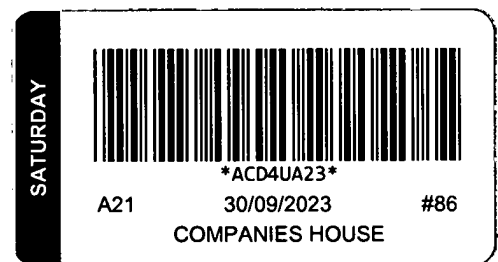


COMPANY REGISTRATION NUMBER: 4234757

**Exponent International Limited**  
**Financial Statements**  
**30 December 2022**



**TLP CONSULTING LIMITED**  
Chartered accountants & statutory auditor  
3 Greengate  
Cardale Park  
Harrogate  
HG3 1GY

# **Exponent International Limited**

## **Strategic Report**

**Period from 1 January 2022 to 30 December 2022**

### **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 December 2022 decreased by 2% as compared to the prior year due primarily to a decrease in direct costs. Gross profit increased slightly for financial period 2022 as compared to the prior year. The slight increase in gross profit was due to a 1% increase in billable hours due to steady demand for our regulatory and engineering consulting services. This was partially offset by a decrease in utilization from 62% during 2022 as compared to 63% during the prior year. Technical full-time equivalent employees increased 3% 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.

# Exponent International Limited

## Strategic Report *(continued)*

### Period from 1 January 2022 to 30 December 2022

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

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

This report was approved by the board of directors on 21 September 2023 and signed on behalf of the board by:

*Richard Lee Schlenker*

Richard Lee Schlenker (Sep 22, 2023 15:56 PDT)

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 1 January 2022 to 30 December 2022**

The director presents her report and the financial statements of the company for the period ended 30 December 2022.

#### **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 12 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 1 January 2022 to 30 December 2022

This report was approved by the board of directors on 21 September 2023 and signed on behalf of the board by:

Richard Lee Schlenker

Richard Lee Schlenker (Sep 22, 2023 15:56 PDT)

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 1 January 2022 to 30 December 2022**

### **Opinion**

We have audited the financial statements of Exponent International Limited (the 'company') for the period ended 30 December 2022 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 30 December 2022 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**

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

# **Exponent International Limited**

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

**Period from 1 January 2022 to 30 December 2022**

### **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 1 January 2022 to 30 December 2022**

### **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.

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

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

# **Exponent International Limited**

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

### **Period from 1 January 2022 to 30 December 2022**

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](http://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

21 September 2023

# Exponent International Limited

## Statement of Income and Retained Earnings

Period from 1 January 2022 to 30 December 2022

	Note	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
<b>Turnover</b>	<b>4</b>	<b>21,879,458</b>	22,308,752
Cost of sales		<u>12,960,395</u>	<u>13,417,029</u>
<b>Gross profit</b>		<b>8,919,063</b>	8,891,723
Administrative expenses		<u>3,081,784</u>	<u>2,907,522</u>
<b>Operating profit</b>	<b>5</b>	<b>5,837,279</b>	5,984,201
Income from shares in group undertakings	<b>8</b>	<b>10,535,381</b>	–
Other interest receivable and similar income	<b>9</b>	<b>42,106</b>	–
Interest payable and similar expenses	<b>10</b>	<u>6,489</u>	<u>10,058</u>
<b>Profit before taxation</b>		<b>16,408,277</b>	5,974,143
Tax on profit	<b>11</b>	<u>1,031,069</u>	<u>1,058,449</u>
<b>Profit for the financial period and total comprehensive income</b>		<b>15,377,208</b>	<u>4,915,694</u>
Dividends paid and payable	<b>12</b>	<b>(10,535,382)</b>	(9,806,321)
<b>Retained (losses)/earnings at the start of the period</b>		<b>(461,850)</b>	4,428,777
<b>Retained earnings/(losses) at the end of the period</b>		<u><b>4,379,976</b></u>	<u>(461,850)</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

# Exponent International Limited

## Statement of Financial Position

30 December 2022

	Note	30 Dec 22 £	31 Dec 21 £
<b>Fixed assets</b>			
Tangible assets	13	214,781	228,734
Investments	14	<u>1,109,930</u>	<u>1,109,930</u>
		<b>1,324,711</b>	<b>1,338,664</b>
<b>Current assets</b>			
Stocks	15	387,130	362,967
Debtors	16	4,756,694	5,514,687
Cash at bank and in hand		<u>7,512,388</u>	<u>7,342,763</u>
		<b>12,656,212</b>	<b>13,220,417</b>
<b>Creditors: amounts falling due within one year</b>	17	<u>6,486,327</u>	<u>11,910,035</u>
<b>Net current assets</b>		<b>6,169,885</b>	<b>1,310,382</b>
<b>Total assets less current liabilities</b>		<b>7,494,596</b>	<b>2,649,046</b>
<b>Provisions</b>			
Taxation including deferred tax	18	<u>12,170</u>	<u>8,446</u>
<b>Net assets</b>		<u><b>7,482,426</b></u>	<u><b>2,640,600</b></u>
<b>Capital and reserves</b>			
Called up share capital	21	103	103
Share premium account	22	3,102,347	3,102,347
Profit and loss account	22	<u>4,379,976</u>	<u>(461,850)</u>
<b>Shareholder funds</b>		<u><b>7,482,426</b></u>	<u><b>2,640,600</b></u>

These financial statements were approved by the board of directors and authorised for issue on 21 September 2023, and are signed on behalf of the board by:

*Catherine F. Corrigan*

Catherine F. Corrigan (Sep 26, 2023 08:05 PDT)

Dr C Corrigan  
Director

Company registration number: 4234757

The notes on pages 12 to 22 form part of these financial statements.

# Exponent International Limited

## Statement of Cash Flows

Period from 1 January 2022 to 30 December 2022

	30 Dec 22 £	31 Dec 21 £
<b>Cash flows from operating activities</b>		
Profit for the financial period	15,377,208	4,915,694
<i>Adjustments for:</i>		
Depreciation of tangible assets	113,585	183,067
Income from shares in group undertakings	(10,535,381)	–
Other interest receivable and similar income	(42,106)	–
Interest payable and similar expenses	6,489	10,058
Gains on disposal of tangible assets	(171)	–
Tax on profit	1,031,069	1,058,449
Accrued (income)/expenses	(33,044)	456,347
<i>Changes in:</i>		
Stocks	(24,163)	(212,179)
Trade and other debtors	757,993	(584,053)
Trade and other creditors	(55,564)	122,416
Cash generated from operations	6,595,915	5,949,799
Interest paid	(6,489)	(10,058)
Interest received	42,106	–
Tax paid	(996,163)	(951,343)
Net cash from operating activities	5,635,369	4,988,398
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(99,802)	(214,877)
Proceeds from sale of tangible assets	341	1
Dividends received	10,535,381	–
Net cash from/(used in) investing activities	10,435,920	(214,876)
<b>Cash flows from financing activities</b>		
Proceeds from loans from group undertakings	(5,366,282)	1,107,085
Dividends paid	(10,535,382)	(9,806,321)
Net cash used in financing activities	(15,901,664)	(8,699,236)
Net increase/(decrease) in cash and cash equivalents	169,625	(3,925,714)
Cash and cash equivalents at beginning of period	7,342,763	11,268,477
Cash and cash equivalents at end of period	7,512,388	7,342,763

The notes on pages 12 to 22 form part of these financial statements.

# **Exponent International Limited**

## **Notes to the Financial Statements**

**Period from 1 January 2022 to 30 December 2022**

### **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.

#### **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 represents amounts chargeable to clients for professional services provided during the year, excluding disbursements and VAT. Income is recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of the work performed. Income also includes appropriate amounts in respect of work in progress to the extent that the outcome of the contracts can be assessed with reasonable certainty. Income is not recognised where the right to receive payment is contingent on events outside the control of the company.

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 it is probable the expenses recognised will be recovered.

# **Exponent International Limited**

## **Notes to the Financial Statements** *(continued)*

**Period from 1 January 2022 to 30 December 2022**

### **3. Accounting policies** *(continued)*

#### **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.

#### **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.

# Exponent International Limited

## Notes to the Financial Statements *(continued)*

Period from 1 January 2022 to 30 December 2022

### 3. Accounting policies *(continued)*

#### 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 Improvements	- 20% straight line
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.

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.

# Exponent International Limited

## Notes to the Financial Statements *(continued)*

Period from 1 January 2022 to 30 December 2022

### 3. Accounting policies *(continued)*

#### Provisions *(continued)*

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.

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.

# Exponent International Limited

## Notes to the Financial Statements *(continued)*

### Period from 1 January 2022 to 30 December 2022

#### 3. Accounting policies *(continued)*

##### Defined contribution plans *(continued)*

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 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
Rendering of services	<u>21,879,458</u>	<u>22,308,752</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 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
United Kingdom	7,755,008	8,200,397
Overseas	<u>14,124,450</u>	<u>14,108,355</u>
	<u>21,879,458</u>	<u>22,308,752</u>

#### 5. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
Depreciation of tangible assets	113,585	183,067
Gains on disposal of tangible assets	(171)	—
Impairment of trade debtors	12,553	3,866
Operating lease rentals	397,475	361,769
Foreign exchange differences	<u>64,975</u>	<u>390,802</u>

#### 6. Auditor's remuneration

	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>12,500</u>

# Exponent International Limited

## Notes to the Financial Statements *(continued)*

### Period from 1 January 2022 to 30 December 2022

#### 7. Staff costs

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

	30 Dec 22 No.	31 Dec 21 No.
Administrative staff	<u>108</u>	<u>106</u>

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

	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
Wages and salaries	9,224,716	8,402,901
Social security costs	1,058,228	902,601
Other pension costs	<u>827,889</u>	<u>766,033</u>
	<u>11,110,833</u>	<u>10,071,535</u>

#### 8. Income from shares in group undertakings

	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
Dividends from group undertakings	<u>10,535,381</u>	<u>—</u>

#### 9. Other interest receivable and similar income

	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
Interest on cash and cash equivalents	<u>42,106</u>	<u>—</u>

#### 10. Interest payable and similar expenses

	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
Interest on banks loans and overdrafts	<u>6,489</u>	<u>10,058</u>

# Exponent International Limited

## Notes to the Financial Statements *(continued)*

Period from 1 January 2022 to 30 December 2022

### 11. Tax on profit

#### Major components of tax expense

	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
<b>Current tax:</b>		
UK current tax expense	1,013,147	1,058,803
Adjustments in respect of prior periods	14,198	6,271
Total current tax	<u>1,027,345</u>	<u>1,065,074</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	3,724	(6,625)
<b>Tax on profit</b>	<u>1,031,069</u>	<u>1,058,449</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	Period from 1 Jan 22 to 30 Dec 22 £	Period from 2 Jan 21 to 31 Dec 21 £
Profit on ordinary activities before taxation	16,408,277	5,974,143
Profit on ordinary activities by rate of tax	3,117,573	1,122,011
Adjustment to tax charge in respect of prior periods	14,198	6,271
Effect of expenses not deductible for tax purposes	4,704	4,882
Effect of capital allowances and depreciation	(4,694)	–
Effect of revenue exempt from tax	(2,001,722)	(6,286)
Effect of different UK tax rates on some earnings	2,921	–
Effect of share scheme deductions	(101,911)	(68,429)
<b>Tax on profit</b>	<u>1,031,069</u>	<u>1,058,449</u>

### 12. Dividends

	30 Dec 22 £	31 Dec 21 £
Dividends paid during the period (excluding those for which a liability existed at the end of the prior period )	<u>10,535,382</u>	<u>9,806,321</u>

# Exponent International Limited

## Notes to the Financial Statements *(continued)*

Period from 1 January 2022 to 30 December 2022

### 13. Tangible assets

	Leasehold Property Improvement £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 January 2022	428,527	535,278	442,370	<b>1,406,175</b>
Additions	16,750	8,321	74,731	<b>99,802</b>
Disposals	—	(99)	(25,251)	<b>(25,350)</b>
<b>At 30 December 2022</b>	<b>445,277</b>	<b>543,500</b>	<b>491,850</b>	<b>1,480,627</b>
<b>Depreciation</b>				
At 1 January 2022	345,348	505,414	326,679	<b>1,177,441</b>
Charge for the period	18,166	10,904	84,515	<b>113,585</b>
Disposals	—	(21)	(25,159)	<b>(25,180)</b>
<b>At 30 December 2022</b>	<b>363,514</b>	<b>516,297</b>	<b>386,035</b>	<b>1,265,846</b>
<b>Carrying amount</b>				
<b>At 30 December 2022</b>	<b>81,763</b>	<b>27,203</b>	<b>105,815</b>	<b>214,781</b>
At 31 December 2021	83,179	29,864	115,691	228,734

### 14. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2022 and 30 December 2022	<b>1,109,930</b>
<b>Impairment</b>	
At 1 January 2022 and 30 December 2022	<b>—</b>
<b>Carrying amount</b>	
<b>At 30 December 2022</b>	<b>1,109,930</b>
At 31 December 2021	1,109,930

#### Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Exponent Limited	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 1 January 2022 to 30 December 2022

#### 14. Investments *(continued)*

Exponent Limited had aggregate capital and reserves at the balance sheet date of HK\$14,886,158 and profit of HK\$14,886,157 for the year ended 30 December 2022.

Exponent Science and Technology Consulting (Shanghai) Co Limited had aggregate capital and reserves at the balance sheet date of CNY5,349,935 and profit of CNY1,949,016 for the year ended 30 December 2022.

Exponent International Engineering and Scientific Consulting Limited had aggregate capital and reserves of at the balance sheet date of €333,184 and a profit of €115,860 for the year ended 30 December 2022.

#### 15. Stocks

	30 Dec 22	31 Dec 21
	£	£
Work in progress	<u>387,130</u>	<u>362,967</u>

#### 16. Debtors

	30 Dec 22	31 Dec 21
	£	£
Trade debtors	4,528,368	5,362,231
Prepayments and accrued income	224,656	142,066
Other debtors	3,670	10,390
	<u>4,756,694</u>	<u>5,514,687</u>

#### 17. Creditors: amounts falling due within one year

	30 Dec 22	31 Dec 21
	£	£
Trade creditors	116,762	228,558
Amounts owed to group undertakings	344,243	5,710,525
Accruals and deferred income	4,902,973	4,936,017
Corporation tax	441,756	410,574
Social security and other taxes	618,395	566,054
Other creditors	62,198	58,307
	<u>6,486,327</u>	<u>11,910,035</u>

#### 18. Provisions

	Deferred tax (note 19)
	£
At 1 January 2022	8,446
Additions	3,724
At 30 December 2022	<u>12,170</u>

# Exponent International Limited

## Notes to the Financial Statements *(continued)*

Period from 1 January 2022 to 30 December 2022

### 19. Deferred tax

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

	30 Dec 22	31 Dec 21
	£	£
Included in provisions (note 18)	<u>12,170</u>	<u>8,446</u>

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

	30 Dec 22	31 Dec 21
	£	£
Accelerated capital allowances	<u>12,170</u>	<u>8,446</u>

### 20. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £827,889 (2021: £766,033).

### 21. Called up share capital

#### Issued, called up and fully paid

	30 Dec 22		31 Dec 21	
	No.	£	No.	£
Ordinary shares of £1 each	<u>103</u>	<u>103</u>	<u>103</u>	<u>103</u>

### 22. 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.

### 23. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 30 Dec 2022
	£	£	£
Cash at bank and in hand	7,342,763	169,625	<b>7,512,388</b>
Debt due within one year	<u>(5,710,525)</u>	<u>5,366,282</u>	<u><b>(344,243)</b></u>
	<u>1,632,238</u>	<u>5,535,907</u>	<u><b>7,168,145</b></u>

# Exponent International Limited

## Notes to the Financial Statements *(continued)*

Period from 1 January 2022 to 30 December 2022

### 24. Operating leases

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

	30 Dec 22	31 Dec 21
	£	£
Not later than 1 year	177,623	181,639
Later than 1 year and not later than 5 years	—	62,241
	<u>177,623</u>	<u>243,880</u>

### 25. 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 the year to related parties were all members of and wholly owned by the Exponent Inc group.

### 26. 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.