

Company Registration No. 06479575 (England and Wales)

Global eProcure Limited

**Annual report and financial statements
for the year ended 31 December 2021**



Global eProcure Limited

Company information

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

Global eProcure Limited

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Global eProcure Limited

Strategic report

For the year ended 31 December 2021

The director presents the strategic report for the year ended 31 December 2021.

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, as set out on pages 8 and 9, show a profit on ordinary activities before tax of £6m (2020: profit of £6.5m).

The shareholders' funds of the Group total £7.6m (2020: £8.6m).

The performance of the Company during 2021 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.

As the effects of Brexit are still being felt, this 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	2021	2020
1. Growth in Revenue	1%	45%
2. Net Profit Margin	£4.7m	£5.3m
3. Gross Profit Margin	£21.1m	£20.8m
4. Cash Flow (cash)	£4.1m	£1.0m
5. Current Accounts Receivable	£18.7m	£12.6m
6. EBITDA	£6.0m	£6.7m

Global eProcure Limited

Strategic report (continued)

For the year ended 31 December 2021

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Group and the compliance team and Group finance department take on an important oversight role in this regard. The Audit Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

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 principle risks from 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 follow:

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 UK
2. 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 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: 4/1/2022

Global eProcure Limited

Director's report

For the year ended 31 December 2021

The director presents his annual report and financial statements for the year ended 31 December 2021.

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 2021

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

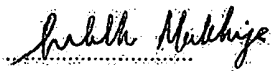
The company's director has reviewed the company's financing needs and no matters have been drawn to the director's attention that the company will be unable to meet its obligations in relation to future operating expenditure as and when these obligations fall due.

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 2022. Although the winning of new contracts is uncertain, the director has provided forecasts for the company which shows the company maintaining its profitability in 2022 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: 4/1/2022

Global eProcure Limited

Independent auditor's report

To the member of Global eProcure Limited

Opinion

We have audited the financial statements of Global eProcure Limited (the 'company') for the year ended 31 December 2021 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 2021 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

Other information

The director 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**

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.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Global eProcure Limited

Independent auditor's report (continued)

To the member of Global eProcure Limited

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, 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.

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.

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 the member 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

Date: 5 April 2022

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Global eProcure Limited

**Statement of comprehensive income
For the year ended 31 December 2021**

		2021	2020
	Notes	£	£
Turnover		21,139,706	20,875,486
Administrative expenses		(15,311,867)	(14,360,987)
Profit before taxation		5,827,839	6,514,499
Tax on profit	6	(1,113,270)	(1,235,961)
Profit for the financial year		<u>4,714,569</u>	<u>5,278,538</u>

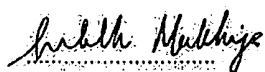
The income statement has been prepared on the basis that all operations are continuing operations.

Global eProcure Limited

**Statement of financial position
As at 31 December 2021**

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	7		250,737		354,516
Current assets					
Debtors	8	14,706,666		11,606,436	
Cash at bank and in hand		4,079,694		1,041,300	
		<u>18,786,360</u>		<u>12,647,736</u>	
Creditors: amounts falling due within one year	11	<u>(5,739,502)</u>		<u>(4,404,764)</u>	
Net current assets			<u>13,046,858</u>		<u>8,242,972</u>
Total assets less current liabilities			<u>13,297,595</u>		<u>8,597,488</u>
Provisions for liabilities					
Deferred tax liability	9	16,647		31,109	
		<u>(16,647)</u>		<u>(31,109)</u>	
Net assets			<u>13,280,948</u>		<u>8,566,379</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss reserves			13,280,947		8,566,378
Total equity			<u>13,280,948</u>		<u>8,566,379</u>

The financial statements were approved and signed by the director and authorised for issue on 4/1/2022



Subhash Makhija
Director

Company Registration No. 06479575

Global eProcure Limited

**Statement of changes in equity
For the year ended 31 December 2021**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2020	1	3,287,840	3,287,841
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	5,278,538	5,278,538
Balance at 31 December 2020	1	8,566,378	8,566,379
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	4,714,569	4,714,569
Balance at 31 December 2021	1	13,280,947	13,280,948

Global eProcure Limited

Statement of cash flows

For the year ended 31 December 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	16		4,957,467		510,916
Income taxes paid			(1,870,171)		(1,081,763)
Net cash inflow/(outflow) from operating activities			3,087,296		(570,847)
Investing activities					
Purchase of tangible fixed assets		(48,902)		(90,825)	
Net cash used in investing activities			(48,902)		(90,825)
Net increase/(decrease) in cash and cash equivalents			3,038,394		(661,672)
Cash and cash equivalents at beginning of year			1,041,300		1,702,972
Cash and cash equivalents at end of year			4,079,694		1,041,300

Global eProcure Limited

**Notes to the financial statements
For the year ended 31 December 2021**

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 2022. Although the winning of new contracts is uncertain, the director has provided forecasts for the company which shows the company maintaining its profitability in 2022 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 2021**

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 2021

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.

Notes to the financial statements (continued)

For the year ended 31 December 2021

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 2021**

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 £471,282 (2020: £1,060,240) and intercompany receivables of £13,552,395 (2020: £9,721,315). 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 2021.

Global eProcure Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2021**

3 Turnover and other revenue

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

	2021	2020
	£	£
Turnover analysed by class of business		
Provision on services	7,641,334	8,506,508
Services provided to Group entities	13,498,372	12,368,978
	<u>21,139,706</u>	<u>20,875,486</u>

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	7,259,570	8,252,487
United States	13,498,372	11,911,097
Europe	381,764	711,902
	<u>21,139,706</u>	<u>20,875,486</u>

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	16,688	24,240
Depreciation of owned tangible fixed assets	152,681	219,484
Operating lease charges	334,374	339,459
	<u> </u>	<u> </u>

5 Employees

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

	2021	2020
	Number	Number
Total	<u>112</u>	<u>102</u>

Global eProcure Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

5 Employees (continued)

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	10,127,493	9,109,724
Social security costs	1,411,771	1,325,870
Pension costs	315,060	240,144
	<u>11,854,324</u>	<u>10,675,738</u>

6 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	<u>1,127,732</u>	<u>1,252,450</u>
Deferred tax		
Origination and reversal of timing differences	<u>(14,462)</u>	<u>(16,489)</u>
Total tax charge	<u>1,113,270</u>	<u>1,235,961</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:

	2021	2020
	£	£
Profit before taxation	<u>5,827,839</u>	<u>6,514,499</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,107,289	1,237,755
Tax effect of expenses that are not deductible in determining taxable profit	34,379	42,626
Tax effect of income not taxable in determining taxable profit	(13,936)	(27,943)
Non-trade loan relationship	-	12
Deferred tax movement	<u>(14,462)</u>	<u>(16,489)</u>
Taxation charge for the year	<u>1,113,270</u>	<u>1,235,961</u>

Global eProcure Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

7 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	499,925	170,796	351,858	1,022,579
Additions	-	4,669	44,233	48,902
At 31 December 2021	499,925	175,465	396,091	1,071,481
Depreciation and impairment				
At 1 January 2021	347,605	160,105	160,353	668,063
Depreciation charged in the year	60,769	7,690	84,222	152,681
At 31 December 2021	408,374	167,795	244,575	820,744
Carrying amount				
At 31 December 2021	91,551	7,670	151,516	250,737
At 31 December 2020	152,320	10,691	191,505	354,516

8 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	471,282	1,060,240
Corporation tax recoverable	106,384	-
Amounts owed by group undertakings	13,552,395	9,720,341
Other debtors	285,221	137,082
Prepayments and accrued income	146,772	544,161
	14,562,054	11,461,824
Amounts falling due after more than one year:		
Other debtors	144,612	144,612
Total debtors	14,706,666	11,606,436

Global eProcure Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2021**

9 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Deferred taxation	16,647	31,109
	<u>16,647</u>	<u>31,109</u>
		2021 £
Movements in the year:		
Liability at 1 January 2021		31,109
Credit to profit or loss		(14,462)
Liability at 31 December 2021		<u>16,647</u>

10 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	315,060	240,144
	<u>315,060</u>	<u>240,144</u>

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.

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	22,911	129,262
Amounts owed to group undertakings	2,898,125	1,781,312
Corporation tax	-	636,055
Other taxation and social security	259,845	694,340
Other creditors	1,323,853	658,177
Accruals and deferred income	1,234,768	505,618
	<u>5,739,502</u>	<u>4,404,764</u>

Global eProcure Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2021**

12 Share capital

	2021	2020
	£	£
Issued and fully paid		
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:

	2021	2020
	£	£
Within one year	210,893	132,726
Between two and five years	130,553	-
	<u>341,446</u>	<u>132,726</u>

14 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.

15 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 2021

16 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	4,714,569	5,278,538
Adjustments for:		
Taxation charged	1,113,270	1,235,961
Depreciation and impairment of tangible fixed assets	152,681	219,484
Pension scheme non-cash movement	-	(17,234)
Movements in working capital:		
Increase in debtors	(2,993,846)	(7,638,366)
Increase in creditors	1,970,793	1,432,533
Cash generated from operations	<u>4,957,467</u>	<u>510,916</u>

17 Analysis of changes in net funds

	1 January	Cash flows	31 December
	2021		2021
	£	£	£
Cash at bank and in hand	<u>1,041,300</u>	<u>3,038,394</u>	<u>4,079,694</u>