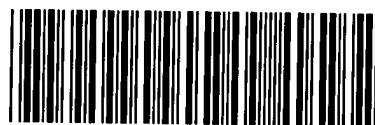


**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING
LIMITED)**

Company Number 02918798

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019**

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CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2019

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CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	M S Afzal	(appointed 14 April 2020)
	S L Hart	(appointed 14 April 2020)
	J Ferguson	(appointed 14 April 2020)
	E de Villemeur	(resigned 14 April 2020)
	E de Villemeur	(appointed 28 June 2019)
	P Hey	(resigned 14 April 2020)
	P Hey	(appointed 28 June 2019)
	J D Gamble	(resigned 28 June 2019)
C R Lee	(resigned 28 June 2019)	

Registered office	C/O Champion Technologies Limited Block 102, Cadland Road, Hardley, Southampton, Hampshire, United Kingdom, SO45 3NP
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Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Manchester Hardman Sq, 1 Hardman Square Manchester M3 3EB, United Kingdom
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Bankers	Bank of America 26 Elmfield Road Bromley Kent BR1 1WA Citibank N.A 4 Ahmed Pasha Street Garden City Cairo Egypt Credit Agricole Egypt Bank Sarayat Branch 2 Mostafa Kamel St Sarayat Al Maadi Al Maadi Cairo, Egypt
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Solicitors	Eversheds Sutherland 70 Great Bridgewater Street Manchester, M1 5ES
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**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

STRATEGIC REPORT

YEAR ENDED 30 NOVEMBER 2019

The directors present the Strategic report on the company for the year ended 30 November 2019.

Review of the business

The company recorded a profit for the year of £3,759 (2018: £2,881).

Key performance indicators

Management monitors the business using the following key indicators:

		2019	2018
Gross profit margin	%	29.3	32.4
Average number of employees		<u>26</u>	<u>20</u>

Gross profit

The decrease in gross profit percentage is as a result of general market conditions during the year and is not expected to be an on-going concern.

Headcount

The headcount is in line with ongoing business requirements.

Future developments

The directors consider the results for the year to be satisfactory and expect performance to improve in the coming years.

Strategy

The company maintains productivity through the following strategies:

- improving our Customer Experience and business performance via focus on customers, including a Circle the Customer programme;
- providing the highest standard of product, service and delivery to customers at a competitive cost;
- continued expansion into current and new markets; and
- strong brand recognition through brand and channel management.

CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

STRATEGIC REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2019

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are:

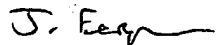
- currency risk;
- rate of growth of domestic and European markets; and
- adverse economic conditions in the European markets.

In response to the risks the company:

- operates under a group European pooling arrangement that manages and mitigates any currency risk;
- maintains integrated solutions through technology and product offerings;
- ensures effective pricing and continued recognition of brand and quality to maintain market position; and
- maintains a high technology offering while widening its customer base and expanding into new areas.

On a broader note, the Global Epidemic seen thus far in 2020 has posed new challenges. Safety continues to be our number one priority. Through the introduction of new policies and procedures, we are confident that the Company is well positioned to deal with these new challenges going forward, with minimal business interruption.

Approved by the board of directors and signed on its behalf by:



.....
John Ferguson
Director
23rd October 2020

**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2019

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 30 November 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

A review of the business of the company and future developments is included in the Strategic report on page 2.

On 23rd September 2019, the name of the entity was changed to ChampionX Egypt Ltd (formerly Nalco Energy Services Marketing Limited)

The only activity undertaken by ChampionX Egypt Ltd (formerly Nalco Energy Services Marketing Limited) is the sale of specialist chemicals by its branch in Egypt.

POST BALANCE SHEET ACTIVITIES

Since the year end date of 30th November, 2019, the group structure has been reorganised. On 1st January, 2020, ChampionX Egypt Ltd (formerly Nalco Energy Services Marketing Limited) became a direct subsidiary of Champion Technologies Limited after being transferred by the previous owner Nalco Limited.

FINANCIAL RISK MANAGEMENT POLICY

The company's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities. The main purpose of these financial assets is to provide finance for the company's ongoing operations.

The main risks associated with the company's financial assets and liabilities are interest rate risk, cashflow and liquidity risk, credit risk and currency risk as summarised below.

Interest rate risk

The company does not have any external debt. The company had lendings and borrowings with other group undertakings at a floating rate of interest. During the year, the interest rate exposure was reviewed but it was not deemed necessary to cover the interest rate exposure by any financial instruments.

Credit risk

The company's policy is to require assessments of customers such that deferred terms are only granted where an appropriate payment history is demonstrated and credit worthiness procedures are satisfied.

Cashflow and liquidity risk

The company's activities are financed by loans from other group companies and cash. The company mitigates liquidity risk by managing cash generation from its operations.

A central treasury team operates at a European level, controlling all borrowing facilities, investment of surplus funds and the management of financial risks for the company and its fellow subsidiaries.

Currency risk

The company operates under a global policy to manage intercompany lendings and borrowings in foreign currencies. During the year, the currency exposure was reviewed but it was not deemed necessary to cover the currency exposure by any financial instruments.

CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2019

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £3,759 (2018: profit of £2,881).

The directors recommended a dividend of £16,099 (2018: £nil).

GOING CONCERN

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent operating company Champion Technologies Limited. The directors have received confirmation that Champion Technologies Limited intend to support the company for at least one year after these financial statements are signed.

The effect of Covid-19 has been considered and it has not impacted on the going concern of the company. The entity is part of a profitable group trading structure which ensures the company will continue to trade for the next 12 months and beyond.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements are listed on page 1.

There are no directors' interests requiring disclosure under the Companies Act 2006.

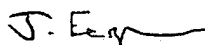
The directors have the benefit of qualifying third party indemnity provisions for the purpose of sections 234 of the Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year and also at the date of approval of the financial statements but have not been utilised by the directors.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Registered office:
C/O Champion Technologies Limited
Block 102, Cadland Road,
Hardley, Southampton,
Hampshire,
United Kingdom,
SO45 3NP

Signed on behalf of the board



John Ferguson
Director
23rd October 2020

**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

***Statement of directors' responsibilities in respect of the
financial statements***

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

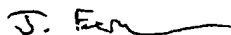
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the board of directors and signed on its behalf by:



.....
John Ferguson
Director
23rd October 2020

**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

Independent auditors' report to the members of Championx Egypt Ltd (Formerly Nalco Energy Services Marketing Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Championx Egypt Ltd (Formerly Nalco Energy Services Marketing Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 November 2019; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

Independent auditors' report to the members of Championx Egypt Ltd (Formerly Nalco Energy Services Marketing Limited) (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion; based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 November 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

Independent auditors' report to the members of Championx Egypt Ltd (Formerly Nalco Energy Services Marketing Limited) (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

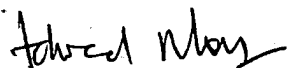
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Edward Moss (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

23 October 2020

CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

COMPANY NUMBER 2918798

INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2019

	Note	2019 £000	2018 £000
Turnover	5	22,678	14,392
Cost of sales		(16,040)	(9,722)
GROSS PROFIT		6,638	4,670
Distribution costs		(2,363)	(1,763)
Administrative expenses		(625)	(72)
OPERATING PROFIT	6	3,650	2,835
Interest receivable and similar income	8	109	46
PROFIT BEFORE TAXATION		3,759	2,881
Tax on profit	9	-	-
PROFIT FOR THE FINANCIAL YEAR		<u>3,759</u>	<u>2,881</u>

The results above are derived entirely from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
30 NOVEMBER 2019

	2019 £000	2018 £000
Profit for the financial year	3,759	2,881
Currency translation differences on net assets of overseas branches	(188)	680
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>3,571</u>	<u>3,561</u>

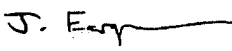
CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

COMPANY NUMBER 2918798

BALANCE SHEET
AS AT 30 NOVEMBER 2019

	Note	£000	2019 £000	£000	2018 £000
FIXED ASSETS					
Tangible assets	10		1,976		298
			<u>1,976</u>		<u>298</u>
CURRENT ASSETS					
Stocks	11		5,312		5,805
Debtors: amounts falling due within one year	12	10,478		9,015	
Debtors: amounts falling due after more than one year	12	-		-	
			<u>10,478</u>		<u>9,015</u>
Cash at bank and in hand			80		16,355
			<u>15,870</u>		<u>31,175</u>
CREDITORS: amounts falling due within one year	13		(5,316)		(6,415)
NET CURRENT ASSETS			<u>10,554</u>		<u>24,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,530</u>		<u>25,058</u>
NET ASSETS			<u>12,530</u>		<u>25,058</u>
CAPITAL AND RESERVES					
Called up share capital	16		2,000		2,000
Retained earnings			10,530		23,058
TOTAL EQUITY			<u>12,530</u>		<u>25,058</u>

The financial statements on pages 10 to 19 were approved by the board of directors on 23rd October, 2020 and signed on their behalf by:



 John Ferguson
 Director
 23rd October 2020

CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 NOVEMBER 2019

	Called up share capital £000	Retained earnings £000	Total equity £000
Balance as at 1 December 2017	2,000	19,497	21,497
Profit for the financial year	-	2,881	2,881
Other comprehensive income for the year	-	680	680
Balance as at 30 November 2018	<u>2,000</u>	<u>23,058</u>	<u>25,058</u>
Balance as at 1 December 2018	2,000	23,058	25,058
Profit for the financial year	-	3,759	3,759
Other comprehensive expense for the year	-	(188)	(188)
Dividend paid	-	(16,099)	(16,099)
Balance as at 30 November 2019	<u>2,000</u>	<u>10,530</u>	<u>12,530</u>

**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2019**

1. GENERAL INFORMATION

ChampionX Egypt Ltd's ("the company") (formerly Nalco Energy Services Marketing Limited) principal activity is the sale of specialist chemicals by its branch in Egypt. The company is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is C/O Champion Technologies Limited, Block 102, Cadland Road, Hardley, Southampton, Hampshire, United Kingdom, SO45 3NP.

2. STATEMENT OF COMPLIANCE

The financial statements of ChampionX Egypt Ltd (formerly Nalco Energy Services Marketing Limited) have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The effect of Covid-19 has been considered and it has not impacted on the going concern of the company. The entity is part of a profitable group trading structure which ensures the company will continue to trade for the next 12 months and beyond.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2019**

3. ACCOUNTING POLICIES *(continued)*

Exemptions for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions on the basis that the information is included in the consolidated financial statements of the company's ultimate parent undertaking, Ecolab Inc, a company registered in the USA:

- from preparing a statement of cash flows;
- from the financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A and the paragraphs 12.26 to 12.29; and
- from disclosing the company key management personnel compensation, as required by FRS102 paragraph 33.7.

Foreign currencies

Foreign currency transactions are translated into the local currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery - 3 to 10 years straight line basis.

**CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2019**

3. ACCOUNTING POLICIES *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Raw materials, consumables and goods for resale	- purchase cost on a first-in, first-out basis.
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and sale.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are recognised at transaction price.

Financial liabilities

Basic financial liabilities, including trade and other payables are recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Turnover

Turnover comprises the value of sales of goods and services (excluding VAT and similar taxes and trade discounts).

Revenue is recognised on products when the substantial risks and rewards of goods have been transferred to customers and where services have been provided.

CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2019

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Company management and the board of directors make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The directors believe there are no estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the financial year.

5. TURNOVER

No analysis of turnover, operating profit or net assets is presented as the directors believe it would be prejudicial to the interests of the company.

6. OPERATING PROFIT

Operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation of owned fixed assets	22	65
Foreign exchange losses	<u>535</u>	<u>72</u>

Auditors' remuneration was borne by Nalco Limited, a fellow group company. No fees for non-audit services have been paid to the company's auditors in the year.

7. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2019 No	2018 No
Selling and administration	<u>26</u>	<u>20</u>

The aggregate payroll costs of the above were:

	2019 £000	2018 £000
Wages and salaries	844	575
Social Security	<u>166</u>	<u>24</u>
	<u>1,010</u>	<u>599</u>

The emoluments of the directors are paid by fellow subsidiary undertakings and it is not possible to make an apportionment of their emoluments in respect of this company. Accordingly, these financial statements include no emoluments in respect of the directors. No directors received any remuneration in respect of their services to the company during the year (2018 - £nil).

CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2019

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000	2018 £000
Interest from group undertakings	-	46
Bank interest	109	-
	<u>109</u>	<u>46</u>

9. TAX ON PROFIT

(a) Analysis of charge in the year

	2019 £000	2018 £000
Current tax:		
UK Taxation		
UK Corporation tax charge	-	-
Foreign taxation	-	-
Total tax charge	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge

The tax assessed on the profit before taxation for the year is lower (2018: lower) than the standard effective rate of corporation tax in the UK of 19.0% (2018: 19.0%):

	2019 £000	2018 £000
Profit before taxation	<u>3,848</u>	<u>2,881</u>
Profit before taxation at standard effective rate of tax 19.0% (2018: 19.0%)	731	547
Effects of income not taxable	(713)	(551)
Amounts not deductible for tax	-	13
Group relief	(18)	(9)
Total tax charge	<u>-</u>	<u>-</u>

(c) Significant items affecting future years

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These included reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. At Budget 2020, the government announced that the corporation tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%.

CHAMPIONX EGYPT LTD
(FORMERLY NALCO ENERGY SERVICES MARKETING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2019

10. TANGIBLE ASSETS

	Plant & machinery £000
COST	
At 1 December 2018	1,105
Additions	1,733
Foreign exchange differences	(16)
At 30 November 2019	<u>2,822</u>
ACCUMULATED DEPRECIATION	
At 1 December 2018	807
Charge for the year	51
Foreign exchange differences	(12)
At 30 November 2019	<u>846</u>
NET BOOK VALUE	
At 30 November 2019	<u>1,976</u>
At 30 November 2018	<u>298</u>

11. STOCKS

	2019 £000	2018 £000
Finished goods	<u>5,312</u>	<u>5,805</u>

12. DEBTORS: Amounts falling due within one year

	2019 £000	2018 £000
Trade debtors	7,558	4,762
Amounts owed by group undertakings	875	1,216
Other debtors	<u>2,045</u>	<u>3,037</u>
	<u>10,478</u>	<u>9,015</u>

Amounts owed by group undertakings relate to Trade Balances only.

CHAMPIONX EGYPT LTD
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2019

13. CREDITORS: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	1,134	408
Amounts owed to group undertakings	3,270	3,551
Accruals and deferred income	912	2,456
	<u>5,316</u>	<u>6,415</u>

Amounts owed by group undertakings relate to Trade Balances only

14. CONTINGENT LIABILITY

The company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to £1,000,000 at 30 November 2019 (2018: £1,300,000).

15. RELATED PARTY TRANSACTIONS

As a 100% owned subsidiary undertaking of Ecolab Inc, the company has taken advantage of the exemption in FRS 102 from disclosing transactions with other members of the group headed by Ecolab Inc.

16. CALLED UP SHARE CAPITAL

Authorised share capital:

	2019 £000	2018 £000
2019: 2,000,000 (2018: 2,000,000) Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

Allotted, called up and fully paid:

	2019 No	£000	2018 No	£000
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000</u>	<u>2,000,000</u>	<u>2,000</u>

17. ULTIMATE PARENT COMPANY

The directors regard Ecolab Inc, incorporated in USA, as the ultimate parent company and the ultimate controlling party.

Ecolab Inc is the parent company of the smallest and largest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from 370 N. Wabasha Street, St. Paul, Minnesota 55102-2233, USA.

The immediate parent undertaking is ChampionX Egypt Holdings Ltd (Formerly Nalco Energy Services Limited).