Neptune 6 Limited

Annual report and financial statements

Registered number 10661389

Year Ended 31st December 2022

Contents

Strategic report

Business review and principal activities

Neptune 6 Ltd (the "Company") being a holding company, and its wholly owned subsidiaries which develop, manufacture and supply semiconductor devices, principally associated with power management, on behalf of its customers.

Power management semiconductors address the core challenges of power management, power performance and power conservation, by increasing system efficiency, allowing more compact end-products, improving features on electronic devices and prolonging battery life.

Neptune 6 Ltd's subsidiary Nexperia Newport Ltd's (NNL) wafer fabrication process requires a sequence of process steps that expose silicon wafers to chemicals & thermal treatments that change their electrical properties. The wafers are patterned to define cells or circuits within numerous individual devices, termed "die" or "chips" on each wafer.

Nexperia Newport Ltd's product capabilities include "MOSFETs" (power metal oxide semiconductor field effect transistors), "HVICs" (high voltage analog and mixed signal integrated circuits), "LVICs" (low voltage analog and mixed signal integrated circuits), "ICs" (digital integrated circuits) and "TIGBTs" (Trench isolated gate bipolar transistors).

The semiconductors are used in a wide variety of applications including automotive, medical, industrial motors, consumer electronics, household appliances and servers.

On 29th September 2017, Nexperia Newport Ltd, a company incorporated in England and Wales was sold to Neptune 6 Ltd. Then on 5th July 2021, Nexperia B.V., a global semiconductor company based out of Nijmegen, The Netherlands acquired the remaining 86% of the shares in the Company that it did not already own.

The ultimate shareholder of Nexperia Holding B.V. is Wingtech Technology Co. Ltd ("Wingtech"), a listed company on the Shanghai stock exchange (stock code 600745).

Nexperia is a leading expert in the high-volume production of essential semiconductors, components that are required by every electronic design in the world. The Company's extensive portfolio includes diodes, bipolar transistors, ESD protection devices, MOSFETs, GaN FETs and analog & logic ICs that meet the stringent standards set by the Automotive industry. Nexperia annually ships more than 100 billion products. These products are recognised as benchmarks in efficiency, in process, size, power and performance, with industry-leading small packages that save valuable energy and space.

Including Nexperia Newport Ltd, Nexperia B.V. own two other waferfabs in Hamburg, Germany, and Manchester, UK. They own assembly centres in Guangdong, China; Seremban, Malaysia; and Cabuyao, Philippines and research, development and sales activities in Asia, Europe and America in close proximity to its customers.

The UK Secretary of State for Business, Energy and Industrial Strategy (the "Secretary of State") issued a final order pursuant to section 26 of the National Security and Investment Act 2021 (the "Act") on 16th November 2022 (the "Order").

The Order states that Nexperia B.V.'s acquisition of an additional 86% of the share capital of the Company on 5th July 2021 constitutes a trigger event under section 8(2)(c) of the Act. As a result, Nexperia B.V. is (subject to the outcome of the judicial review mentioned below) required to divest of at least 86% of its shareholding in the Company's subsidiary, Nexperia Newport Limited ("NNL"), in accordance with the process and deadlines as set out in the Order.

Nexperia B.V. and the Company are seeking to overturn the Order and/or claim for damages resulting from the Order via judicial review. At present, there is no obligation on Nexperia B.V. to divest of its interests in NNL until after the first instance judgement of the court in relation to the judicial review

As at the date of this annual report, a first instance judgement of the court in relation to the judicial review has not been received. Therefore, it is not currently possible to reasonably estimate the potential impact of the Order. Management will continue to comply with the Order, and shall, at the relevant point in time fully assess any impact of the Order on the financial statements.

A publication of notice of Final Order is available on the gov.uk website.

Strategic report *(continued)*

Neptune 6 Ltd results for the period

The financial accounts have been prepared from the 12 months to the 31st December 2022. The prior accounting period balances of Neptune 6 Ltd for the period ended 31st December 2021, represents a 15-month period and are not entirely comparable with the balances represented for this period.

Consolidated group accounts are now prepared and filed by Nexperia Holdings B.V. instead. Copies of these accounts can be requested in writing from Nexperia B.V. Jonkerbosplein 52, 6534 AB Nijmegen, The Netherlands.

The Company's revenue was £nil for the accounting period ended 31st December 2022 (for the period ended 31st December 2021; £0.05m) with a total comprehensive profit for the period £0.2m after taxation (for the period ended 31st December 2021; loss of £(2.68)m).

As of 31st December 2022, the Company had net assets of £53.15m (as at 31st December 2021; £52.96m), as shown in the Balance Sheet on page 13. The remaining cash on hand as at 31st December 2022 was £0.07m (as at 31st December 2021; £0.07m).

Key performance indicators

Details of the relevant KPI's are shown in the results for the accounting period in the above section.

Principal Risks and Uncertainties

Global Economic Developments

Our business is highly dependent on global economic developments. A worldwide economic downturn particularly in the markets we serve may result in us not achieving our revenue. Risks can also arise due to political and social changes in countries for which we manufacture our products. The ongoing impact of the UK leaving the European Union may still cause price volatility and exchange rate fluctuations.

The ongoing impact of COVID-19 and supply issues saw an overall upward trend with high volatility in market utility prices, and significant increases in the cost of gas and electricity throughout the period.

Financial Risk Management

The Company's operations expose it to a number of financial risks, including commodity price risk, exchange rate risk, credit risk, liquidity risk and interest rate risk. Exposures to these risks are mitigated by monitoring the financial strength of its customers, the Company's cash flow and banking facilities.

Credit Risk

The Company's revenues are derived from Nexperia Newport Ltd, with strong credit rating histories. Therefore, the credit risk exposure to the Company is considered immaterial.

Liquidity Risk

The Company's liquidity risk is reduced through the in-house banking facility in place whereby Nexperia B.V., through its treasury function, provides adequate funding on a regular basis, to support the Company's cash requirements, as needed.

Financial Instruments

The Company's financial instruments comprise cash, intercompany borrowing, share capital, investment in subsidiary and other items such as trade debtors and creditors that arise directly from its operations.

Environmental, Corporate Social Responsibility and Related Matters

The Company takes its responsibility seriously for environmental health and safety in its business operations and maintains a system for compliance with applicable laws, rules and regulations. In addition, social responsibility is a core business value for the Company. The Company's internal policies are used to help drive compliance and best practices.

Strategic report *(continued)*

Principal Risks and Uncertainties *(continued)*

Health and Safety

The health and safety of the Company's employees, suppliers and customers is one of its primary concerns. It is therefore the policy of the Company to manage its affairs to avoid unnecessary and unacceptable risks to the health and safety of its employees, suppliers and customers.

Streamlined Energy and Carbon Reporting (SECR)

The Company monitors energy consumption as a priority using the structure we have implemented as part of our ISO50001 certified Energy Management System. Electricity and natural gas consumption figures are taken from bills provided by suppliers. The company has not disclosed information in respect of emissions and energy consumption as its energy consumption is below 40MWh.

S172 Statement

In line with the Companies Act requirement for periods commencing on or after 1st January 2019, the Directors set out below their key considerations and steps taken with regard to the "enlightened shareholder value" requirements of S172 in performing their duties.

The Directors, when making decisions, act in good faith and will promote and support actions that are in the best interest of the Company and its stakeholders with a focus on, but not limited to, the following:

a) The interests and wellbeing of our employees;

b) The business relationships with our customers, suppliers, and secured lenders;

c) The impact of the Company on the wider community and environment;

d) The requirement to manufacture to the highest quality standards; and

e) The interests of our secured lenders.

In adhering to the requirements of S172, the Directors pay close attention to the above stakeholders and any other party whose interests are relevant to the decision-making process.

Our employees: We understand that our employees are at the centre of everything we do and it is imperative to the future success of the business that the employees are fully engaged and motivated. As well as offering competitive remuneration packages, professional development and ongoing training, all employees are actively encouraged to provide feedback and suggestions about what improvements the Company could consider. The Company provides regular updates on trading performance and other relevant matters through various methods.

Customers, suppliers and others: The Directors are cognisant that delivering quality products on time to its customers is a key driver of future business success. To this end, the Company engages on a regular basis with its customers at all levels ensuring that their product / volume requirements are fully aligned with our operational plans. In addition, the building of long-term sustainable supplier relationships ensures that key raw materials and equipment servicing are delivered as expected so to avoid any unnecessary production disruption.

Community and environment: Operating in the semiconductor industry, the Directors are fully aware of the impact that the business has on the local community environment. To mitigate its environmental impact the Company conforms to all the most stringent environmental regulations.

Highest quality standards: The Directors fully understand that the Company's reputation as a leading wafer foundry is predicated on its ability to manufacture products that meet, or often, exceed the stipulated quality standards. As a result, the Company invests significant time, effort and money into its product quality processes, which is reflected in the site obtaining several internationally recognised accreditations.

By order of the Board:

Stefan Tilger (Sep 29, 2023 10:14 GMT+2)

Mr Stefan Tilger,
Director

Date: Sep 29, 2023

Neptune 6 Limited
Cardiff Road
Newport
Wales
NP10 8YJ

Directors' report

The Directors present their report and financial statements for the accounting period ended 31st December 2022.

Certain information concerning the review of the activities of the business, key performance indicators, future developments, employees, and risks to the business are contained within the Strategic report.

Proposed Dividend

No dividends were proposed or declared for the financial accounting period *(2021: £Nil).*

Directors

The Directors who held office during the accounting period were as follows:

Stefan Tilger
Charles Theodorus Smit

Political and Charitable Contributions

The Company made no political donations nor incurred any political expenditure during the period *(2021: £Nil).*

During the accounting period the Company made no charitable donations *(2021: £Nil).*

Employees

The Company wholeheartedly supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination. The Company is committed to adhering to all legislation contained in the Equality Act 2010 and ensuring that anyone onsite is able to work free from discrimination, bullying or harassment.

The Company does not unlawfully discriminate because of the Equality Act 2010 protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex and sexual orientation.

The principles of non-discrimination and equality of opportunity also apply to the way in which staff treat visitors, clients, customers, contractors, and suppliers.

In line with our values, the Company takes every step to ensure that individuals are treated equally and fairly, whether in part-time, full-time or temporary employment. Decisions on recruitment and selection, on training, promotion and career development are taken solely on objective and job-based criteria.

Change of Ownership

Following several weeks of negotiations, the Board unanimously approved in April 2021 the sale of the remaining shares in Neptune 6 Ltd ("N6") to the existing minority shareholder, Nexperia B.V., ("Nexperia") who were looking to secure their long-term wafer supply from Nexperia Newport Ltd. The sale to Nexperia was completed on 5th July 2021 and secured all jobs in Nexperia Newport Ltd, leading to significant investment to increase capacity. The commercial elements of the Infineon supply contract were re-negotiated to better reflect the prevailing global market conditions in the semiconductor industry.

As part of the overall transaction process, Nexperia B.V. also settled the secured lending facilities held by Neptune 6 Ltd with both HSBC Bank and Welsh Government. The amount of £19,053,000 was repaid to HSBC on 11th June 2021 with a further £17,014,000 repaid to the Welsh Ministers on 5th July 2021. As a result of settling the secured lending, Neptune 6 Ltd recognised an intragroup loan from its new parent of £38,067,000 at completion, which included a £2,000,000 working capital injection received on 11th June 2021, plus interest at 3.0% pa.

On 27th August 2021, as part of a further financial restructure, the Nexperia B.V. intragroup loan with Neptune 6 Ltd, plus several further working capital drawdowns, was converted to equity in a debt-to-equity swap transaction.

Change of Accounting Period

Following the completion of the acquisition by Nexperia B.V. of Neptune 6 Ltd, its 100% subsidiary, the Directors have changed the accounting date to 31st December, in line with its parent Nexperia B.V. The 2021 accounting period was extended by 3 months to 31st December 2021 which is reflected in this report for prior year figures.

Directors' report *(continued)*

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial accounting period have been included in the Strategic Report on page 1 and the section "post balance sheet events".

Disclosure of Information to Auditor

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be appointed and Mazars LLP will therefore be in office.

Small companies note

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

Authority of Issue of Financial Statements

The directors gave authority for the financial statements to be issued on

On Behalf of the Board:

Stefan Tilger (Sep 29, 2023 10:14 GMT+2)

Stefan Tilger,
Director

Date: Sep 29, 2023

Neptune 6 Limited
Cardiff Road
Newport
Wales
NP10 8YJ

Statement of directors' responsibilities in respect of the strategic report, the directors' report, and the financial statements.

The directors are responsible for preparing the strategic report, the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial accounting period. Under that law, they have elected to prepare the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced disclosure framework" 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 these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations; or have no realistic alternative but to do so.

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. They are 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 and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Neptune 6 Limited

Opinion

We have audited the financial statements of Neptune 6 Limited (the 'company') for the period ended 31 December 2022 which comprise the Income Statement, the Company Balance Sheet, the Company Statement of Changes in Equity and notes to the financial statements, 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 FRS 101 "Reduced Disclosure Framework" (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 loss for the period 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 "Auditor's 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 UK, including the FRC'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 auditor's 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.

Independent auditor's report to the members of Neptune 6 Limited *(continued)*

We have nothing to report in this regard.

Opinions 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 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 7, 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.

Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditor's report to the members of Neptune 6 Limited *(continued)*

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, , revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Independent auditor's report to the members of Neptune 6 Limited *(continued)*

Use of the audit 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 auditor's 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.

Jonathan Marchant (Sep 29, 2023 11:16 GMT+1)

Jonathan Marchant (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street

Bristol

BS1 6DP

Date Sep 29, 2023

Income Statement

	Note	Year ended 31 December 2022 £000	15 months ended 31 December 2021 £000
Revenue	2	-	45
Cost of sales		-	-
Gross profit		-	45
Administrative expenses	3	(27)	(874)
Other operating income	4	216	264
Operating (loss)/profit	3,4,5,6,7	189	(565)
Financial expenses	8	-	(2,118)
(Loss)/Profit before tax		189	(2,683)
Taxation	9	-	-
(Loss) / Profit for the period		189	(2,683)
Other Comprehensive (loss) / income for the period, net of income tax		-	-
Total comprehensive (loss) / income for the period		189	(2,683)

All results arose from continuing operations.

The notes from page 15 onwards form part of these financial statements.

Company Balance Sheet

	Note	31 December 2022 £000	31 December 2021 £000
Non-current assets			
Investment in subsidiary	*17*	28,393	28,393
Intercompany Loan		3,522	3,522
		31,915	31,915
Current assets			
Trade and other receivables	*10*	22,668	26,778
Cash and cash equivalents	*11*	71	65
		22,739	26,843
Total assets		54,654	58,758
Current liabilities			
Trade and other payables	*12*	(1,503)	(1,596)
Other loans and borrowings	*13*	-	(4,200)
		(1,503)	(5,796)
Total liabilities		(1,503)	(5,796)
Net assets		53,151	52,962
Equity			
Share capital	*16*	1	1
Share premium	*16*	62,340	62,340
Retained earnings		(9,190)	(9,379)
Total equity		53,151	52,962

The notes from page 15 onwards form part of these financial statements.

These financial statements were approved by the board of directors on Sep 29, 2023 and were signed on its behalf by:

S.Tilg
Stefan Tilger (Sep 29, 2023 10:14 GMT+2)

Stefan Tilger, *Director*
Company registered number: 10661389

Company Statement of Changes in Equity

	Note	Share capital £000	Share premium £000	Retained Earnings £000	Total equity £000
Balance at 27 September 2020		**1**	**11,057**	**(6,696)**	**4,362**
(Loss) for period		-	-	(2,683)	(2,683)
Total comprehensive loss for the period		-	-	(2,683)	(2,683)
Issue of shares	*16*	-	51,283	-	51,283
Total contributions and distributions		-	51,283	-	51,283
Balance at 31 December 2021		**1**	**62,340**	**(9,379)**	**52,962**
Profit for period		-	-	189	189
Total comprehensive income for the period		-	-	189	189
Balance at 31 December 2022		1	62,340	(9,190)	53,151

The notes from page 15 onwards form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting Policies

Neptune 6 Ltd (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales, in the UK. The registered number is 10661389 and the registered address is Cardiff Road, Newport, Wales, NP10 8YJ. These financial statements were prepared in accordance with Financial Reporting Standard 101 reduced disclosure framework (FRS 101). The amendments to FRS 101 (2016/2017 cycle) issued in July 2017 have been applied.

The Company previously reported under international financial reporting standards (IFRS) and has adopted FRS 101 for this financial accounting period as it is eligible to do so. The change to FRS 101 from IFRS does not require any restatement of balances as the accounting and measurement principles of IFRS are followed.

Measurement Convention

The financial statements are prepared on the historical cost basis.

Going Concern

The directors have concluded that the going concern status remains appropriate and have prepared the financial statements on a going concern basis.

The Company is profit making for 2022, with a pre-tax profit of £0.2m and was loss making in 2021, however, strong demand exists for its subsidiary's goods and services and funding facilities from its parent company, Nexperia B.V., remain fully in place.

The directors have prepared profit and loss and cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements, which indicate that taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from Nexperia B.V., to meet its liabilities when they fall due.

Nexperia B.V. has confirmed its intention to continue to make available such funds as are needed by the Company, for the foreseeable future of at least 12 months and that it does not intend to seek repayment of the amounts due at the balance sheet date.

Consequently, the directors are confident that the group and company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Foreign Currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Derivative Financial Instruments

As at 31st December 2022, no derivative financial instruments were in place.

Non-derivative Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Trade and Other Receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Notes *(continued)*

1 Accounting Policies *(continued)*

Trade and Other Payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment (excluding deferred tax assets)

Financial assets (including receivables)

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Employee Benefits

N6 had no employees as at 31st December 2022.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Revenue

Revenue, which excludes value added tax, represents the invoiced value of services supplied to customers during the financial period. With the adoption of IFRS 15 we have followed the five-step process, identifying the contract, recognising the performance obligations, recognising the transaction price and the allocation of the price to the obligations.

Notes *(continued)*

1 Accounting Policies *(continued)*

Expenses

Financial income and expenses

Financial expenses comprise interest payable.

Financial income comprises interest income.

Interest income and interest payable are recognised in profit or loss as it accrues, using the effective interest method.

Dividend income would have been recognised in the profit or loss on the date the entity's right to receive payments is established.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances at the bank.

Accounting Estimates and Judgements

In the view of the directors accounting judgements and estimates arise from expected credit losses and investment in the subsidiary, see separate notes relating to the treatment of these.

Taxation

Tax on the profit or loss for the accounting period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous accounting periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Preference Shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are taken to the profit and loss account as a financial expense.

Preference shares were fully redeemed during the accounting period with all accrued dividends due realised.

Investments in Subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Reserves

Reserves include retained earnings which represent the distributable reserves held at the end of the period. The Share Premium reserve represents the amount received in excess of the par value of shares.

Notes *(continued)*

2 Revenue

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

Major products/service lines	**Year ended 31 December 2022**	**15 months ended 31 December 2021**
	£000	**£000**
Rendering of services	-	45
	-	45

By geography	**Year ended 31 December 2022**	**15 months ended 31 December 2021**
	£000	**£000**
Europe	-	45
	-	45

Transaction price allocated to the remaining performance obligations

The Company applies the practical expedient in IFRS 15.121 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Contract costs

The Company applies the practical expedient in IFRS 15.94 and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Company otherwise would have recognised is one year or less.

3 Administration expenses

	2022	**2021**
	£000	**£000**
Legal Fees	-	799
Bank Fees	6	28
Payroll	-	24
Audit Fees	18	13
Tax Professional Fees	2	10
Insurance	2	-
	27	874

4 Other operating income

	2022	**2021**
	£000	**£000**
Intercompany income	216	264
	216	264

Notes *(continued)*

5 Expenses and auditor's remuneration

Included in the operating loss are the following:

Auditor's remuneration:

	2022 £000	2021 £000
Audit of these financial statements	18	13
Audit of financial statements of subsidiaries of the Company	44	52

6 Staff numbers and costs

There were 2 directors, employed by the Company during the previous period. However, both resigned on 5th July 2021 and were removed from the Company's payroll.

There were no employees as at 31st December 2022.

7 Directors' remuneration

Directors' remuneration was as follows:

	2022 £000	2021 £000
Directors' remuneration	-	23
	-	23

8 Financial income and expense

	2022 £000	2021 £000
Finance expense		
Interest payable	-	(1,970)
Intercompany Interest Payable	-	(148)
Total financial expense	-	**(2,118)**

Notes *(continued)*

9 Taxation

Recognised in the profit and loss account

	2022 £000	2021 £000
Current tax expense		
Current period	-	-
Prior period	-	-
Current tax (income) / expense	-	-

Reconciliation of effective tax rate

	2022 £000	2021 £000
Profit before tax	189	(2,683)
Tax using the UK corporation tax rate of 19.0% (2021: 19.0%)	36	(510)
Non-deductible items	-	209
Amounts not recognised	(36)	301
Taxation expense	-	-

The current UK tax rate remains at 19% (effective from 1st April 2017). This was substantively enacted on 26th October 2015.

10 Trade and other receivables

	2022 £000	2021 £000
Trade receivables due from group undertakings	22,668	26,778
	22,668	26,778

Notes *(continued)*

11 Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank	71	65

12 Trade and other payables

	2022 £000	2021 £000
Trade and other payables	-	96
Trade payables due to group undertakings	1,470	1,447
Accrued expenses	33	43
Other payables	-	10
	1,503	1,596

13 Other loans and borrowings

This data provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2022 £000	2021 £000
Current liabilities		
Current portion of secured bank loans	-	-
Current portion of secured government loans	-	-
Loan from group	-	4,200
	-	4,200

Notes *(continued)*

13 Other loans and borrowings *(continued)*

Changes in liabilities from financing activities

	Loans and borrowings £000
Balance at 31 December 2021	4,200
Changes from financing cash flows	
Proceeds from loans and borrowings	-
Repayment of borrowings	(4,200)
Repayment of Preference Shares	-
Total changes from financing cash flows	**(4,200)**
Balance at 31 December 2022	-

14 Financial instruments

14 (a) Fair values of financial instruments

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the period-end date if the effect is material. Subsequent to initial recognition they are measured at amortised costs using the effective interest rate.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand.

14 (b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations; and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was the carrying amount of financial assets shown in the table below:

	2022 £000	2021 £000
Trade receivables	**22,668**	**26,778**
Cash and cash equivalents	**71**	**65**
	22,739	**26,843**

Trade receivables are all not past due. All non-trade receivables relate to prepayments. All cash and cash equivalents balances are repayable on demand.

Notes *(continued)*

14 Financial instruments *(continued)*

14 (c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The following are the contractual maturities of financial liabilities:

		Contractual Cashflows		
	Carrying amount 2022 £000	Total 2022 £000	≤ 1 Year 2022 £000	>1 year 2022 £000
Non-derivative financial liabilities (Note 12)				
Trade payables	(1,470)	(1,470)	(1,470)	-
Accrued expenses	(33)	(33)	(33)	-
Other payables	-	-	-	
Total	(1,503)	(1,503)	(1,503)	-

14 (d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Interest rate risk

The main element of interest rate risk to the Company related to variable and fixed term loans in place during the reporting period. The Company is aware of the risks associated with changes in interest rates and does not speculate on future changes in interest rates or currencies. The Company's policy is to regularly review its exposure to interest rate risk.

Notes *(continued)*

15 Related parties

Parent and ultimate controlling party

The ultimate shareholder of Nexperia Holding B.V. is Wingtech Technology Co., Ltd. ("Wingtech") a company listed on the Shanghai stock exchange (stock code 600745).

The following entities meet the definition of related parties:

Nexperia Newport Ltd – Subsidiary of Neptune 6 – rendering of group services.

Nexperia B.V. – Parent of Neptune 6 – rendering of group services.

Other related party transactions

	(Purchase)/ sales 2022 £000	(Purchase)/ sales 2021 £000	Outstanding balance 2022 £000	Outstanding balance 2021 £000
Nexperia Newport Ltd	195	(152)	(21,196)	(379)

Transactions with key management personnel

Key management personnel remuneration was as follows:

	2022 £000	2021 £000
Key management personnel remuneration	-	24
	-	24

Notes *(continued)*

16 Capital and reserves

Share capital

	Share Premium	
In thousands of shares	2022 £000	2021 £000
On issue at 31st December 2021	62,340	11,057
Shares Issued	-	51,283
On issue at 31st December 2022	62,340	62,340

	2022 £000	2021 £000
Allotted, called up and fully paid		
1,217,620 Ordinary shares of £0.001 each (2021: 1,216,620 ordinary shares of £0.001 each)	1	1
36,744 Ordinary Class A shares of £0:001 each (2021: 36,744 ordinary shares of £0.001 each).	-	-
22,586 Ordinary Class E shares of £0.001 each (2021: 22,586 ordinary shares of £0.001 each).	-	-
Nil preference shares (2021: *nil*).	-	-
	1	1
Shares classified in shareholders' funds	1	1
Shares classified as liabilities	-	-
	1	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The holders of ordinary shares class A and class E shares are entitled to receive dividends as declared from time to time but are not entitled to vote at meetings of the Company.

Ordinary Shares

	2022 £000	2021 £000
At beginning of the period	1	1
Shares issued (1,000 at £0.001 each)	-	-
At 31st December 2022	1	1

Share premium

	2022 £000	2021 £000
At beginning of the period	62,340	11,057
Shares issued	-	51,283
At 31st December 2022	62,340	62,340

Notes *(continued)*

16 Capital and reserves *(continued)*

Dividends

The following dividends were recognised during the period:

	2022	2021
	£000	£000
	-	-

17 Investments in subsidiaries

The Company has the following investments in subsidiaries,

Name	Principal activities	Registered address	Class of Shares	Ownership 2022	Ownership 2021	Carrying amount 2022 £000	Carrying amount 2021 £000
Nexperia Newport Ltd	Manufacture of semi-conductor devices	Cardiff Road, Newport, Gwent, NP10 8YJ	Ordinary	100%	100%	£28,393	£28,393
NWF Employee Shares Ltd	Dissolved	Nexperia Newport, Cardiff Road, Newport, Gwent, NP10 8YJ	Ordinary	100%	100%	-	-

Group composition

The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Company takes into consideration potential voting rights.

Nexperia Newport Ltd is considered a subsidiary of Neptune 6 Ltd because 100% of the voting rights constitute control.

NWF Employee Shares Ltd is considered a subsidiary of Neptune 6 Ltd because 100% of the voting rights constitute control. This was subsequently dissolved on 25th October 2022.