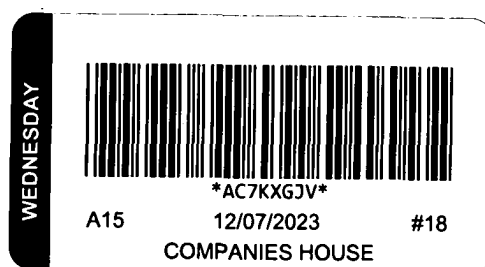


Registered number: 03851671

NexantECA Limited

Annual report and financial statements

For the year ended 31 December 2022



NexantECA Limited

Company Information

Directors	A J Hensman R T Sleep
Registered number	03851671
Registered office	110 Cannon Street London England EC4N 6EU
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 2nd Floor 168 Shoreditch High Street London E1 6RA

NexantECA Limited

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NexantECA Limited

Strategic report For the year ended 31 December 2022

Introduction

The directors present their strategic report of the company for the year ended 31st December 2022.

Principal Activities

The company's principal activity during financial year 2022 continued to be management consulting in the chemical and energy industries.

Business review

NexantECA Ltd's turnover during the financial year 2022 decreased by 5% to £11,048,545 compared to £11,633,965 in 2021. This was partially due to the negative impact on revenue as the company is no longer able to work directly or indirectly with Russian entities and had to terminate affected services.

Despite this, management maintained their focus on controlling costs with gross margins improving by 10% with gross profit margin at 71% (2021: 61%).

The increase in headcount to 60 in 2022 (2021: 53) contributed to the increase in administrative expenses £6,005,793 from £5,348,421 in 2021.

Cash position for the entity remained strong throughout 2022, and the closing 2022 cash balances were £2,590,480 (2021: £1,655,270).

The company recorded a profit before tax of £1,847,350 (2021: £1,821,935).

The overall business position and outlook of the company remained strong at the end of financial year 2022.

Principal risks and uncertainties

Management of the business and execution of group strategy are subject to a number of risks. The principal risks for the company continue to be market environment, competition and retention of employees.

Business risk for the company primarily stems from economic activity and energy price volatility. Political risk can also influence activity. Oil prices saw significant increases throughout 2021 and part of 2022 and remain considerably higher than in 2020.

The company's operations expose it to a variety of financial risks. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The financial control policies are implemented by the company's finance department and monitored by the board of directors of the company.

Credit Risk

The company has implemented policies that require appropriate review and approval of material contracts that are entered into with new customers. The credit risk for the company is relatively low due to the fact that a large percentage of the company's work is performed for customers that have been served for many years. In addition, many of these customers are large multinational businesses.

Interest Rate Cash Flow Risk

The company has interest bearing assets which include cash balances which earn interest at a variable rate. The company has no debt.

Key performance indicators

The Board consists of the directors. The management believe that the relevant financial and non-financial KPI's and are those set out in the business review.

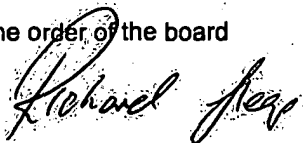
NexantECA Limited

Strategic report (continued)
For the year ended 31 December 2022

Further Developments

Since the balance sheet date, inflation remains at higher than historic levels. However, the global economy has continued to get stronger. The management expects company's business and the wider economy to continue to improve through 2023 and remains committed to maximising profitability, maintaining a strong cash position and protecting shareholder value.

By the order of the board

A handwritten signature in black ink, appearing to read 'Richard Sleep', written over a faint circular stamp.

R T Sleep
Director

Date: *6 July 2023*

NexantECA 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,412,965 (2021: £1,450,626).

The directors paid an ordinary dividend in the year of £Nil (2021: £5,949,312).

Directors

The directors who served during the year were:

A J Hensman
R T Sleep

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



R T Sleep

Director

Date:

6 July 2023

NexantECA Limited

Directors' responsibilities statement For the year ended 31 December 2022

The directors are responsible for preparing the Strategic report, 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 judgments 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.

NexantECA Limited

Independent auditors' report to the members of NexantECA Limited

Opinion

We have audited the financial statements of NexantECA Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

NexantECA Limited

Independent auditors' report to the members of NexantECA Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Independent auditors' report to the members of NexantECA Limited (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements and considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates. Audit procedures performed by the team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Identifying key contracts and confirming that all required procurement and tendering procedures have been followed; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirming the integrity of bank statements provided to ensure that these could be relied upon as audit evidence; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent auditors' report to the members of NexantECA Limited (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Anne Dwyer BSc (Hons) FCA (Senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 7 July 2023

NexantECA Limited

**Statement of comprehensive income
For the year ended 31 December 2022**

	Note	2022 £	2021 £
Turnover	4	11,048,545	11,633,965
Cost of sales		(3,162,197)	(4,510,379)
Gross profit		7,886,348	7,123,586
Administrative expenses		(6,005,793)	(5,348,421)
Operating profit	5	1,880,555	1,775,165
Interest receivable	9	69,769	49,579
Interest payable	10	(102,974)	(2,809)
Profit before tax		1,847,350	1,821,935
Tax on profit	11	(434,385)	(371,309)
Profit for the financial year		1,412,965	1,450,626

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 13 to 24 form part of these financial statements.

NexantECA Limited
Registered number: 03851671

Balance sheet
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets		<u>344,378</u>	<u>296,793</u>
		344,378	296,793
Current assets			
Debtors: amounts falling due after more than one year	14	1,255,605	503,386
Debtors: amounts falling due within one year	14	8,637,235	8,121,316
Cash at bank and in hand		<u>2,590,480</u>	<u>1,655,270</u>
		12,483,320	10,279,972
Creditors: amounts falling due within one year	15	<u>(5,125,954)</u>	<u>(4,262,698)</u>
Net current assets		7,357,366	6,017,274
Total assets less current liabilities		7,701,744	6,314,067
Provisions for liabilities			
Deferred tax	16	<u>(13,201)</u>	<u>(38,489)</u>
		(13,201)	(38,489)
Net assets		7,688,543	6,275,578
Capital and reserves			
Called up share capital	17	<u>2,600,000</u>	<u>2,600,000</u>
Profit and loss account		<u>5,088,543</u>	<u>3,675,578</u>
		7,688,543	6,275,578

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


R T Sleep
 Director

Date: 6 July 2023

The notes on pages 13 to 24 form part of these financial statements.

NexantECA Limited

**Statement of changes in equity
For the year ended 31 December 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	2,600,000	8,174,264	10,774,264
Profit for the year	-	1,450,626	1,450,626
Total comprehensive income for the year	-	1,450,626	1,450,626
Dividends: Equity capital	-	(5,949,312)	(5,949,312)
At 1 January 2022	2,600,000	3,675,578	6,275,578
Profit for the year	-	1,412,965	1,412,965
Total comprehensive income for the year	-	1,412,965	1,412,965
At 31 December 2022	2,600,000	5,088,543	7,688,543

The notes on pages 13 to 24 form part of these financial statements.

NexantECA Limited

**Statement of cash flows
For the year ended 31 December 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	1,412,965	1,450,626
Adjustments for:		
Depreciation of fixed assets	82,189	42,049
Interest paid	102,974	2,809
Interest received	(69,769)	(49,579)
Taxation charge	459,673	287,925
Decrease/(increase) in debtors	435,378	(33,014)
(Increase)/decrease in amounts owed by groups	(1,703,516)	7,087,832
Increase/(decrease) in creditors	47,626	(1,440,296)
Increase/(decrease) in amounts owed to groups	765,591	(3,659,328)
(Decrease) in provisions	(25,288)	(28,124)
Corporation tax (paid)	(409,634)	(331,246)
Net cash generated from operating activities	1,098,189	3,329,654
Cash flows from investing activities		
Purchase of tangible fixed assets	(129,774)	(320,972)
Proceeds from the sale of tangible fixed assets	-	3,738
Interest received	69,769	49,579
Net cash from investing activities	(60,005)	(267,655)
Cash flows from financing activities		
Dividends (paid)	-	(5,949,312)
Interest paid	(102,974)	(2,809)
Net cash used in financing activities	(102,974)	(5,952,121)
Net increase/(decrease) in cash and cash equivalents	935,210	(2,890,122)
Cash and cash equivalents at beginning of year	1,655,270	4,545,392
Cash and cash equivalents at the end of year	2,590,480	1,655,270
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,590,480	1,655,270
	2,590,480	1,655,270

The notes on pages 13 to 24 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2022**

1. General information

The company is a private limited company, incorporated and domiciled in England & Wales. The Company's registered office and principal place of business is 110 Cannon Street, London, England, EC4N 6EU.

The principal activity of the company is management consultancy activity.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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.

2.3 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)

2.3 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:

Long-term leasehold property	- over 5 years
Plant and machinery	- between 2 and 5 years
Fixtures and fittings	- over 5 years
Software	- over 5 years

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.

2.4 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.

2.5 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.6 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

**Notes to the financial statements
For the year ended 31 December 2022**

2. Accounting policies (continued)

2.7 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.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 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.

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.

All foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2.11 Pensions

Defined contribution pension plan

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.

2.12 Interest income

Interest income is recognised in profit or loss using the effective interest method.

**Notes to the financial statements
For the year ended 31 December 2022**

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation; and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.15 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 balance sheet 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 balance sheet 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 balance sheet date.

**Notes to the financial statements
For the year ended 31 December 2022**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Trade debtor bad debt provision

The trade debtor amounts presented in the balance sheet, as detailed in note 14, are net of allowances for bad debts. These are estimated by management based on the a policy of specific debtor provisioning, with each individual debtor considered at the year end date and partial or full provisions made in the case of debts where sufficient evidence exists to doubt the full recoverability of the amount. At the balance sheet date a provision for £305,215 (2021: £Nil). Any future increase to the provision would lead to a corresponding increase in reported losses and a reduction in reported total assets.

4. Turnover

An analysis of turnover by region is as follows:

	2022 £	2021 £
UK	1,011,566	904,130
Americas	934,185	928,031
Asia	385,987	1,073,601
Europe	4,443,678	3,784,023
Middle East	3,843,217	3,540,497
Other	429,912	1,403,683
	<u>11,048,545</u>	<u>11,633,965</u>

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	(367,637)	208,787
Depreciation charges	82,189	42,049
Operating lease rentals	520,165	713,715
	<u></u>	<u></u>

6. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,300	15,100

**Notes to the financial statements
For the year ended 31 December 2022**

	2022 £	2021 £
Fees payable to the Company's auditor and its associates in respect of:		
Audit-related assurance services	2,500	2,000
Taxation compliance services	1,500	1,500
	<u>4,000</u>	<u>3,500</u>

7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	5,844,694	5,412,153
Social security costs	579,157	500,360
Cost of defined contribution scheme	355,353	236,672
	<u>6,779,204</u>	<u>6,149,185</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Company administration support	10	6
Consulting professionals & management	50	47
	<u>60</u>	<u>53</u>

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	485,241	708,333
Company contributions to defined contribution pension schemes	12,720	11,234
	<u>497,961</u>	<u>719,567</u>

NexantECA Limited

**Notes to the financial statements
For the year ended 31 December 2022**

9. Interest receivable

	2022 £	2021 £
Other interest receivable	69,769	49,579
	<u>69,769</u>	<u>49,579</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	102,974	2,809
	<u>102,974</u>	<u>2,809</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	342,632	287,925
Adjustments in respect of previous periods	117,041	-
	<u>459,673</u>	<u>287,925</u>
Deferred tax		
Origination and reversal of timing differences	(25,288)	83,384
	<u>(25,288)</u>	<u>83,384</u>
Taxation on profit on ordinary activities	<u>434,385</u>	<u>371,309</u>

**Notes to the financial statements
For the year ended 31 December 2022**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £	2021 £
Profit on ordinary activities before tax	1,847,350	1,821,935
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	350,997	346,168
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	84,374	711
Capital allowances for year in excess of depreciation	(13,926)	(58,954)
Double taxation relief	(78,813)	-
Tax adjustments relating to prior periods	117,041	-
Deferred tax	(25,288)	83,384
Total tax charge for the year	434,385	371,309

Factors that may affect future tax charges

Since 1 April 2017 there has been a single rate of corporation tax of 19% in place. From 1 April 2023, the main rate of corporation tax will rise to 25% for companies with profits over £250,000. For companies with profits of £50,000 or less, they will pay corporation tax at the small profits rate of 19%. Where a company's profits fall between £50,000 and £250,000, they will pay corporation tax at the main rate reduced by marginal relief. The upper and lower limits will be proportionally reduced for short accounting periods and where there are associated companies.

12. Dividends

	2022 £	2021 £
Ordinary dividends paid £Nil per share (2021: £2.29)	-	5,949,312
	-	5,949,312

**Notes to the financial statements
For the year ended 31 December 2022**

13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Software £	Total £
Cost					
At 1 January 2022	199,873	123,480	44,329	30,250	397,932
Additions	6,349	37,659	3,266	82,500	129,774
At 31 December 2022	206,222	161,139	47,595	112,750	527,706
Depreciation					
At 1 January 2022	15,908	78,160	6,904	167	101,139
Charge for the year	40,927	19,850	15,362	6,050	82,189
At 31 December 2022	56,835	98,010	22,266	6,217	183,328
Net book value					
At 31 December 2022	149,387	63,129	25,329	106,533	344,378
At 31 December 2021	183,965	45,320	37,425	30,083	296,793

**Notes to the financial statements
For the year ended 31 December 2022**

14. Debtors

	2022 £	2021 £
Due after more than one year		
Amounts owed by group undertakings	1,250,162	497,554
Other debtors	5,443	5,832
	<u>1,255,605</u>	<u>503,386</u>
	2022 £	2021 £
Due within one year		
Trade debtors	2,740,436	3,340,690
Amounts owed by group undertakings	4,761,250	3,810,342
Other debtors	160,436	341,296
Prepayments and accrued income	302,560	336,619
Amounts recoverable on long-term contracts	672,553	292,369
	<u>8,637,235</u>	<u>8,121,316</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	149,297	387,913
Amounts owed to group undertakings	2,917,704	2,152,113
Corporation tax	219,707	169,669
Social security and other Taxes	147,602	136,893
Other creditors	1,043,462	760,736
Deferred income	363,526	237,078
Accruals	284,656	418,296
	<u>5,125,954</u>	<u>4,262,698</u>

NexantECA Limited

Notes to the financial statements For the year ended 31 December 2022

16. Deferred taxation

	2022 £	2021 £
At beginning of year	(38,489)	44,895
Charged to profit or loss	25,288	(83,384)
At end of year	(13,201)	(38,489)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(13,201)	(38,489)
	(13,201)	(38,489)

17. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2,600,000 (2021 - 2,600,000) Ordinary shares of £1.00 each	2,600,000	2,600,000

18. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Within one year	238,886	159,257
Later than 1 year and not later than 5 years	746,437	985,322
	985,323	1,144,579

19. Ultimate Parent Undertaking

The directors regard NexantECA (BVI) Ltd, a company incorporated in the British Virgin Islands, as the immediate and ultimate undertaking and controlling party. As NexantECA (BVI) Ltd is not a publicly traded company, their financial statements can be requested from: Maples Corporate Services (BVI) Limited, Ritter House, PO Box 173, Road Town, Tortola VG1110, British Virgin Islands.

No other group entities' financial statements include the results of the Company.

NexantECA Limited

Notes to the financial statements For the year ended 31 December 2022

20. Related party transactions

The tables below summarise the balances due from and to fellow group undertakings:

	2022 £	2021 £
NexantECA (Thailand) Limited	399,866	310,641
NexantECA Information Consulting (Shanghai) Limited	2,510	160,615
Nexant Europe (BV)	-	(31,307)
NexantECA Malaysia Sdn. Bhd.	576,515	277,650
NexantECA LLC	2,250,910	1,488,881
NexantECA (BVI) Limited	(136,093)	(50,697)
	<u>3,093,708</u>	<u>2,155,783</u>

Amounts due from NexantECA LLC include loans receivable of £1,250,162 (2021: £497,554). At the year end date interest is being charged on this loan at BoE base rate +3%, this loan is due for repayment by 18 April 2025 and is included in non-current debtors.

The other amounts due to and from fellow group undertakings are considered to be current trading balances. All of these balances, including loans receivable, are included in note 14 and 15.

There are no further related party transactions.