

**Strategic Report, Report of the Directors and**

**Financial Statements**

**for the Year Ended 31 December 2022**

**for**

**Nesstra Services (UK) Limited**

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for the Year Ended 31 December 2022**

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**Nesstra Services (UK) Limited**

**Company Information**  
**for the Year Ended 31 December 2022**

**DIRECTORS:**

A Hitti  
B Lichtenheldt  
R A Hitti  
Mrs N E E Hitti  
C A Hitti  
K A Hitti

**SECRETARY:**

G Oliver

**REGISTERED OFFICE:**

22/23 Progress Business Centre  
Whittle Parkway  
Slough  
Berkshire  
SL1 6DQ

**REGISTERED NUMBER:**

01678234 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Yvonne Miles FCCA

**AUDITORS:**

PKB Accountants Limited  
Chartered Certified Accountants  
Statutory Auditor  
Beechey House  
87 Church Street  
Crowthorne  
Berkshire  
RG45 7AW

**Strategic Report**  
**for the Year Ended 31 December 2022**

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

**REVIEW OF BUSINESS**

We are pleased to be able to report on another successful year for Nesstra despite challenging global market conditions caused by the war in Ukraine.

Average polyol prices fell by around 25% from the high levels of 2021, while volumes remained steady (down 2.5%). Meanwhile average TDI prices were up by 18%, although volumes were down by 45% due mainly to supply conditions. Due mainly to combination of these factors we saw a reduction of 24.6% in our annual turnover after two consecutive years of increases.

We were however able to improve our average gross margins so that the reduction in gross profit was restricted to 17%.

At the same time, we were able to reduce our administrative expenses by 21.5% which offset most of the reduction in gross profit. Net finance costs increased by 22% due to a range of factors including a \$233k year-end accrual for bank interest which will reduce the amount charged to our 2023 accounts.

The combined effect of these factors resulted in a profit before tax of USD 561k, which we regard as quite acceptable considering market conditions.

The overall effect of the abovementioned price and volume differences was a 25% decrease in turnover for the Polyurethane sector, which accounted for 91.0% of Nesstra's total sales.

However, this followed a increase of 44% in the previous year so we are not unduly worried about this especially as the difference comes mainly from market prices and we have seen considerable volume increases in 2023 so far.

The fact the company has been able to stay profitable throughout the recent turbulent times demonstrates the strong market position we've achieved through our unique offering and key strategy of diversification across different regions, enabling us to offset temporary downturns in some regions with increased activity in others.

Our polyurethane sales continue to be driven by our unique offering, including technical support and the supply of ancillary products and machinery used in foam production (including machines produced by our sister company Hyma).

Turnover in the Basic Chemicals sector reduced by 11% in 2022, so most of the 88% increase in 2021 was successfully maintained. Although this sector represented only 3% of overall sales, this consolidation has been achieved without any increase to its low overhead base.

We were also able to maintain turnover in our Engineering, Technical and Construction sectors. This area tends to consist of larger projects and capital investment, so turnover is likely to be more variable than parts of the business which deal with regular monthly volumes. Although these sales only represent 5% of overall turnover, the technical aspects involve a higher degree of added value, and therefore higher margins are achievable. We expect to see significant improvements over the next couple of years following the appointment of a new technical manager in 2022.

**Strategic Report**  
**for the Year Ended 31 December 2022**

**Key performance indicators**

The key performance indicators used by the Company are volumes, revenue, erating profit and retention of key personnel. Analysis of the movement in these have been considered in the review of the business.

**FUTURE DEVELOPMENTS**

Despite prices remaining low in 2023 we are satisfied with the results so far. Up to the end of August polyol volumes were up by 25% on the same point last year, and a large proportion of the increase had been in markets that we relative newcomers, which is very encouraging. We are maintaining TDI volumes and will be looking to increase these as well in the coming months.

Our strategy for geographical diversification is ongoing. This year we have made good progress in Mexico and the Balkans and expect to add further markets soon. We will continue to focus on the strongest market players, especially those that demonstrate financial strength, are well-managed, and who appreciate the value of Nesstra's complete package and support services, so that we can develop mutually beneficial and long-lasting relationships.

As usual we would like to acknowledge the support, we constantly receive from our range of business partners (customers, suppliers, shipping lines, financial institutions, and many others) as well as our loyal and professional staff.

We will continue to strengthen the company's competitive position by developing strategies that bring us closer to customers, and we firmly believe that the strong position established by Nesstra in recent years will enable us to overcome the latest challenges and move forward towards a bright future.

**Strategic Report**  
**for the Year Ended 31 December 2022**

**BREXIT**

Following the UK's exit from the EU on 31st Jan 2020, the directors considered the risks associated with the end of the 'transition period' on 31 Dec 2020.

Since Nesstra has hardly any sales within the EU, and since the company makes very few movements of goods between the UK and EU, it was not expected that the end of the transition period would cause any major disruptions to the business, and this has indeed proved to be the case.

The company hold stocks of chemicals in mainland Europe, which are exported outside the EU. We took advice on whether, as a company in a non-EU country, it would become problematic for us to get the necessary EU export documents. We have appointed our tank facility service providers to act as our agents to arrange the issuing of these documents, and this arrangement is working smoothly.

**COVID-19 PANDEMIC**

The Covid-19 pandemic which began in early 2020 continued to cause some disruption to the global economy during 2022, although at a greatly reduced level than in previous years.

In 2020 Nesstra took urgent action to ensure that we could:

- Ensure the personal safety of staff
- Enable operations to continue to run as smoothly as possible
- Maintain sales and margins to mitigate the effects of the pandemic

The move to partial homeworking was not found to affect staff performance generally, and in some cases helped to improve efficiency. In 2023 we migrated our systems to the cloud to achieve further efficiency improvements.

On the sales side, the pandemic did not affect all regions of the world to the same extent, or at the same time. Therefore, when we saw sales falling in one region due to lockdowns, we were able to focus on sales in other territories which had either not reached that stage yet or were already through it. This can be seen as a vindication of our ongoing strategy of geographical diversification.

In general, the pandemic did not affect the polyurethane foam adversely in comparison to many other sectors of the economy. During lockdown consumers were unable to spend on holidays and other activities and instead spent more on household items such as beds and furniture, boosting demand for our customers' products.

**UKRAINE**

In February 2022 Russia invaded Ukraine and the resulting sanctions led to major global economic upheaval.

The direct effect on Nesstra was negligible. We did not have any trade in Russia or Ukraine and had only two customers with Russian ownership. Due to the sanctions, we stopped accepting orders from these companies and had to write off some small amounts that remained unpaid. The volume of business we did with them was insignificant relative to our overall turnover.

As a trading company with only office premises, we were not unduly affected by the rising energy costs as these account for only a tiny proportion of our overall costs.

**Strategic Report**  
**for the Year Ended 31 December 2022**

Meanwhile we have continued to monitor the indirect effects of the war on our business, such as the strength of the dollar and the effect of high energy prices on various areas of the global economy. Both these factors have become less pronounced during 2023, although the war continues and future impacts are unpredictable. However these are challenges faced by most parties in the market and are therefore not likely to affect our overall competitive position.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company is exposed to a variety of risks in the course of its business, and we have developed strategies for mitigating these risks as far as possible:

**Price risk:** Most of our sales are still made on a back-to-back basis, so we are not at risk of losses associated with holding stock when prices fall. The only stock we hold is polyol, and we have usually agreed selling prices for most purchases prior to receiving the product into stock. For balance, we can also expect to receive support from our principal supplier if there are any major adverse fluctuations.

**Supplier risk:** In recent years we have reduced the likelihood that the production problems of any single supplier will have a major impact on our business by developing relationships with alternative suppliers of similar products.

**Market risk:** We are continuing our policy of geographical diversification to mitigate the effect that a downturn in any specific industry or country might have on the overall position of the company.

**Exchange rate risk:** most of our sales are made in the same currency as the purchases, to create a natural hedge. Where this is not possible, we use foreign exchange contracts to minimize the risk of exchange rate movements.

**Credit Risk:** we have developed systems and procedures for assessing customers' creditworthiness and monitoring their payment behavior. We are also present in most of the major markets we sell to and as a result we have a very low incidence of bad debts. Sales to Nigeria are secured against confirmed Irrevocable Letters of Credit. As we are entering regions where we are less familiar, we have been looking at options for credit insurance cover with a view to having this in place during 2023.

**SUMMARY**

The company has continued to demonstrate its ability to conduct profitable business in the face of often adverse market conditions. We believe that this has been made possible through the strategies we've pursued over the past few years and the close relationships we have with our stakeholders. We are continuing to enhance these strategies and relationships and feel very confident about the company's future.

**Strategic Report**  
**for the Year Ended 31 December 2022**

**SECTION 172(1) STATEMENT**

The company's directors have regards to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 and have a duty to promote the success of the Company for the benefit of its members and in doing so has regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term.
- (b) the interests of the company's employees.
- (c) the need to foster the company's business relationships with suppliers, customers and others.
- (d) the impact of the company's operations on the community and the environment.
- (e) the desirability of the company maintaining a reputation for high standards of business conduct.
- (f) the need to act fairly as between members of the company.

The company is aware of the new reporting requirements in respect of the Section 172 (1) statement and is working on having this statement completed and available on our website as soon as practicably possible, considering the disruption caused this year by the Covid -19 pandemic.

**SECTION 172(1) STATEMENT - (CONTINUED)**

**1. Stakeholder mapping and engagement activities within the reporting period.**

The company interacts with a variety of stakeholder groups on a continuous basis, and seeks to engage and communicate with each group as transparently as possible within the necessary limitations of both general and specific confidentiality requirements. The stakeholder mapping below summaries the nature of these engagements and communication.

<b>Key Stakeholder Groups</b>	<b>Why it is important to engage with this group</b>	<b>How the Company engaged with this group</b>	<b>Results of the engagement</b>
<b>Shareholders</b>	The long term success of the company is dependent upon the ongoing confidence and support of its shareholders, who provide the bulk of the financing required for the business to function effectively.	We kept the holding company (100% shareholders) updated on a monthly basis with our trading results and financial position, as well as any new developments which serve the company's goals.	In spite of the challenges which the war in Ukraine continues to pose for global business, the shareholders remain confident about the company's future and will continue to provide their full support.
<b>Finance providers</b>	Working capital is vital in enabling the company to carry on its business, and as such our banking partners play an important role and need to be kept informed about latest business patterns and new developments and opportunities.	We provide monthly management reports to our bankers and speak regularly with our relationship manager and other key individuals. We are also in touch with the bank at various levels on a day-to-day basis.	In spite of the cash flow challenges caused by forex shortages in some countries we have engaged with our bankers to find solutions which minimise the impact so that we could carry on business as usual.



**Strategic Report**  
**for the Year Ended 31 December 2022**

**SECTION 729 (1) STATEMENT - (Continued)**

**Workforce**

The workforce, which includes employees, consultants and local agents, is critical to the success of the company. As well as engaging on a daily basis with customers and suppliers they are also responsible for providing the logistics, finance and admin services required for the business to function effectively and efficiently.

As the team is relatively small, the directors are in direct contact with most members of staff on a daily or weekly basis. In mid-November we also had a meeting with the full team to discuss the year so far and informed them about the latest developments. These meetings will be held on a quarterly basis going forward.

During the pandemic we were able to switch to flexible working and keep the business running without reducing staff numbers. We have also been able to award bonuses from time to time where appropriate. As a result, our staff turnover is low and we have been able to retain a loyal and professional team.

**Customers**

In the types of specialist markets that Nesstra operates in, customer relationships are fundamental in achieving our corporate goals. Ultimately success can only be achieved through customer satisfaction.

We are in contact with our key customers on a daily or weekly basis to follow up on various aspects of the business, and to offer technical advice and assistance where needed. Since the end of the pandemic we have also resumed visits which enable us to constantly improve our service and deepen our relationship with them. We have also held seminars where various aspects of the foam business have been discussed and ideas shared.

We have successfully maintained our customer base during the turbulence of recent years and have won new customers in regions where we were not previously active in. Our ability to maintain supply and offer valuable advice strengthened our relationships with many of them.

**Strategic Report**  
**for the Year Ended 31 December 2022**

**Suppliers**

Supplier relationships are also fundamental to our success, both in terms of long term reliability of supply, and operational logistical efficiency. Our policy therefore is to seek long-term mutually-beneficial relationships with suppliers in the forefront of their markets.

Since the end of the pandemic we have been able to resume regular face-to-face meetings with suppliers (both existing and potential), while also maintaining weekly or even daily contact with key partners.

During recent years our key suppliers have been impressed with our ability to move volumes in spite of the global market disruptions caused the Covid pandemic and war in Ukraine. We have thereby been able to help mitigate the negative effects on our suppliers' businesses, and this has helped to strengthen our relationships with them.

**THIS REPORT WAS APPROVED BY THE BOARD AND SIGNED:**

K A Hitti - Director

29 September 2023

**Report of the Directors**  
**for the Year Ended 31 December 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

**PRINCIPAL ACTIVITY**

Nesstra is a trusted supplier to various regions worldwide including Africa, Brazil the Middle East and the Balkans of quality chemicals, materials and machinery for use in a wide range of industries.

**Strategic report**

The directors have included Future Developments disclosure required by s419(4) in the Strategic Report. It forms part of this report by cross reference.

**Going concern**

The company has prepared budgets and forecasts that cover the period to December 2023 in order to assess going concern. It is anticipated that the company's level of activity will remain fairly constant over that period with similar results being attained in line with the current trading period. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors are confident that the 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 consequently have prepared the financial statements on a going concern basis.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2022.

**FUTURE DEVELOPMENTS**

The future developments of the business are disclosed in the Strategic Report.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

A Hitti  
B Lichtenheldt  
R A Hitti  
Mrs N E E Hitti  
C A Hitti  
K A Hitti

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's principal risks are customer credit risk, raw material costs and exposure to exchange rate movements. All risks are monitored by the directors.

**PRESENTATION CURRENCY**

The financial statements are presented in US Dollars.

**Report of the Directors**  
**for the Year Ended 31 December 2022**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. 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 accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of PKB Accountants Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

**THIS REPORT WAS APPROVED BY THE BOARD AND SIGNED:**

K A Hitti - Director

29 September 2023

**Energy and Carbon Report**  
**forming part of the Report of the Directors**  
**for the Year Ended 31 December 2022**

**STREAMLINED ENERGY AND CARBON REPORTING**

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Nesstra Services (UK) Limited to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31st December 2022.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held - this includes electricity, gaseous fuels such as natural gas and business travel in company-owned vehicles and grey fleet. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

	<b>FY 2022</b>	<b>FY 2021</b>	<b>% change</b>
<b>Energy (kWh)</b>			
Natural gas	30,936	37,960	-18.5%
Company vehicles	1,802	845	113.1%
Electricity	7,292	13,812	-47.2%
Grey fleet	227	124	83.9%
<b>Total energy</b>	<b>40,257</b>	<b>52,741</b>	<b>-23.7%</b>
<b>Emissions (CO2e)</b>			
Natural gas	5.6	7.0	-18.8%
Company vehicles	0.5	0.2	118.9%
Electricity	1.4	2.9	-51.9%
Grey fleet	0.06	0.03	84.5%
<b>Total SECR emissions</b>	<b>7.6</b>	<b>10.1</b>	<b>-25.1%</b>
<b>Emission intensity ratio</b>			
Emissions intensity (tCO2e) / \$m turnover	0.065	0.066	-0.6%

Nesstra Services (UK) Limited are committed to reducing their environmental impact and contribution to climate change through increased energy management and awareness and changes to operational procedures at their site. Nesstra Services (UK) Limited have reduced electricity usage by around 47% through improved control of energy usage.

**Methodology**

Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices via their landlord where available. There were no invoices available for natural gas consumption at the Slough office or electricity for the apartment in the financial year 2022. As Nesstra Services (UK) Limited occupy half the office building, half of the gas consumption was recharged to them. Where invoices were unavailable, consumption was interpolated from the meter readings. GHG emissions associated with Scope 2 purchased electricity have been reported using the location-based methodology, using the emissions factor for the residual fuel mix of the UK.

**Energy and Carbon Report**  
**forming part of the Report of the Directors**  
**for the Year Ended 31 December 2022**

Transport emissions have been calculated using purchased fuel where available. The fiscal value of fuel purchased was converted to volumes of fuel using monthly average fuel prices across the UK, as published by UK government. Where fuel volumes were not available, data for mileage claims has been provided. Average UK split between petrol and diesel used to determine the fuel split in the fleet. Mileage was converted into energy consumption GHG emissions, using the most recent emissions factors published by BEIS in 2022.

**Report of the Independent Auditors to the Members of  
forming part of the Report of the Directors  
Nesstra Services (UK) Limited**

**Opinion**

We have audited the financial statements of Nesstra Services (UK) Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors to the Members of  
forming part of the Report of the Directors  
Nesstra Services (UK) Limited**

**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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page ten, 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 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.



**Report of the Independent Auditors to the Members of**  
**forming part of the Report of the Directors**  
**Nesstra Services (UK) Limited**

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

. We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework IFRS, Companies Act 2006, Bribery Act 2010, Money Laundering regulations and relevant tax compliance regulations in the United Kingdom.

. We understood how Nesstra Services (UK) Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through the review of the following documentation or completion of the following procedures:

. Review of all minutes of board meetings held during the period and through to the most recent meeting held prior to the approval of these financial statements;

. Review of accounting policies and completion of a disclosure checklist to assess compliance with IFRS and Companies Act 2006

. Review of any relevant correspondence with local tax authorities; and

. Review of any relevant correspondence received from regulatory bodies

. We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by holding a discussion within the audit team which included identification of related parties, understanding the company's business, the control environment and assessing the inherent risk for relevant assertions at the significant account level. We also held discussions with management and those charged with governance to gain an understanding of those areas of the financial statements which are susceptible to fraud, as identified by management. Following these procedures, we identified a risk of management override of control and risk of inappropriate revenue recognition. We gained an understanding of the entity level of controls and policies that the company applies.

. Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on journals indicating large or unusual transactions, or meeting our defined risk criteria based on our understanding of the business, reviewing accounting estimates for evidence of management bias and enquiries of senior members of the management team regarding their knowledge of any instances of non-compliance with laws and regulations that could impact the financial statements.

**Report of the Independent Auditors to the Members of  
forming part of the Report of the Directors  
Nesstra Services (UK) Limited**

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

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 Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Yvonne Miles FCCA (Senior Statutory Auditor)  
for and on behalf of PKB Accountants Limited  
Chartered Certified Accountants  
Statutory Auditor  
Beechey House  
87 Church Street  
Crowthorne  
Berkshire  
RG45 7AW

29 September 2023

**Statement of Profit or Loss**  
**for the Year Ended 31 December 2022**

		31.12.22	31.12.21
	Notes	\$	as restated \$
<b>CONTINUING OPERATIONS</b>			
Revenue	3	116,557,952	154,579,827
Cost of sales		<u>(111,453,427)</u>	<u>(148,424,653)</u>
<b>GROSS PROFIT</b>		5,104,525	6,155,174
Administrative expenses		<u>(3,110,196)</u>	<u>(3,961,767)</u>
<b>OPERATING PROFIT</b>		1,994,329	2,193,407
Finance costs	5	(2,041,758)	(1,587,878)
Finance income	5	608,629	413,799
<b>PROFIT BEFORE INCOME TAX</b>	6	561,200	1,019,328
Income tax	7	<u>(153,988)</u>	<u>(212,990)</u>
<b>PROFIT FOR THE YEAR</b>		<u>407,212</u>	<u>806,338</u>

The notes form part of these financial statements

**Statement of Profit or Loss and Other Comprehensive Income**  
**for the Year Ended 31 December 2022**

	31.12.22	31.12.21
	\$	as restated \$
<b>PROFIT FOR THE YEAR</b>	407,212	806,338
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Item that will not be reclassified to profit or loss:</b>		
Unrealised exchange rate gain	152,073	-
Income tax relating to item that will not be reclassified to profit or loss	<u>(28,894)</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<u>123,179</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>530,391</u>	
Prior year adjustment		<u>(761,085)</u>
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>		<u>45,253</u>

**Statement of Financial Position**  
**31 December 2022**

		31.12.22	31.12.21
	Notes	\$	as restated \$
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Owned			
Property, plant and equipment	9	1,082	1,537
Right-of-use			
Property, plant and equipment	9, 18	72,115	125,496
Investments	10	430,680	430,680
Trade and other receivables	12	8,888	-
Deferred tax	20	5,033	36,776
		<u>517,798</u>	<u>594,489</u>
<b>CURRENT ASSETS</b>			
Inventories	11	3,286,776	5,476,560
Trade and other receivables	12	71,780,611	70,913,702
Cash and cash equivalents	13	13,887	375,658
		<u>75,081,274</u>	<u>76,765,920</u>
<b>TOTAL ASSETS</b>		<u>75,599,072</u>	<u>77,360,409</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	14	870,568	870,568
Other non - distributable reserves	15	123,179	-
Retained earnings	15	12,995,462	12,588,250
<b>TOTAL EQUITY</b>		<u>13,989,209</u>	<u>13,458,818</u>

The notes form part of these financial statements

**Statement of Financial Position - continued**  
**31 December 2022**

		31.12.22	31.12.21
	Notes	\$	as estimated \$
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	17	14,617,800	14,670,184
Deferred tax	20	28,894	-
		<u>14,646,694</u>	<u>14,670,184</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	25,860,809	37,263,391
Financial liabilities - borrowings			
Bank overdrafts	17	38,056	-
Interest bearing loans and borrowings	17	20,726,800	11,386,444
Tax payable		337,504	581,572
		<u>46,963,169</u>	<u>49,231,407</u>
<b>TOTAL LIABILITIES</b>		<u>61,609,863</u>	<u>63,901,591</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>75,599,072</u>	<u>77,360,409</u>

The financial statements were approved the Board of Directors and authorised for issue on 29 September 2023 and were signed on its behalf by:

K A Hitti - Director

**Statement of Changes in Equity**  
**for the Year Ended 31 December 2022**

	Called up share capital \$	Retained earnings \$	Other non - distributable reserves \$	Total equity \$
<b>Balance at 1 January 2021</b>	870,568	12,542,997	-	13,413,565
Prior year adjustment	-	(761,085)	-	(761,085)
As restated	870,568	11,781,912	-	12,652,480
<b>Changes in equity</b>				
Total comprehensive income	-	806,338	-	806,338
<b>Balance at 31 December 2021</b>	870,568	12,588,250	-	13,458,818
<b>Changes in equity</b>				
Total comprehensive income	-	407,212	123,179	530,391
<b>Balance at 31 December 2022</b>	870,568	12,995,462	123,179	13,989,209

**Statement of Cash Flows**  
**for the Year Ended 31 December 2022**

		31.12.22	31.12.21
		\$	as restated \$
<b>Cash flows from operating activities</b>	Notes		
Cash generated from operations	1	(8,175,845)	(568,012)
Interest paid		(1,601,366)	(1,148,106)
Lease interest paid		(3,768)	(3,148)
Tax paid		(366,313)	(203,934)
Net cash from operating activities		<u>(10,147,292)</u>	<u>(1,923,200)</u>
<b>Cash flows from investing activities</b>			
Sale of tangible fixed assets		-	4,321
Interest received		608,629	413,799
Net cash from investing activities		<u>608,629</u>	<u>418,120</u>
<b>Cash flows from financing activities</b>			
Loans to related companies		(1,674,591)	(3,138,353)
Loans repaid by related		734,285	5,080,135
Loans to group companies		(107,981)	(38,502)
Loans from related companies		2,058,858	-
Payment of lease liabilities		(48,872)	(45,555)
Amount introduced by directors		-	949
Amount withdrawn by directors		(1,159,707)	(1,135,521)
Trade loans repaid in year		-	(234,275)
New trade loans in year		9,336,844	-
Net cash from financing activities		<u>9,138,836</u>	<u>488,878</u>
<b>Decrease in cash and cash equivalents</b>		<u>(399,827)</u>	<u>(1,016,202)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	375,658	1,391,860
<b>Cash and cash equivalents at end of year</b>	2	<u>(24,169)</u>	<u>375,658</u>

The notes form part of these financial statements



**Notes to the Statement of Cash Flows  
for the Year Ended 31 December 2022**

**1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	31.12.22	31.12.21 as restated
	\$	\$
Profit before income tax	561,200	1,019,328
Depreciation charges	53,836	44,676
Profit on disposal of fixed assets	-	(4,321)
Unrealised exchange gain / (Loss)	152,073	-
Finance costs	2,041,758	1,587,878
Finance income	(608,629)	(413,799)
	<u>2,200,238</u>	<u>2,233,762</u>
Decrease in inventories	2,189,784	446,409
Decrease/(increase) in trade and other receivables	973,159	(2,854,812)
Decrease in trade and other payables	(13,539,026)	(393,371)
<b>Cash generated from operations</b>	<u>(8,175,845)</u>	<u>(568,012)</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2022**

	31.12.22	1.1.22
	\$	\$
Cash and cash equivalents	13,887	375,658
Bank overdrafts	(38,056)	-
	<u>(24,169)</u>	<u>375,658</u>

**Year ended 31 December 2021**

	31.12.21 as restated	1.1.21
	\$	\$
Cash and cash equivalents	<u>375,658</u>	<u>1,391,860</u>

**Notes to the Statement of Cash Flows**  
**for the Year Ended 31 December 2022**

**3. MAJOR NON-CASH TRANSACTIONS**

Significant non-cash transactions in the year are as follows :-

	2022	2021
	\$	\$
Interest payable on Subordinated loan	<u>436,624</u>	<u>436,624</u>

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2022**

**1. STATUTORY INFORMATION**

Nesstra Services (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the US Dollar (\$).

Amounts are rounded to the nearest one hundred unless otherwise stated.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

**Going Concern**

The company has prepared budgets and forecasts that cover the period to December 2024 in order to assess going concern. It is anticipated that the company's level of activity will remain fairly constant over that period with similar results being attained in line with the current trading period. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors are confident that the 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 consequently have prepared the financial statements on a going concern basis.

**Preparation of consolidated financial statements**

The company has taken advantage of the exemption under S400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Vici Investment Limited. The Company's financial statements are individual entity financial statements. The Company's parent includes the results of Nesstra Services (UK) Limited in its consolidated statements.

**Revenue recognition**

Revenue represents sales of chemicals, materials and machinery net of VAT and trade discounts. Revenue is recognised when the risks and rewards of ownership of goods have been transferred to the customer. The risks and rewards of ownership of goods are deemed to have been transferred when the goods are shipped to, or are collected by, the customer.

**Interest receivable**

Interest receivable relates to interest charged to customers upon late payment of trade receivables. This is accounted for on an accruals basis.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Cash and cash equivalents**

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- Straight line over term of lease
Fixtures and fittings	- 33% on reducing balance
Motor vehicles	- 25% on cost, 25% on reducing balance and Straight line over term of lease
Computer equipment	- 33% on cost

Tangible assets are held at historical cost less accumulated depreciation and any accumulated impairment losses.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and any costs of disposal are recognised in the Income statement.

At each balance sheet date, the Company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined ( net of depreciation ) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured at market value at the balance sheet date. Gains and losses on remeasurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historical cost less impairment.

**Financial instruments**

Financial assets and liabilities are recognised in the Company's Statement of Financial Position when it becomes a party to the contractual provisions of the instrument. The Company's financial instruments comprise trade and other receivables, cash, loans and borrowings and trade and other payables.

A financial asset is derecognised either when the company has transferred substantially all the risks and rewards of ownership of the financial asset or when cash flows expire. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

**Financial instruments carried at amortised cost**

Financial instruments in this category include trade and other receivables, accounts payable and accrued liabilities and interest-bearing borrowings, forward currency contracts. Financial instruments are recorded initially at fair value and, in the case of financial assets and liabilities carried at amortised cost, adjusted for directly attributable transaction costs. Trade and other receivables include financial assets are subsequently measured at amortised cost and is computed using the effective interest method less any allowance for impairment. Accounts payable and accrued liabilities and interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method.

**Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income statement.

**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 to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. 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.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

**Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**Derivatives**

Derivatives are accounted for at fair value through profit or loss. They are presented as current assets or liabilities if they are expected to be settled within 12 months of the year end.

**Financial assets (including receivables)**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Impairment excluding inventories**

**Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a moving average cost basis. Net realisable value represents estimated selling price less costs to complete or sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than the cost.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, to recover or settle the carrying amounts of its assets and liabilities.

Current or deferred tax for the year is recognised in Income Statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**Foreign currencies**

These financial statements are presented in US Dollars, the company's main functional 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 Statement of Profit or Loss. 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.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Leases**

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

The lease liabilities were discounted at a weighted discount rate of 4%

Disclosures regarding right of use assets and lease liabilities and other disclosures can be found under the relevant Balance Sheet items and note 17.

**Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

**Employee benefits**

The costs of short term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**Interest income**

Interest income is recognised in the Income statement using the effective interest method.

**Hedge accounting**

The company enters into Foreign Exchange Forward hedging contracts that it recognises at fair value when it can be reliably measured. Changes in fair value are recognised in other comprehensive income.

**Finance costs**

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



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Changes in accounting policies**

**a) New standards, interpretations and amendments not yet effective**

The following amendments are effective for the period beginning 1 January 2023 :

- Disclosure of Accounting Policies ( Amendments to IAS 1 and IFRS Practice Statement 2) ;
- Definition of Accounting Estimates ( Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a single Transaction ( Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

The company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

**(i) Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on physical condition and economic utilisation of the assets. See note 8 for the carrying amount of the assets and the accounting policies note Tangible Fixed Assets for the useful economic lives of each class of asset.

**(ii) Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, historical experience and the potential impact of Brexit.

See note 12 for the net carrying amount of the debtors.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**2. ACCOUNTING POLICIES - continued**

(iii) Income tax - provisions for income taxes.

The company establishes provisions based on reasonable estimates for possible consequences of review by the tax authorities. Management estimations is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

(iv) Trade and other payables

The company trades with customers in the European Union. As a result of this the Company is potentially exposed to changes in direct and indirect taxation arising from Brexit, subject to any deal that is negotiated between the United Kingdom and the European Union.

In calculating the company's liabilities , the company has assumed that the deal reached does not result in any material liability crystallising . However this can only be confirmed when the detail of any deal is fully understood. As the position becomes clearer, the Directors will update their estimates accordingly.

(v) The determination of the incremental borrowing rate used to measure lease liabilities

The borrowing rate is determined either by the rate inherent in the lease unless this is not readily determinable , in which case the company's incremental borrowing rate on commencement of the lease is used.

(vi) The recoverability of loans to associated companies

The company trades with associated companies and has granted loans to associated companies. The company does not make provisions against these balances but estimates that all balances are fully recoverable.(see note 24)

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**3. REVENUE**

**Revenue from contracts with customers**

The company has disaggregated revenue into various categories in the following table that is intended to:

- a) depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- b) to enable users to understand the relationship with revenue segment information

		31 December 2022	31 December 2021
	\$		
Chemicals, Plastics and Raw Materials		110,142,587	147,652,582
Machinery and Spare Parts		6,410,415	6,926,987
		<u>116,553,002</u>	<u>154,579,579</u>
		%	%
Asia		0.99	0.44
Europe		10.32	8.65
Middle East + Levant		5.89	6.46
North Africa		14.97	9.40
North America		2.17	0.69
South America		3.87	5.39
Sub-Saharan Africa		<u>61.80</u>	<u>68.97</u>
		<u>100.00</u>	<u>100.00</u>

**Liabilities related to contract with customers**

The company recognised liabilities of \$414,430 in relation to contracts with customers representing payments in advance of the delivery of goods. No revenue was recognised in the current reporting period relating to contract liabilities carried forward.

**4. EMPLOYEES AND DIRECTORS**

	31.12.22	31.12.21 as restated
	\$	\$
Wages and salaries	1,528,359	1,756,541
Social security costs	125,361	164,797
Other pension costs	62,193	75,582
	<u>1,715,913</u>	<u>1,996,920</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.22	31.12.21 as restated
Directors	6	6
Accounts and administration	6	6
Logistics	7	8
Technical and Chemical sales	2	3
	<u>21</u>	<u>23</u>
	31.12.22	31.12.21
	\$	\$
Directors' fees	<u>613,872</u>	<u>603,322</u>

**Key Management Personnel Compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. This includes the directors of the company, the financial controller and other key personnel.

The total remuneration paid to the Key Management personnel in the year totalled \$1,092,808 (2021 : \$984,723)

During the year one of the directors was paid salary by Nesstra Services (UK) Limited and other five directors invoiced the company for fees in respect of management services and consultancy supplied to the company.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**5. NET FINANCE COSTS**

	31.12.22	31.12.21 as restated
\$		
Finance income:		
Interest received	608,629	413,799
	<u>608,629</u>	<u>413,799</u>
Finance costs:		
Interest expense on financial liabilities	2,037,989	1,584,730
Interest expense on lease liabilities	3,768	3,148
	<u>2,041,757</u>	<u>2,060,718</u>
Net finance Income / (costs)	<u>1,433,128</u>	<u>1,174,079</u>

The Company holds interest free loans with other companies, as set out in note 24. Under IFRS, the directors have prescribed a notional market rate of interest to these loans, which represents the Finance income received above.

The subordinated loan, as set out in note 26, has been restated at its net present value using a notional market rate of interest, which is shown in the Finance costs analysis above.

**6. PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging/(crediting):

	31.12.22	31.12.21 as restated
\$		
Cost of inventories recognised as expense	111,453,427	148,424,653
Leases	23,068	28,841
Depreciation - owned assets	455	652
Depreciation - assets on finance leases	53,381	44,023
Profit on disposal of fixed assets	-	(4,321)
Auditors' remuneration	36,936	47,619
Auditors' remuneration for non audit work	-	1,680
Realised currency variance	(373,030)	(110,231)
Unrealised currency variance	-	161,577

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**7. INCOME TAX**

**Analysis of tax expense**

	31.12.22	31.12.21
	\$	as restated \$
Current tax:		
Tax	122,245	230,562
Deferred tax	31,743	(17,572)
Total tax expense in statement of profit or loss	<u>153,988</u>	<u>212,990</u>

**Factors affecting the tax expense**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.22	31.12.21
	\$	as restated \$
Profit before income tax	<u>561,200</u>	<u>1,019,328</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	106,628	193,672
Effects of:		
Expenses not deductible for tax purposes	5,805	29,743
Income not subject to tax	-	(821)
Depreciation in excess of capital allowances	9,812	7,968
Deferred tax adjustment	31,743	(17,572)
Tax expense	<u>153,988</u>	<u>212,990</u>

**Factors that may affect future tax charges**

Following the budget in March 2021, the corporation tax charge will rise to 25% with effect from April 2023. Profits below £50,000 will continue to incur tax at 19% with taper for profits between £50,000 and £250,000. Profits exceeding £250,000 will be subject to the new 25% rate.

This legislation received royal assent and was enacted on 10th June 2021.

The deferred tax asset and liability are measured at the rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and the tax laws) that have been enacted or substantively enacted by the balance sheet date. The deferred tax is calculated at a rate of 19%

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**8. PRIOR YEAR ADJUSTMENT**

	2021 \$
Interest on discounted loan omitted from previous years financial statements	<u>761,085</u>
Prior year adjustment	<u><u>761,085</u></u>

The prior year adjustment relates to notional interest in relation to NPV calculations on discounted loans that should have been reversed in 2020.

**9. PROPERTY, PLANT AND EQUIPMENT**

	Short leasehold \$	Fixtures and fittings \$	Motor vehicles \$	Computer equipment \$	Totals \$
<b>COST</b>					
At 1 January 2022 and 31 December 2022	<u>124,205</u>	<u>116,852</u>	<u>73,532</u>	<u>67,994</u>	<u>382,583</u>
<b>DEPRECIATION</b>					
At 1 January 2022	20,701	116,003	50,852	67,994	255,550
Charge for year	<u>41,401</u>	<u>283</u>	<u>12,152</u>	<u>-</u>	<u>53,836</u>
At 31 December 2022	<u>62,102</u>	<u>116,286</u>	<u>63,004</u>	<u>67,994</u>	<u>309,386</u>
<b>NET BOOK VALUE</b>					
At 31 December 2022	<u>62,103</u>	<u>566</u>	<u>10,528</u>	<u>-</u>	<u>73,197</u>
At 31 December 2021	<u>103,504</u>	<u>849</u>	<u>22,680</u>	<u>-</u>	<u>127,033</u>

Short leasehold and motor vehicles include right of use assets relating to buildings and motor vehicles which are subject to operating leases. See note 18.



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**10. INVESTMENTS**

	Shares in group undertakings \$
<b>COST</b>	
At 1 January 2022 and 31 December 2022	<u>430,680</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>430,680</u>
At 31 December 2021	<u>430,680</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Nesstra Brasil Comercial, Importacao E Exportacao LTDA**

Registered office: Brazil

Nature of business: Imports and Exports

Class of shares:	% holding
Ordinary	99.00

**Tracmaco Sarl**

Registered office: Morocco

Nature of business: Dormant

Class of shares:	% holding
Ordinary Moroccan Dirhams	90.00

**11. INVENTORIES**

	31.12.22 \$	31.12.21 as restated \$
Raw materials	<u>3,286,776</u>	<u>5,476,560</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**12. TRADE AND OTHER RECEIVABLES**

	31.12.22	31.12.21
	as	restated
	\$	\$
Current:		
Trade debtors	58,694,660	59,308,744
Bad debts	(494,034)	(474,758)
Amounts owed by group undertakings	285,936	177,954
Amounts owed by related parties	8,092,339	7,588,658
Other debtors	30,422	47,761
Directors' current accounts	1,237,550	257
VAT	1,038,374	2,499,677
Prepayments	2,895,364	1,765,409
	<u>71,780,611</u>	<u>70,913,702</u>
Non-current:		
Other debtors	<u>8,888</u>	<u>-</u>
Aggregate amounts	<u>71,789,499</u>	<u>70,913,702</u>

Amounts owed by related parties are unsecured, interest free and payable on demand.

The Trade Debtors due from Group companies and Related Parties are detailed in Note 24 Related Party Transactions

**13. CASH AND CASH EQUIVALENTS**

	31.12.22	31.12.21
	as	restated
	\$	\$
Cash in hand	13,887	10,491
Bank accounts	-	365,167
	<u>13,887</u>	<u>375,658</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22	31.12.21 as restated
			\$	\$
500,000	Ordinary	£1	<u>870,568</u>	<u>870,568</u>

**15. RESERVES**

	Retained earnings	Other non-distributable reserves	Totals
	\$	\$	\$
At 1 January 2022	12,588,250	-	12,588,250
Profit for the year	407,212		407,212
Unrealised currency exchange movement	-	152,073	152,073
Deferred tax provision on unrealised exchange movement	-	(28,894)	(28,894)
At 31 December 2022	<u>12,995,462</u>	<u>123,179</u>	<u>13,118,641</u>

**16. TRADE AND OTHER PAYABLES**

	31.12.22	31.12.21 as restated
	\$	\$
Current:		
Trade creditors	21,982,791	36,291,717
Amounts owed to related parties	2,058,858	(940,420)
Social security and other taxes	27,071	30,634
Other creditors	107,796	140,094
Accruals and deferred income	1,392,125	586,364
Directors' current accounts	292,168	214,582
	<u>25,860,809</u>	<u>36,322,971</u>

Amounts owed to participating interests are unsecured, interest free and repayable on demand.

The Trade creditor amounts owed to Group Companies and Related Parties are detailed in Note 24 Related Party Transactions

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**17. FINANCIAL LIABILITIES - BORROWINGS**

	31.12.22 \$	31.12.21 as restated \$
Current:		
Bank overdrafts	38,056	-
Bank loans	20,674,416	11,337,572
Leases (see note 18)	52,384	48,872
	<u>20,764,856</u>	<u>11,386,444</u>
Non-current:		
Other loans - 1-2 years	14,594,000	14,594,000
Leases (see note 18)	23,800	76,184
	<u>14,617,800</u>	<u>14,670,184</u>

**Terms and debt repayment schedule**

	1 year or less \$	1-2 years \$	Totals \$
Bank overdrafts	38,056	-	38,056
Bank loans	20,674,416	-	20,674,416
Other loans	-	14,594,000	14,594,000
Leases	52,384	23,800	76,184
	<u>20,764,856</u>	<u>14,617,800</u>	<u>35,382,656</u>

**Other loans**

Other loans relate to the Subordinated loan as mentioned in note 26. This is owed to a related party.

**Secured bank facility**

The company has credit line facilities which are repayable on demand. The collateral for these funds is the goods received within the credit line and claims arising under contracts that were financed using these credit line.

	31 December 2022	Cash flows	31 December 2021
Secured bank facility	<u>20,674,416</u>	<u>9,336,844</u>	<u>11,337,572</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

18. **LEASING**

**Right-of-use assets**

**Property, plant and equipment**

	31.12.22	31.12.21
	as	restated
	\$	\$
<b>COST</b>		
At 1 January 2022	159,146	100,163
Additions	-	141,928
Disposals	-	(82,945)
	<u>159,146</u>	<u>159,146</u>
<b>DEPRECIATION</b>		
At 1 January 2022	33,650	72,572
Charge for year	53,381	44,023
Eliminated on disposal	-	(82,945)
	<u>87,031</u>	<u>33,650</u>
<b>NET BOOK VALUE</b>	<u>72,115</u>	<u>125,496</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**18. LEASING - continued**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for :

- Leases of low value assets ; and
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used.

Right-of-use assets are initially recognised at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, and by the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the economic life of the asset if this is judged to be shorter than the lease term.

When the company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy

In all other cases where the renegotiation increases the scope of the lease ( Whether that is an extension to the lease term, or one or more additional assets being leased) , the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

**Other leases**

	31.12.22	as	31.12.21
	\$		\$
Short-term leases	<u>23,068</u>		<u>28,841</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**18. LEASING - continued**

At the 31st December 2022, the company was committed to short term leases and the total commitment at that date was \$8,324.

**Lease liabilities**

Minimum lease payments fall due as follows:

	31.12.22	31.12.21
	as	restated
	\$	\$
Gross obligations repayable:		
Within one year	54,144	52,640
Between one and five years	23,916	78,060
	<u>78,060</u>	<u>130,700</u>
Finance charges repayable:		
Within one year	1,760	3,768
Between one and five years	116	1,876
	<u>1,876</u>	<u>5,644</u>
Net obligations repayable:		
Within one year	52,384	48,872
Between one and five years	23,800	76,184
	<u>76,184</u>	<u>125,056</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**19. FINANCIAL INSTRUMENTS**

**Fair values of financial instruments**

**Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

**Trade and other payables**

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 balance sheet date if the effect is material.

**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. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

**Credit Risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<u>Carrying Amount</u>	<u>2022</u>	<u>2021</u>
Trade and other receivables	\$72,261,481	\$70,913,702
Cash and cash equivalents	\$13,887	\$375,658
Trade and other payables	\$23,886,735	\$37,263,391

Exposure to credit, liquidity and market risk arises in the normal course of the company's business.

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.



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

Financial instruments that may subject the company to concentrations of credit and liquidity risk consist primarily of cash, cash equivalents and trade receivables. The company continually monitors its position with, and the credit quality of, the financial institutions, which are counterparts to its financial instruments, and does not anticipate non - performance.

The company's policy in respect of credit risk is to visit customer's premises prior to granting terms; to follow up payments closely whenever (or before) they fall due; to monitor credit limits and terms in relation to payment performance. All sales to Nigeria are made on a secured basis e.g. letters of credit confirmed by first class European banks.

The ageing of trade receivables at the reporting date was:

	<u>Gross</u> <u>2022</u>	<u>Impairment</u> <u>2022</u>	<u>Gross</u> <u>2021</u>	<u>Impairment</u> <u>2021</u>
Not past due	\$18,386,391	Nil	\$34,540,131	Nil
Past due 0 to 30 days	\$1,987,900	Nil	\$4,110,265	Nil
Past due 31 to 60 days	\$2,407,548	Nil	\$1,572,924	Nil
More than 61 days	\$35,912,821	494,034	\$19,085,424	474,758

**Liquidity Risk**

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company's policy is to ensure that it will always have sufficient cashflow to allow it to meet its liabilities when they become due. To achieve this aim, the company seeks to maintain cash balances or agreed facilities , to meet expected requirements for a period of at least 45 days.

The company has cash balances at year end totalling \$13,887 (2021: \$375,658) and also has access to funds via its related parties and beneficial owner. As such, liquidity is not seen as a significant risk for the business.

**Market Risk**

Market risk arises from the Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate , foreign exchange rates or other market factors .

However the Directors are of the opinion that the value of the provision is fairly stated at the Balance Sheet date and no material changes in the carrying amount are anticipated.

**Derivative financial instruments**

**Derivatives - hedging instrument**

The total derivatives designated as hedging instruments are:

	<b>2022</b>	<b>2021</b>
Forward foreign exchange contracts - cash flow hedges	\$(161,679)	\$(38,385)
The above are the total derivative financial liabilities that are all current		

The maximum exposure to credit risk at the reporting date is the fair value of the derivative liabilities in the statement of financial position.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**Foreign exchange risk / Cash flow forward foreign exchange contracts**

Foreign exchange risk arises when the company enters into transactions denominated in a currency other than their functional currency. Where the risk to the company is considered to be significant, the company will enter into a matching forward foreign exchange contract with a reputable bank.

The hedged forecast transactions denominated in foreign currency are expected to occur at various dates within the next 12 months. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as at 31 December 2022 are recognised in the company statement of other comprehensive income in the period or periods during which the hedged forecast transaction affects the statement of other comprehensive income. This is generally within 12 months from the end of the financial year unless the gain or loss is included in the initial carrying value of non-current assets through a basis adjustment (immediate transfer from cash flow hedging reserve to cost of asset) in which case recognition is over the lifetime of the asset as it is depreciated.

**20. DEFERRED TAX**

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19% (2020: 19%).

The movement on the deferred tax account is as shown below

	31.12.22	31.12.21
	as	restated
	\$	\$
Balance at 1 January	(36,776)	(19,205)
Accelerated capital allowances	1,043	1,266
Timing Differences	59,594	(18,837)
Balance at 31 December	<u>23,861</u>	<u>(36,776)</u>

Deferred tax assets have been recognised in respect of temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered

**21. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost and charge represents contributions payable by the company to the fund and amounted to \$62,193 (2021: \$75,582)

. At the balance sheet date there were \$4,873 contributions payable (2021: \$8,981).

**22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

At the beginning of year the director was owed \$94,578 by the company. During the year director withdraw \$1,332,127 from the company. At the balance sheet date the director owed \$1,237,549 to the company. This balance has been repaid in full on 25 August 2023.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2022**

**23. RELATED PARTY DISCLOSURES**

**Trading transactions**

During the year transactions were entered into with the following related parties who are not members of a group at normal commercial rates:

	Sale of goods/ recharged expenses 2022 \$	Sale of goods/ recharged expenses 2021 \$	Interest receivable 2022 \$	Interest receivable 2021 \$	Amounts owed by related parties 2022 \$	Amounts owed by related parties 2021 \$
Companies in which a Director has a significant controlling interest	22,506,739	23,325,177	601,072	410,519	26,801,925	21,378,489
			Purchase of goods 2022 \$	Purchase of goods 2021 \$	Amounts owed to related parties 2022 \$	Amounts owed to related parties 2021 \$
Companies in which a Director has a significant controlling interest			1,130,049	1,228,828	65,315	28,397

Sales of goods to related parties were made at the market prices. Purchases were made at market rates to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been made or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

Other related party transactions were as follows :-

Consultancy fees, commissions and Directors Fees were paid to related parties in the year.

	<u>2022</u> \$	<u>2021</u> \$
Consultancy fees and commission	710,673	697,632

**Loans to related parties**

	2022 \$	2021 \$
Owed to Nesstra by related parties in which a Director has a significant interest	8,092,339	7,588,657
Owed by Nesstra to related parties in which a Director has a significant interest	2,058,858	-
Loan owed by Parent company	54,598	41,598
Owed by a subsidiary	231,338	136,356
Owed by Nesstra to Companies in which a director has a significant controlling interest	-	10,365

The above loans are interest free and repayable on demand.

**Subordinated loan**

The subordinated loan relates to a company in which a Director has a significant controlling interest. Note 26 highlights the amount owed by Nesstra at the reporting date. The loan is unsecured and has notional interest applied to the balance.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2022**

**24. ULTIMATE CONTROLLING PARTY**

The immediate parent company at the balance sheet date was VICI Investments Ltd a company incorporated in Malta , which owns 100% of the issued share capital of Nesstra Services (UK) Limited.

The ultimate parent is VICI Trust.

The ultimate controlling party is A Hitti.

Copies of the group accounts are available from:

VICI Investment Limited  
Ground Floor, Palace Court  
Church Street  
St Julians  
STJ3049  
MALTA

**25. DEBENTURES AND CHARGES**

1) A debenture dated 19 May 2015 is registered at Companies House for the bank overdraft with Barclays Bank PLC with the following particulars:

Fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, plant and machinery and share capital.

2) A rent deposit deed dated 13 February 2013 is registered at Companies House for the rent deposit of £6,039 with Bloomsbury Properties Limited with the following particulars:

All monies due or to become due from the company to the charge under the terms of the aforementioned instrument creating or evidencing the charge.

3) A debenture dated 18 February 2011 with Barclays Bank Plc with the following particulars:

Deed of charge over credit balances.

**26. SUBORDINATED LOAN**

The subordinated loan payable to Tracmaco SA \$14,594,000 is unsecured and is repayable in full on 9 June 2024.

The subordinated loan is subject to interest costs of 3%.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.