were paid to Garry Muddyman and £60,000 paid to Ruxley Holdings Limited (2021: £139,771 paid to Garry Muddyman and £419,314 paid to Ruxley Holdings Limited).

During the year ended 31 December 2022, the Company incurred costs of £nil (2021: £18,081) from its immediate parent company, Ruxley Holdings Limited, for accounting, tax and IT services. £nil (2021: £nil) was owed to its immediate parent company at the year end.

During the year ended 31 December 2022, the Company incurred costs of £14,500 (2021: £10,400) from the spouse of a Director for financial support services. At the year end £nil (2021: £nil) was outstanding.

During the year ended 31 December 2022, the Company incurred costs of £21,413 (2021: £nil) from the spouse of a Director for financial support services. At the year end £nil (2021: £nil) was outstanding.

During the year ended 31 December 2022, the Company loaned Ruxley Holdings £46,984 (2021: £330,000) At the year end £nil (2021: £nil) was outstanding.

During the year ended 31 December 2022, a Director subscribed to shares in the Company for a total consideration of £nil (2021: £86,806). No amounts were outstanding at the year-end (2021: £nil).

15. 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.

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 11 September 2023 by Sue Staunton MA FCA CF (Senior Statutory Auditor) on behalf of James Cowper Kreston Audit.

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.