

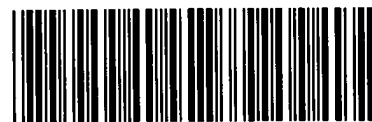
Exponent International Limited
Financial Statements
3 January 2020

TLP CONSULTING LIMITED

Chartered accountants & statutory auditor

3 Greengate
Cardale Park
Harrogate
HG3 1GY

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Exponent International Limited

Strategic Report

Period from 29 December 2018 to 3 January 2020

Overview

Exponent International is a scientific consulting firm that provides solutions to complex problems. Our multidisciplinary team of engineers, scientists and regulatory consultants bring together multiple technical disciplines to solve complicated issues facing our clients.

Our technical and regulatory specialists are experienced in dealing with foods, and with pesticide and non-pesticide products including conventional chemicals biochemicals, antimicrobials/biocides, cosmetics and industrial chemicals. We provide practical, scientific and regulatory support to meet global business objectives at every stage of the product cycle, from research and development to retail and beyond.

Our environmental scientists provide cost-effective, scientifically defensible and realistic assessments and solutions to complex environmental issues.

Our engineers solve complicated issues facing industry and government.

Review of the Company's Business

Turnover for financial period to December 2019 increased 14% as compared to the prior year. The increase in turnover was due to an increase in billable hours and an increase in realised billing rates. Billable hours increased 6% as compared to the prior year due to strong demand for our regulatory and engineering consulting services. Technical full-time equivalent employees increased 13% due to our recruiting and retention efforts. We continue to selectively hire key talent to expand our capabilities.

Risk Factors

Exponent International Limited operates in a rapidly changing environment that includes a number of uncertainties, some of which are beyond our control. These uncertainties include, but are not limited to, those set forth below.

The unpredictable and reactive nature of our business can create uneven performance in any given period.

Failure to attract and retain key employees may adversely affect our business.

Competition could reduce our pricing and adversely affect our business.

The loss of a large client could adversely affect our business.

Our clients may be unable to pay for our services.

Our business is dependent on our professional reputation.

Our business can be adversely impacted by deregulation or regulatory enforcement.

Our engagements may result in professional or other liability.

Potential conflicts of interest may preclude us from accepting some engagements.

We are subject to unpredictable risks of litigation.

We may experience security breaches that could lead to the inability to protect confidential information.

Our international operations create special risks that could adversely affect our business.

Exponent International Limited

Strategic Report *(continued)*

Period from 29 December 2018 to 3 January 2020

Our business can be adversely affected by downturns in the overall economy.

Risk Factors *(continued)*

Our business can be adversely affected by burdensome regulatory requirements, tariffs and other trade barriers, including the United Kingdoms decision to leave the European Union.

Our annual results may vary.

We have foreign currency risk related to foreign currency transactions and monetary assets and liabilities denominated in currencies that are not Pound Sterling

Brexit

The directors are aware of the risks and uncertainties surrounding the UK's withdrawal from the European Union. Whilst the company has limited exposure to the direct uncertainty created in respect of the risks mentioned, the directors are aware that any future plans may be subject to unforeseen circumstances outside the director's control. The company has therefore implemented policies that maintained a strong balance sheet to minimise these risks and allow the continuing operational capabilities of the business.

COVID-19

The directors are aware of the risks and uncertainties surrounding the global pandemic COVID-19 outbreak during March 2020. Whilst the company has limited exposure to the direct uncertainty created due to its position within its business sector, the directors are aware that any future plans may be subject to unforeseen circumstances outside of the director's control and have therefore taken the precaution to manage the business so that the company can operate as effectively as possible. Further details of how the company has minimised these risks can be seen in the notes to the financial statements.

This report was approved by the board of directors on 18 November 2020 and signed on behalf of the board by:



Richard Lee Schlenker
Company Secretary

Registered office:
The Lenz
Hornbeam Business Park
Harrogate
North Yorkshire
HG2 8RE

Exponent International Limited

Director's Report

Period from 29 December 2018 to 3 January 2020

The director presents her report and the financial statements of the company for the period ended 3 January 2020.

Director

The director who served the company during the period was as follows:

Dr C Corrigan

Dividends

Particulars of recommended dividends are detailed in note 10 to the financial statements.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 22 to the financial statements.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies 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 director is 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. She is 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

Exponent International Limited

Director's Report *(continued)*

Period from 29 December 2018 to 3 January 2020

This report was approved by the board of directors on 18 November 2020 and signed on behalf of the board by:



Richard Lee Schlenker
Company Secretary

Registered office:
The Lenz
Hornbeam Business Park
Harrogate
North Yorkshire
HG2 8RE

Exponent International Limited

Independent Auditor's Report to the Member of Exponent International Limited

Period from 29 December 2018 to 3 January 2020

Opinion

We have audited the financial statements of Exponent International Limited (the 'company') for the period ended 3 January 2020 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows 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 FRS 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 3 January 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

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

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

Exponent International Limited

Independent Auditor's Report to the Member of Exponent International Limited (continued)

Period from 29 December 2018 to 3 January 2020

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 director is responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report 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 director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Exponent International Limited

Independent Auditor's Report to the Member of Exponent International Limited *(continued)*

Period from 29 December 2018 to 3 January 2020

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 these financial statements.

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.

Use of our report

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

ANDREW WILD BA FCA (Senior Statutory Auditor)

For and on behalf of
TLP Consulting Limited
Chartered accountants & statutory auditor
3 Greengate
Cardale Park
Harrogate
HG3 1GY

18 November 2020

Exponent International Limited

Statement of Income and Retained Earnings

Period from 29 December 2018 to 3 January 2020

	Note	Period from 29 Dec 18 to 3 Jan 20 £	Period from 30 Dec 17 to 28 Dec 18 £
Turnover	4	18,988,109	16,596,714
Cost of sales		<u>12,011,469</u>	<u>10,409,404</u>
Gross profit		6,976,640	6,187,310
Administrative expenses		<u>2,801,212</u>	<u>2,124,987</u>
Operating profit	5	4,175,428	4,062,323
Other interest receivable and similar income	8	<u>7,291</u>	<u>12,561</u>
Profit before taxation		4,182,719	4,074,884
Tax on profit	9	<u>750,595</u>	<u>631,358</u>
Profit for the financial period and total comprehensive income		<u>3,432,124</u>	<u>3,443,526</u>
Dividends paid and payable	10	–	(7,808,864)
Retained earnings at the start of the period		<u>2,937,998</u>	<u>7,303,336</u>
Retained earnings at the end of the period		<u>6,370,122</u>	<u>2,937,998</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

Exponent International Limited

Statement of Financial Position

3 January 2020

	Note	3 Jan 20 £	28 Dec 18 £
Fixed assets			
Tangible assets	11	254,944	206,522
Investments	12	<u>3,102,445</u>	<u>3,102,445</u>
		3,357,389	3,308,967
Current assets			
Stocks	13	193,344	422,575
Debtors	14	5,069,059	3,368,988
Cash at bank and in hand		<u>7,568,329</u>	<u>3,765,222</u>
		12,830,732	7,556,785
Creditors: amounts falling due within one year	15	<u>6,693,318</u>	<u>4,825,304</u>
Net current assets		6,137,414	2,731,481
Total assets less current liabilities		9,494,803	6,040,448
Provisions			
Taxation including deferred tax	16	<u>22,231</u>	<u>—</u>
Net assets		<u>9,472,572</u>	<u>6,040,448</u>
Capital and reserves			
Called up share capital	19	103	103
Share premium account	20	3,102,347	3,102,347
Profit and loss account	20	<u>6,370,122</u>	<u>2,937,998</u>
Shareholder funds		<u>9,472,572</u>	<u>6,040,448</u>

These financial statements were approved by the board of directors and authorised for issue on 18 November 2020, and are signed on behalf of the board by:



Dr C Corrigan
Director

Company registration number: 4234757

The notes on pages 11 to 21 form part of these financial statements.

Exponent International Limited

Statement of Cash Flows

Period from 29 December 2018 to 3 January 2020

	3 Jan 20 £	28 Dec 18 £
Cash flows from operating activities		
Profit for the financial period	3,432,124	3,443,526
<i>Adjustments for:</i>		
Depreciation of tangible assets	126,557	93,881
Other interest receivable and similar income	(7,291)	(12,561)
Loss on disposal of tangible assets	643	–
Tax on profit	750,595	631,358
Accrued expenses	183,709	357,115
<i>Changes in:</i>		
Stocks	229,231	668,705
Trade and other debtors	(1,700,071)	(1,306,853)
Trade and other creditors	(129,339)	399,664
Cash generated from operations	2,886,158	4,274,835
Interest received	7,291	12,561
Tax paid	(586,455)	(625,752)
Net cash from operating activities	<u>2,306,994</u>	<u>3,661,644</u>
Cash flows from investing activities		
Purchase of tangible assets	(175,622)	(70,934)
Net cash used in investing activities	<u>(175,622)</u>	<u>(70,934)</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	1,671,735	289,219
Dividends paid	–	(7,808,864)
Net cash from/(used in) financing activities	<u>1,671,735</u>	<u>(7,519,645)</u>
Net increase/(decrease) in cash and cash equivalents	3,803,107	(3,928,935)
Cash and cash equivalents at beginning of period	3,765,222	7,694,157
Cash and cash equivalents at end of period	<u>7,568,329</u>	<u>3,765,222</u>

The notes on pages 11 to 21 form part of these financial statements.

Exponent International Limited

Notes to the Financial Statements

Period from 29 December 2018 to 3 January 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Lenz, Hornbeam Business Park, Harrogate, North Yorkshire, HG2 8RE. The company registration number is 04234757.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on a historical cost basis. The financial statements are prepared in pounds sterling, which is the functional currency of the entity.

The company prepares accounts on a full 52 (or 53) week period. These accounts have been prepared to the 53 weeks ended 3 January 2020.

Going concern

The directors have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The company operated in a business sector which has been impacted by the global pandemic COVID-19 and the longer term effects of this are, at the time of approving the financial statements, somewhat unknown.

The view of the directors is that, while they acknowledge the significant disruption that the pandemic will bring over the coming weeks and months, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the UK economy.

In reaching their conclusion, the directors have considered the cash flows of the business covering a period of 12 months from the date of sign off of the financial statements. A key assumption used by the directors in preparing the forecasts is that the business will continue to remain open with operational revenues for the ensuing 12 months. The directors have considered the effect of a second 'lockdown' on the UK economy as a whole and the impact thereon within their forecasts analysis.

The company will continue to make use of the various financial support measures announced by the UK Government where applicable and has considered the availability of further funding both internally and externally. The directors have considered the indicative support of all group companies when considering its going concern status and the underlying liquidity position of the group and related undertakings as a whole, which they believe to be strong.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

3. Accounting policies *(continued)*

Consolidation

Group financial statements are not prepared under the exemption permitted by section 401 of the Companies Act 2006, as the company is a wholly owned subsidiary of Exponent Inc which prepares consolidated financial statements to 31 December and is registered in the United States of America. Accordingly, the financial statements present information about the company as an individual undertaking and not about its group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Leasehold Property	-	16% straight line
Improvements		
Fixtures and fittings	-	20% straight line
Equipment	-	33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	Period from 29 Dec 18 to 3 Jan 20 £	Period from 30 Dec 17 to 28 Dec 18 £
Rendering of services	<u>18,988,109</u>	<u>16,596,714</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Period from 29 Dec 18 to 3 Jan 20 £	Period from 30 Dec 17 to 28 Dec 18 £
United Kingdom	5,402,953	4,163,771
Overseas	<u>13,585,156</u>	<u>12,432,943</u>
	<u>18,988,109</u>	<u>16,596,714</u>

Exponent International Limited

Notes to the Financial Statements (continued)

Period from 29 December 2018 to 3 January 2020

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 29 Dec 18 to 3 Jan 20	Period from 30 Dec 17 to 28 Dec 18
	£	£
Depreciation of tangible assets	126,557	93,881
Loss on disposal of tangible assets	643	—
Impairment of trade debtors	—	20
Operating lease rentals	411,714	344,281
Foreign exchange differences	<u>235,272</u>	<u>(93,302)</u>

6. Auditor's remuneration

	Period from 29 Dec 18 to 3 Jan 20	Period from 30 Dec 17 to 28 Dec 18
	£	£
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>9,500</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>9,461</u>	<u>25,267</u>

7. Staff costs

The average number of persons employed by the company during the period, including the director, amounted to:

	3 Jan 20 No.	28 Dec 18 No.
Administrative staff	<u>88</u>	<u>80</u>

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 29 Dec 18 to 3 Jan 20	Period from 30 Dec 17 to 28 Dec 18
	£	£
Wages and salaries	6,732,625	5,911,467
Social security costs	759,445	688,718
Other pension costs	593,969	484,492
	<u>8,086,039</u>	<u>7,084,677</u>

8. Other interest receivable and similar income

	Period from 29 Dec 18 to 3 Jan 20	Period from 30 Dec 17 to 28 Dec 18
	£	£
Interest on cash and cash equivalents	<u>7,291</u>	<u>12,561</u>

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

9. Tax on profit

Major components of tax expense

	Period from 29 Dec 18 to 3 Jan 20 £	Period from 30 Dec 17 to 28 Dec 18 £
Current tax:		
UK current tax expense	728,364	730,502
Adjustments in respect of prior periods	—	(99,144)
Total current tax	<u>728,364</u>	<u>631,358</u>
Deferred tax:		
Origination and reversal of timing differences	<u>22,231</u>	<u>—</u>
Tax on profit	<u>750,595</u>	<u>631,358</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	Period from 29 Dec 18 to 3 Jan 20 £	Period from 30 Dec 17 to 28 Dec 18 £
Profit on ordinary activities before taxation	<u>4,182,719</u>	<u>4,074,884</u>
Profit on ordinary activities by rate of tax	794,717	774,038
Adjustment to tax charge in respect of prior periods	—	(99,144)
Effect of expenses not deductible for tax purposes	(50,678)	(45,869)
Effect of capital allowances and depreciation	10,021	2,333
Effect of different UK tax rates on some earnings	(3,465)	—
Tax on profit	<u>750,595</u>	<u>631,358</u>

10. Dividends

	3 Jan 20 £	28 Dec 18 £
Dividends paid during the period	<u>—</u>	<u>7,808,864</u>

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

11. Tangible assets

	Leasehold Property Improvement £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 29 December 2018	246,406	516,410	239,870	1,002,686
Additions	93,000	4,638	77,984	175,622
Disposals	–	(7,566)	(52,445)	(60,011)
At 3 January 2020	339,406	513,482	265,409	1,118,297
Depreciation				
At 29 December 2018	123,204	504,092	168,868	796,164
Charge for the period	51,401	5,734	69,422	126,557
Disposals	–	(7,086)	(52,282)	(59,368)
At 3 January 2020	174,605	502,740	186,008	863,353
Carrying amount				
At 3 January 2020	164,801	10,742	79,401	254,944
At 28 December 2018	123,202	12,318	71,002	206,522

12. Investments

	Shares in group undertakings £
Cost	
At 29 December 2018 and 3 January 2020	3,102,445
Impairment	
At 29 December 2018 and 3 January 2020	–
Carrying amount	
At 3 January 2020	3,102,445
At 28 December 2018	3,102,445

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Exponent Limited	Ordinary	100
Exponent GMBH	Ordinary	100
Exponent Science and Technology Consulting (Shanghai) Co Limited	Ordinary	100
Exponent International Engineering and Scientific Consulting Limited	Ordinary	100

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

12. Investments *(continued)*

Exponent Limited had aggregate capital and reserves at the balance sheet date of HK\$33,788,414 and profit of HK\$11,786,872 for the year ended December 2019.

Exponent GmbH had aggregate capital and reserves of at the balance sheet date of €4,175,689 and a profit of €92,871 for the year ended December 2019.

Exponent Science and Technology Consulting (Shanghai) Co Limited had aggregate capital and reserves at the balance sheet date of CNY28,456,345 and profit of CYN1,588,973 for the year ended December 2019.

Exponent International Engineering and Scientific Consulting Limited had aggregate capital and reserves of at the balance sheet date of €0 and a profit of €0 for the year ended December 2019.

13. Stocks

	3 Jan 20	28 Dec 18
	£	£
Work in progress	<u>193,344</u>	<u>422,575</u>

14. Debtors

	3 Jan 20	28 Dec 18
	£	£
Trade debtors	4,865,939	3,210,172
Prepayments and accrued income	<u>203,120</u>	<u>158,816</u>
	<u>5,069,059</u>	<u>3,368,988</u>

15. Creditors: amounts falling due within one year

	3 Jan 20	28 Dec 18
	£	£
Trade creditors	66,727	53,336
Amounts owed to group undertakings	1,961,049	289,314
Accruals and deferred income	3,734,673	3,550,964
Corporation tax	349,920	208,011
Social security and other taxes	531,209	443,592
Other creditors	<u>49,740</u>	<u>280,087</u>
	<u>6,693,318</u>	<u>4,825,304</u>

16. Provisions

	Deferred tax (note 17) £
At 29 December 2018	—
Additions	<u>22,231</u>
At 3 January 2020	<u>22,231</u>

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	3 Jan 20	28 Dec 18
	£	£
Included in provisions (note 16)	<u>22,231</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	3 Jan 20	28 Dec 18
	£	£
Accelerated capital allowances	<u>22,231</u>	<u>—</u>

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £593,969 (2018: £484,492).

19. Called up share capital

Issued, called up and fully paid

	3 Jan 20		28 Dec 18	
	No.	£	No.	£
Ordinary shares of £1 each	<u>103</u>	<u>103</u>	<u>103</u>	<u>103</u>

20. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs. Profit and loss account - This reserve records retained earnings and accumulated losses.

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	3 Jan 20	28 Dec 18
	£	£
Not later than 1 year	<u>364,162</u>	<u>277,201</u>
Later than 1 year and not later than 5 years	<u>273,534</u>	<u>521,537</u>
	<u>637,696</u>	<u>798,738</u>

Exponent International Limited

Notes to the Financial Statements *(continued)*

Period from 29 December 2018 to 3 January 2020

22. Events after the end of the reporting period

Since March 2020 the global pandemic COVID-19 outbreak has had a significant impact on the worldwide economy. The directors are aware of the effects that this may subsequently have on the company and have reviewed and adopted the relevant operational strategies in order to safeguard the business for the ensuing 12 months.

In preparing the financial statements the directors have considered the impact of the COVID-19 pandemic on certain disclosures and on the measurement of certain account balances. Since the first known cases of COVID-19 and the subsequent lockdown in the UK economy did not arise until after the year end, the director, in line with relevant guidance, consider the COVID-19 to be a non-adjusting post balance sheet event.

In preparing the financial statements the directors have also considered the likelihood of any post year end impairment to asset values that may have arisen as a result of the COVID-19 pandemic. The directors have concluded that no such impairment has arisen, and, accordingly, there has been no material diminution in asset values following the year end.

23. Related party transactions

The company is a wholly owned subsidiary of Exponent Inc, the consolidated accounts of which are publicly available. Accordingly, disclosure need not be given as transactions within the year to related parties were all members of and wholly owned by the Exponent Inc group.

24. Controlling party

The largest group of which the company is a member and for which group financial statements are prepared is Exponent Inc, a company registered in the United States of America. Exponent Inc is the company's parent company and ultimate controlling party. Copies of Exponent Inc's financial statements can be obtained from 149 Commonwealth Drive, Menlo Park, California, 94025, USA.