

Company registration number 06176814 (England and Wales)

**CONVERSION FACTORY LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**  
**PAGES FOR FILING WITH REGISTRAR**

# CONVERSION FACTORY LTD

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# CONVERSION FACTORY LTD

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		43,353		44,672
<b>Current assets</b>					
Debtors	6	1,395,903		888,148	
Cash at bank and in hand		840,979		1,616,849	
		<u>2,236,882</u>		<u>2,504,997</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(719,126)</u>		<u>(681,509)</u>	
<b>Net current assets</b>			<u>1,517,756</u>		<u>1,823,488</u>
<b>Total assets less current liabilities</b>			<u>1,561,109</u>		<u>1,868,160</u>
<b>Provisions for liabilities</b>			<u>(7,310)</u>		<u>(7,531)</u>
<b>Net assets</b>			<u>1,553,799</u>		<u>1,860,629</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Share premium account			41,646		41,646
Other reserves			757		757
Profit and loss reserves			<u>1,511,395</u>		<u>1,818,225</u>
<b>Total equity</b>			<u>1,553,799</u>		<u>1,860,629</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 2 December 2022 and are signed on its behalf by:

Mr A R Hill  
Director

Company Registration No. 06176814

# CONVERSION FACTORY LTD

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

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### 1 Change in accounting policy

The entity has decided to change the accounting policy applied to the depreciation of office equipment. This class of assets was previously depreciated under a 25% reducing balance policy. This has been changed by management to be depreciated under a straight line method over 3 years, as this more accurately represents the useful life of this class of asset.

### 2 Accounting policies

#### Company information

Conversion Factory Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Avalon, Oxford Road, Bournemouth, Dorset, United Kingdom, BH8 8EZ.

#### 2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sideshow Group Ltd. These consolidated financial statements are available from its registered office.

#### 2.2 Turnover

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:

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# CONVERSION FACTORY LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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### 2 Accounting policies (Continued)

#### 2.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Domain name	over 5 years
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#### 2.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% reducing balance
Fixtures and fittings	25% reducing balance
Office equipment	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 2.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 2.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 2.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors, cash and bank balances, and amounts owed from group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CONVERSION FACTORY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 2 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 2.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 2.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition 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 reporting end 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. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# CONVERSION FACTORY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 2 Accounting policies (Continued)

#### 2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 2.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 2.12 Share-based payments

For cash-settled share-based payments, a liability is recognised for the services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

#### 2.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 2.14 Government grants

Coronavirus job retention scheme grant are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

#### 2.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	47	28

# CONVERSION FACTORY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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<b>4</b>	<b>Intangible fixed assets</b>	<b>Domain name</b>
		<b>£</b>
	<b>Cost</b>	
	At 1 April 2021 and 31 March 2022	31,254
		<hr/>
	<b>Amortisation and impairment</b>	
	At 1 April 2021 and 31 March 2022	31,254
		<hr/>
	<b>Carrying amount</b>	
	At 31 March 2022	-
		<hr/> <hr/>
	At 31 March 2021	-
		<hr/> <hr/>
<b>5</b>	<b>Tangible fixed assets</b>	<b>Plant and machinery etc</b>
		<b>£</b>
	<b>Cost</b>	
	At 1 April 2021	123,130
	Additions	36,965
	Disposals	(27,203)
		<hr/>
	At 31 March 2022	132,892
		<hr/>
	<b>Depreciation and impairment</b>	
	At 1 April 2021	78,458
	Depreciation charged in the year	28,986
	Eliminated in respect of disposals	(17,905)
		<hr/>
	At 31 March 2022	89,539
		<hr/>
	<b>Carrying amount</b>	
	At 31 March 2022	43,353
		<hr/> <hr/>
	At 31 March 2021	44,672
		<hr/> <hr/>

# CONVERSION FACTORY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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6 Debtors	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	655,445	613,197
Amounts owed by group undertakings	238,600	-
Other debtors	501,858	274,951
	<u>1,395,903</u>	<u>888,148</u>

7 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	42,536	132,280
Amounts owed to group undertakings	19,525	546
Corporation tax	134,830	124,974
Other taxation and social security	318,897	241,985
Other creditors	203,338	181,724
	<u>719,126</u>	<u>681,509</u>

8 Called up share capital	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Class A of 0.00001p each	100,000	100,000	1	1
Class B of 0.00001p each	12,503	12,503	-	-
	<u>112,503</u>	<u>112,503</u>	<u>1</u>	<u>1</u>

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Michael Tizard and the auditor was Azets Audit Services.

### 10 Financial commitments, guarantees and contingent liabilities

The company, together with other group companies, has entered into fixed and floating charges over its property and undertakings relating to security over borrowings in another group company. At the year end the total of secured borrowings was £57,847,512 (2021 - £35,138,000).

# CONVERSION FACTORY LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 11 Operating lease commitments

At the year end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
-	75,269
<u>          </u>	<u>          </u>

### 13 Related party transactions

The company has taken advantage of the exemption available in FRS 102, whereby it has not disclosed transactions with the ultimate parent or any wholly owned subsidiary undertaking of the group.

### 14 Parent company

The company's immediate parent undertaking is Sideshow Group Ltd. The smallest group in which the results of the company are consolidated is that headed by Sideshow Group Ltd. Copies of the financial statements of Sideshow Group Ltd can be obtained from Companies House.

The largest group in which the results of the company are consolidated is that headed by Waterland Private Equity Fund VII CV. The registered office of this company is Brediusweg 31, 1401 AB Bessum, Netherlands. The accounts of this entity are not publicly available.

The directors consider there not to be a singular controlling entity or controlling party.

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.