

Company Registration No. 06479575 (England and Wales)

**Global eProcure Limited**

**Annual report and financial statements  
for the year ended 31 December 2020**



**Global eProcure Limited**

**Company information**

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<b>Director</b>	Subhash Makhija
<b>Secretary</b>	Subhash Makhija
<b>Company number</b>	06479575
<b>Registered office</b>	71 Queen Victoria Street London EC4V 4BE
<b>Independent auditor</b>	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
<b>Bankers</b>	Citibank Citigroup Centre 33 Canada Square Canary Wharf E14 5LB

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**Global eProcure Limited**

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## Global eProcure Limited

### Strategic report

For the year ended 31 December 2020

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The director presents the strategic report for the year ended 31 December 2020.

#### Review of the business

The Company is a subsidiary of NB Ventures Inc, based in the U.S. The principal activity of NB Ventures and its subsidiary undertakings continues to be the supply of procurement software, strategy, and managed services. In the UK, services are provided to locally based clients and international support for Group clients.

#### Results and performance

The results of the Company for the year and asset position is set out on page 8 and 9 respectively, this shows a profit on ordinary activities before tax of £6.5m (2019: profit of £3.2m).

The shareholders' funds of the Company totals £8.6m (2019: £3.3m).

The performance of the Company during 2020 has produced encouraging results, despite a backdrop of trading conditions, due to Covid-19, and its long-lasting effect on business across the world. The UK government has implemented long term lockdowns, affecting a wide variety of industries.

#### Business environment

The worldwide procurement and supply chain services industries are very competitive. Several large consultancy firms provide similar coverage, with long established reputations, creating aggressive pricing structures.

Brexit has also created some uncertainty for the general trading environment; however, this has had no significant impact to date on UK based operations. In future, these new regulations will require continued careful workforce planning,

#### Strategy

The Group's success is dependent on the proper selection, pricing, and on-going management of the risks it accepts. In the procurement consulting and technology business, we have continued to consolidate and improve our position within the industry, with recognition through awards received.

The Group will continue to consolidate its position and concentrate its efforts on achieving maximum growth in its existing market segments. We aim to improve efficiency in all areas of our operations through cost reduction, more disciplined underwriting, and more effective claims management. Customer service remains a top priority.

#### Key performance indicators (KPIs)

We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Group by reference to the following KPIs:

KPI	2020	2019
1. Growth in Revenue	45%	80%
2. Net Profit Margin	£5.3m	£2.6m
3. Gross Profit Margin	£20.8m	£14.4m
4. Cash Flow (cash)	£1.0m	£1.7m
5. Current Accounts Receivable	£12.6m	£5.7m
6. EBITDA	£6.7m	£3.6m

**Global eProcure Limited**

**Strategic report (continued)**

**For the year ended 31 December 2020**

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**Principal risks and uncertainties**

The Group has developed a framework for identifying the risks that each business sector, and the Group as a whole, is exposed to and their impact on economic capital.

The principal risks identified at Group level relevant to our strategy are:

1. Shifting customer preferences and demographics
2. Privacy/identity management and information security
3. Succession challenges and ability to attract and retain top talent
4. Economic conditions may significantly restrict growth opportunities (Covid-19)
5. Sustaining customers loyalty and retention

These risks are being managed as follows:

1. Business development teams and UK management team have been significantly increased and are tasked with assessing market conditions, and also moving focus to new and emerging markets within the UK
2. The Group IT team leads and determines appropriate policies for information security. We also adhere to local legislations, such as GDPR
3. European HR Director manages and reviews retention and attrition rates, we also now have an internal company wide informal process to highlight succession and retention issues, with reporting of any potential issues arising and regular monitoring of staff performance and development
4. The management team in place in the UK monitors and advise on issues, GEP are well placed to provide high quality products and services in a business environment which has increased focus on procurement efficiencies
5. Business development teams and UK management team have been significantly increased and are tasked with assessing market conditions, and also moving focus to new and emerging markets within UK

On behalf of the board



Subhash Makhija

Director

Date: 2/29/2021

**Global eProcure Limited**

**Director's report**

**For the year ended 31 December 2020**

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The director presents his annual report and financial statements for the year ended 31 December 2020.

**Principal activities**

The principal activity of the company continued to be that of global supply chain management consulting and technology.

**Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

**Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Subhash Makhija

**Auditor**

Saffery Champness LLP have expressed their willingness to remain as auditors of the company.

**Statement of director's responsibilities**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Global eProcure Limited**

**Director's report (continued)  
For the year ended 31 December 2020**

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**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**Going concern**

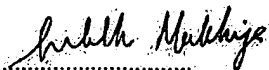
The company's director has reviewed the company's financing needs and no matters have been drawn to the director's attention that the company will be unable to meet its obligations in relation to future operating expenditure as and when these obligations fall due.

The company performs a bespoke service for a small number of key clients and continually undertakes marketing activities to attract new clients. A number of new contracts were won in the year and further contract wins are expected during 2021. Although the winning of new contracts is uncertain, the director has provided forecasts for the company which shows the company maintaining its profitability in 2021 through cost rationalisation and new contracts won.

The company has also received undertakings from its immediate parent company that it will continue to support the company.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in the financial statements.

On behalf of the board



Subhash Makhija  
Director

Date: 3/29/2021

**Global eProcure Limited**

**Independent auditor's report**

**To the member of Global eProcure Limited**

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**Opinion**

We have audited the financial statements of Global eProcure 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, the statement of cash flows and notes to the financial statements, including 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 profit 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

## **Global eProcure Limited**

### **Independent auditor's report (continued) To the member of Global eProcure Limited**

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#### **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.

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Global eProcure Limited**

**Independent auditor's report (continued)**  
**To the member of Global eProcure Limited**

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**Auditor's responsibilities for the audit of the financial statements**

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

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

**Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the director, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with director and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

**Audit response to risks identified**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

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

**Global eProcure Limited**

**Independent auditor's report (continued)  
To the member of Global eProcure Limited**

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

*Saffery Champness LLP*

**Richard Collis (Senior Statutory Auditor)  
For and on behalf of Saffery Champness LLP**

31 March 2021  
Date:.....

**Chartered Accountants  
Statutory Auditors**

71 Queen Victoria Street  
London  
EC4V 4BE

**Global eProcure Limited**

**Statement of comprehensive income  
For the year ended 31 December 2020**

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		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>		20,875,486	14,432,462
Administrative expenses		(14,360,987)	(11,140,127)
<b>Operating profit</b>	<b>4</b>	<u>6,514,499</u>	<u>3,292,335</u>
Interest receivable and similar income	<b>6</b>	-	117
Interest payable and similar expenses		-	(7,425)
<b>Profit before taxation</b>		<u>6,514,499</u>	<u>3,285,027</u>
Tax on profit	<b>7</b>	(1,235,961)	(635,985)
<b>Profit for the financial year</b>		<u><u>5,278,538</u></u>	<u><u>2,649,042</u></u>

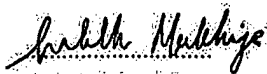
The income statement has been prepared on the basis that all operations are continuing operations.

Global eProcure Limited

Statement of financial position  
As at 31 December 2020

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	8		354,516		483,175
<b>Current assets</b>					
Debtors	9	11,606,436		3,968,070	
Cash at bank and in hand		1,041,300		1,702,972	
		<u>12,647,736</u>		<u>5,671,042</u>	
Creditors: amounts falling due within one year	11	(4,404,764)		(2,818,778)	
<b>Net current assets</b>			<u>8,242,972</u>		<u>2,852,264</u>
<b>Total assets less current liabilities</b>			<u>8,597,488</u>		<u>3,335,439</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	10	31,109		47,598	
		<u>(31,109)</u>		<u>(47,598)</u>	
<b>Net assets</b>			<u>8,566,379</u>		<u>3,287,841</u>
<b>Capital and reserves</b>					
Called up share capital	13		1		1
Profit and loss reserves			<u>8,566,378</u>		<u>3,287,840</u>
<b>Total equity</b>			<u>8,566,379</u>		<u>3,287,841</u>

The financial statements were approved and signed by the director and authorised for issue on 3/29/2021



Subhash Makhija  
Director

Company Registration No. 06479575

**Global eProcure Limited**

**Statement of changes in equity  
For the year ended 31 December 2020**

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	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2019</b>	<b>1</b>	<b>638,798</b>	<b>638,799</b>
<b>Year ended 31 December 2019:</b>			
Profit and total comprehensive income for the year		<b>2,649,042</b>	<b>2,649,042</b>
<b>Balance at 31 December 2019</b>	<b>1</b>	<b>3,287,840</b>	<b>3,287,841</b>
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year		<b>5,278,538</b>	<b>5,278,538</b>
<b>Balance at 31 December 2020</b>	<b>1</b>	<b>8,566,378</b>	<b>8,566,379</b>

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**Global eProcure Limited**

**Statement of cash flows  
For the year ended 31 December 2020**

	Notes	2020		2019	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	17	510,916		1,311,338	
Interest paid				(7,425)	
Income taxes paid		(1,081,763)			
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(570,847)</b>		<b>1,303,913</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(90,825)		(145,166)	
Interest received				117	
<b>Net cash used in investing activities</b>		<b>(90,825)</b>		<b>(145,049)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(661,672)</b>		<b>1,158,864</b>	
Cash and cash equivalents at beginning of year		1,702,972		544,108	
<b>Cash and cash equivalents at end of year</b>		<b>1,041,300</b>		<b>1,702,972</b>	

**Global eProcure Limited**

**Notes to the financial statements  
For the year ended 31 December 2020**

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**1 Accounting policies**

**Company information**

Global eProcure Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71 Queen Victoria Street, London, EC4V 4BE.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are presented in pounds sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Going concern**

The company's director has reviewed the company's financing needs and no matters have been drawn to the director's attention that the company will be unable to meet its obligations in relation to future operating expenditure as and when these obligations fall due.

The company performs a bespoke service for a small number of key clients and continually undertakes marketing activities to attract new clients. A number of new contracts were won in the year and further contract wins are expected during 2021. Although the winning of new contracts is uncertain, the director has provided forecasts for the company which shows the company maintaining its profitability in 2021 through cost rationalisation and new contracts won.

The company has also received undertakings from its immediate parent company that it will continue to support the company.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in the financial statements.

**Global eProcure Limited**

**Notes to the financial statements (continued)  
For the year ended 31 December 2020**

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**1 Accounting policies (continued)**

**1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover from contracts for procurement consultancy services is recognised in accordance with the terms specified in the contract. Implementation fees are recognised at the stage of completion of implementation with fixed fee arrangements being recognised over the period of the contract for services. Any bonus or success based fees are recognised at the point at which the company is entitled to receive the revenue, which is assessed by reference to the terms of the contract.

Turnover from the licencing of software is recognised over the period of the licence.

**1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the length of the lease
Fixtures, fittings & equipment	Over the length of the lease
Computer equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**1 Accounting policies (continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.6 Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.7 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**1 Accounting policies (continued)**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

***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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1 Accounting policies (continued)**

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Intercompany loans with no fixed repayment terms are recognised as current liabilities.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**1.9 Taxation**

***Current tax***

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

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**Global eProcure Limited**

**Notes to the financial statements (continued)  
For the year ended 31 December 2020**

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**1 Accounting policies (continued)**

**1.10 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.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

***Going concern***

The financial statements have been prepared on a going concern basis. The director has reviewed revenue and profit projections for 12 months from the date of signing and is of the opinion that it is appropriate to prepare the financial statements on a going concern basis. These projections are subject to uncertainty over future client wins and client retention. The projections have been prepared on a prudent basis. The director reviews the financial results of existing contracts on an ongoing basis to assess their continuing profitability.

The parent company NB Ventures Inc. has provided an undertaking to continue to support the company for the foreseeable future. Although the director considers that the company will be able to meet its obligations through the generation of cash flows from its own trading activities, the additional support provided by the parent company further supports the director's assessment that the business is a going concern.

***Debtor recoverability***

At the balance sheet date, the company held trade receivables of £1,060,240 (2019: £1,474,097) and intercompany receivables of £9,721,315 (2019: £2,053,421). The Director regularly reviews the likelihood of recoverability of these balances by reference to historic late payments, the circumstances of the debtor and wider economic factors. Where necessary, a provision for bad debt is raised to reflect uncertainty over future recovery of debts. In the judgement of the Director, no provision for bad debt was required as at 31 December 2020.

**Global eProcure Limited**

**Notes to the financial statements (continued)  
For the year ended 31 December 2020**

**3 Turnover and other revenue**

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Provision on services	8,506,508	8,306,595
Services provided to Group entities	12,368,978	6,125,841
	<u>20,875,486</u>	<u>14,432,436</u>

	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	-	117
	<u>-</u>	<u>117</u>

	2020	2019
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	8,252,487	8,245,710
United States	11,911,097	5,944,550
Europe	711,902	242,176
	<u>20,875,486</u>	<u>14,432,436</u>

**4 Operating profit**

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	24,240	(178,384)
Depreciation of owned tangible fixed assets	219,484	284,732
Operating lease charges	339,459	366,002
	<u>583,183</u>	<u>472,350</u>

**Global eProcure Limited**

**Notes to the financial statements (continued)  
For the year ended 31 December 2020**

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**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Total	102	68

Their aggregate remuneration comprised:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	9,109,724	5,769,796
Social security costs	1,325,870	757,823
Pension costs	240,144	222,906
	<u>10,675,738</u>	<u>6,750,525</u>

**6 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest income		
Interest on bank deposits	-	117
	<u>-</u>	<u>117</u>
Interest on financial assets not measured at fair value through profit or loss	-	117
	<u>-</u>	<u>117</u>

Global eProcure Limited

Notes to the financial statements (continued)  
For the year ended 31 December 2020

7 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>1,252,450</u>	<u>465,368</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(16,489)</u>	<u>170,617</u>
<b>Total tax charge</b>	<u><u>1,235,961</u></u>	<u><u>635,985</u></u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	<u>6,514,499</u>	<u>3,285,027</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,237,755	624,155
Tax effect of expenses that are not deductible in determining taxable profit	42,626	63,666
Tax effect of income not taxable in determining taxable profit	(27,943)	(34,358)
Unutilised tax losses carried forward	-	(187,431)
Adjustments in respect of prior years	-	(686)
Non-trade loan relationship	12	22
Deferred tax movement	<u>(16,489)</u>	<u>170,617</u>
<b>Taxation charge for the year</b>	<u><u>1,235,961</u></u>	<u><u>635,985</u></u>

At 31 December 2020 no deferred tax asset was recognised (2019: £137,341) due to the utilisation in full of brought forward trading losses in the prior year.

Global eProcure Limited

Notes to the financial statements (continued)  
For the year ended 31 December 2020

**8 Tangible fixed assets**

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020	498,680	170,796	262,278	931,754
Additions	1,245	-	89,580	90,825
<b>At 31 December 2020</b>	<b>499,925</b>	<b>170,796</b>	<b>351,858</b>	<b>1,022,579</b>
<b>Depreciation and impairment</b>				
At 1 January 2020	247,480	116,779	84,320	448,579
Depreciation charged in the year	100,125	43,326	76,033	219,484
<b>At 31 December 2020</b>	<b>347,605</b>	<b>160,105</b>	<b>160,353</b>	<b>668,063</b>
<b>Carrying amount</b>				
At 31 December 2020	152,320	10,691	191,505	354,516
At 31 December 2019	251,200	54,017	177,958	483,175

**9 Debtors**

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,060,240	1,474,097
Amounts owed by group undertakings	9,720,341	2,053,421
Other debtors	137,082	75,690
Prepayments and accrued income	544,161	220,250
	<b>11,461,824</b>	<b>3,823,458</b>
<b>Amounts falling due after more than one year:</b>		
Other debtors	144,612	144,612
<b>Total debtors</b>	<b>11,606,436</b>	<b>3,968,070</b>

**Global eProcure Limited**

**Notes to the financial statements (continued)  
For the year ended 31 December 2020**

**10 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities 2020 £</b>	<b>Liabilities 2019 £</b>
<b>Balances:</b>		
Deferred taxation	<u>31,109</u>	<u>47,598</u>
<b>Movements in the year:</b>		<b>2020 £</b>
Liability at 1 January 2020		47,598
Credit to profit or loss		<u>(16,489)</u>
Liability at 31 December 2020		<u>31,109</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

**11 Creditors: amounts falling due within one year**

	<b>2020 £</b>	<b>2019 £</b>
Trade creditors	129,262	61,877
Amounts owed to group undertakings	1,781,312	768,370
Corporation tax	636,055	465,368
Other taxation and social security	694,340	660,518
Other creditors	658,177	595,177
Accruals and deferred income	505,618	267,468
	<u>4,404,764</u>	<u>2,818,778</u>

**Global eProcure Limited**

**Notes to the financial statements (continued)  
For the year ended 31 December 2020**

**12 Retirement benefit schemes**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	240,144	222,906

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**13 Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Issued and fully paid</b>		
1 Ordinary share of £1	1	1

**10 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	132,726	241,020
Between two and five years		132,726
	132,726	373,746

**15 Related party transactions**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, not to disclose related party transactions with wholly owned subsidiaries within the group.

**16 Ultimate controlling party**

In the opinion of the director, the company's ultimate controlling party and immediate parent is NB Ventures Inc., a company incorporated in the United States of America. The parent undertaking of the largest and smallest group, which includes the company and for which group accounts are prepared, is NB Ventures Inc.

**Global eProcure Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

**17 Cash generated from operations**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	5,278,538	2,649,042
<b>Adjustments for:</b>		
Taxation charged	1,235,961	635,985
Finance costs		7,425
Investment income		(117)
Depreciation and impairment of tangible fixed assets	219,484	284,732
Pension scheme non-cash movement	(17,234)	(43,577)
<b>Movements in working capital:</b>		
Increase in debtors	(7,638,366)	(1,333,482)
Increase/(decrease) in creditors	1,432,533	(888,670)
<b>Cash generated from operations</b>	<u>510,916</u>	<u>1,311,338</u>

**18 Analysis of changes in net funds**

	<b>1 January</b>	<b>Cash flows</b>		<b>31 December</b>
	<b>2020</b>			<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,702,972</u>	<u>(661,672)</u>	<u>1,041,300</u>	<u>1,041,300</u>