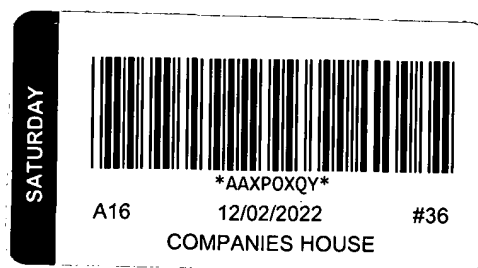


Registered number: 03513867

NORDAM TRANSPARENCY EUROPE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



NORDAM TRANSPARENCY EUROPE LIMITED

COMPANY INFORMATION

Directors	T H Siegfried J A Lane
Company secretary	LDC Nominee Secretary Limited
Registered number	03513867
Registered office	2 New Bailey 6 Stanley Street Salford Greater Manchester M3 5GS
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3 Callaghan Square Cardiff CF10 5BT
Bankers	JP Morgan Chase Bank 25 Bank Street Canary Wharf London E14 5JP
Solicitors	Eversheds LLP Eversheds House 70 - 76 Great Bridgewater Street Manchester M1 5ES

NORDAM TRANSPARENCY EUROPE LIMITED

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NORDAM TRANSPARENCY EUROPE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors

The directors who served during the year were:

T H Siegfried
J A Lane

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

NORDAM TRANSPARENCY EUROPE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Small companies note

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

This report was approved by the board on 09-02-2022 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J A Lane', is written over a horizontal line.

J A Lane
Director



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORDAM TRANSPARENCY EUROPE
LIMITED**

Opinion

We have audited the financial statements of NORDAM Transparency Europe Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and COVID-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORDAM TRANSPARENCY EUROPE
LIMITED (CONTINUED)**

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORDAM TRANSPARENCY EUROPE
LIMITED (CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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 Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORDAM TRANSPARENCY EUROPE
LIMITED (CONTINUED)**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of how the Company is complying with significant legal and regulatory frameworks through inquiries of management;
- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 102 and the Companies Act 2006, along with legislation relating to employment, health & safety and data protection, as those most likely to have a material effect if noncompliance were to occur;
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources, products, and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the Company's control environment;
 - the Company's relevant controls over areas of significant risks; and
 - the the Company's business processes in respect of classes of transactions that are significant to the financial statements;
- Audit procedures performed by the engagement team included:
 - identifying the significant risk of fraud within revenue recognition and undertaking substantive testing to obtain sufficient and appropriate audit evidence;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and identifying and testing related party transactions;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORDAM TRANSPARENCY EUROPE
LIMITED (CONTINUED)**

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
 - consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
 - appropriate training, knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory requirements specific to the Company;
- We did not identify any material matters relating to non-compliance with laws and regulations or relating to fraud.

Use of our report

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

Grant Thornton UK LLP

Rhian Owen BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff
Date: 9/2/2022

NORDAM TRANSPARENCY EUROPE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Turnover		1,456,336	2,687,020
Cost of sales		(1,223,035)	(1,952,567)
Gross profit		<u>233,301</u>	<u>734,453</u>
Administrative expenses		(470,088)	(299,525)
Operating profit	4	<u>(236,787)</u>	<u>434,928</u>
Interest receivable and similar income		33,031	33,033
Profit before tax		<u>(203,756)</u>	<u>467,961</u>
Tax on profit		28,020	(88,367)
Profit for the financial year		<u><u>(175,736)</u></u>	<u><u>379,594</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of comprehensive income.

There was no other comprehensive income for 2020 (2019: \$Nil).

The notes on pages 11 to 22 form part of these financial statements.

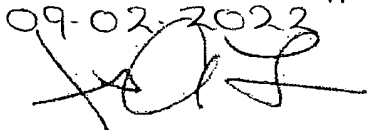
NORDAM TRANSPARENCY EUROPE LIMITED
REGISTERED NUMBER:03513867

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Fixed assets			
Tangible assets	7	-	51,195
		<u>-</u>	<u>51,195</u>
Current assets			
Stocks	8	-	264,706
Debtors: amounts falling due within one year	9	2,534,153	2,528,230
Cash at bank and in hand	10	1,080,055	999,248
		<u>3,614,208</u>	<u>3,792,184</u>
Creditors: amounts falling due within one year	11	(43,695)	(216,151)
Net current assets		<u>3,570,513</u>	<u>3,576,033</u>
Total assets less current liabilities		<u>3,570,513</u>	<u>3,627,228</u>
Provisions for liabilities			
Deferred tax	13	-	(3,604)
Provisions	14	(122,625)	-
		<u>(122,625)</u>	<u>(3,604)</u>
Net assets		<u><u>3,447,888</u></u>	<u><u>3,623,624</u></u>
Capital and reserves			
Called up share capital		113,362	113,362
Profit and loss account	15	3,334,526	3,510,262
		<u><u>3,447,888</u></u>	<u><u>3,623,624</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

09-02-2023


J A Lane
Director

The notes on pages 11 to 22 form part of these financial statements.

NORDAM TRANSPARENCY EUROPE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2020	113,362	3,510,262	3,623,624
Comprehensive income for the year			
Profit for the year	-	(175,736)	(175,736)
At 31 December 2020	<u>113,362</u>	<u>3,334,526</u>	<u>3,447,888</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2019	113,362	3,130,668	3,244,030
Comprehensive income for the year			
Profit for the year	-	379,594	379,594
At 31 December 2019	<u>113,362</u>	<u>3,510,262</u>	<u>3,623,624</u>

The notes on pages 11 to 22 form part of these financial statements.

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Nordam Transparency Europe Limited is incorporated in England & Wales, with its registered office at 2 New Bailey, 6 Stanley Street, Salford, Greater Manchester, United Kingdom, M3 5GS. The Company is limited by shares, and until September 2020, its principal activity is the supply and refurbishment of aircraft windows. From September 2020, the principal activity is undertaking marketing services on behalf of related Companies. The financial statements are prepared in US Dollars which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest \$1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the future trading position of the Company, and based on actual trading results since the year end, are confident that the going concern principle can be applied to the financial statements.

The uncertainty as to the future impact on the Company of the recent COVID 19 outbreak in particular has been considered as part of the Company's adoption of the going concern basis.

As noted above within General Information, the principle activity has changed to providing marketing services to its related companies on an ongoing basis. Consequently, Nordam Group have provided a letter of support to Nordam Transparency Europe Limited, and will provide financial resources if required. Consequently, the financial statements have been prepared on a going concern basis.

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant & machinery	- 8 years straight line
Fixtures & fittings	- 3 - 6 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

NORDAM TRANSPARENCY EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Many of the amounts included in the financial statements involved the use of judgment and/or estimation. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regards to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgments and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Functional Currencies

Identification of functional currencies requires analysis of the economic environment of the Company and the selection of the presentational currency must reflect the requirements of the users of those statements. The functional currency of the Company has been considered to be USD, based on the fact that the majority of sales and the expenditure is transacted in USD.

Depreciation

The Company exercises judgment to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimates useful lives.

Provisions

Provisions have been made for trade and intercompany debtors, and for slow moving and obsolete stock. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Operating profit

The operating profit is stated after charging:

	2020	2019
	\$	\$
Depreciation of tangible fixed assets	-	9,317
Exchange differences	<u>10,301</u>	<u>1,102</u>

During the year, no directors received any emoluments (2019: \$Nil).

5. Auditor's remuneration

	2020	2019
	\$	\$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>14,446</u>	<u>13,957</u>
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	<u>3,500</u>	<u>2,060</u>

6. Employees

The average monthly number of employees, including directors, during the year was 5 (2019 - 8).

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Tangible fixed assets

	Plant & machinery \$	Fixtures & fittings \$	Total \$
Cost or valuation			
At 1 January 2020	320,673	34,232	354,905
Disposals	(320,673)	(34,232)	(354,905)
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 January 2020	277,502	26,208	303,710
Disposals	(277,502)	(26,208)	(303,710)
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>43,171</u>	<u>8,024</u>	<u>51,195</u>

8. Stocks

	2020 \$	2019 \$
Raw materials and consumables	-	35,998
Work in progress (goods to be sold)	-	4,319
Finished goods and goods for resale	-	224,389
	<u>-</u>	<u>264,706</u>

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Debtors

	2020 \$	2019 \$
Trade debtors	-	161,264
Amounts owed by group undertakings	2,498,372	2,324,314
Other debtors	2,715	30,610
Prepayments and accrued income	1,670	12,042
Corporation tax	27,026	-
Deferred taxation	4,370	-
	<u>2,534,153</u>	<u>2,528,230</u>

10. Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank and in hand	<u>1,080,055</u>	<u>999,248</u>

11. Creditors: Amounts falling due within one year

	2020 \$	2019 \$
Trade creditors	24,347	72,728
Amounts owed to group undertakings	-	20,324
Corporation tax	-	45,311
Other taxation and social security	-	14,691
Other creditors	-	10,688
Accruals and deferred income	19,348	52,409
	<u>43,695</u>	<u>216,151</u>

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Financial instruments

	2020 \$	2019 \$
Financial assets		
Financial assets measured at fair value through profit or loss	<u>3,581,142</u>	<u>3,515,436</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(43,691)</u>	<u>(156,149)</u>

Financial assets measured at amortised cost comprise of trade debtors, amounts owed by group undertakings, other debtors and cash.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, other creditors and accruals.

13. Deferred taxation

	2020 \$	2019 \$
At beginning of year	(3,604)	(6,727)
Charged to profit or loss	7,974	3,123
At end of year	<u><u>4,370</u></u>	<u><u>(3,604)</u></u>

The provision for deferred taxation made up as follows:

	2020 \$	2019 \$
Fixed asset timing differences	635	(8,010)
Short term timing differences	3,735	4,406
	<u><u>4,370</u></u>	<u><u>(3,604)</u></u>

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Provisions

	Onerous lease provision \$
Charged to profit or loss	122,625
At 31 December 2020	122,625

15. Reserves

Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to \$13,139 (2019: \$9,800). Contributions totalling \$Nil (2019: \$3,213) were payable to the fund at the reporting date.

17. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 \$	2019 \$
Not later than 1 year	-	25,084
Later than 1 year and not later than 5 years	-	95,595
Later than 5 years	-	-
	<u>-</u>	<u>120,679</u>

18. Related party transactions

The Company has taken advantage of the exemption under FRS 102 from disclosing transactions with other wholly owned group companies that are part of The Nordam Group LLC.

The aggregate amount of key management compensation was \$79,696 (2019: \$83,134).

NORDAM TRANSPARENCY EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Controlling party

The Company is a wholly owned subsidiary of NORDAM UK Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking is The NORDAM Group LLC, a company incorporated in the United States of America. This is the largest group in which the results of the Company are consolidated. Copies of the group accounts can be obtained from:

6911 North Whirlpool Drive
Tulsa
Oklahoma
74117
United States