SCHEDULE 2: FINANCIAL STATEMENTS OF THE ISSUER AND THE GUARANTORS PROVIDING HISTORICAL ACCOUNTS

The following Financial Statements are attached to the Registration Document in Schedule 2:

2A. Audited financial statements of NES Fircroft Bondco AS for 2022, including auditor report
2B. Audited financial statements of NES Advantage Solutions AS for 2021, including auditor report
2C. Audited financial statements of NES Advantage Solutions AS for 2022, including auditor report
2D. Audited financial statements of NES Global Talent Norge AS for 2021, including auditor report
2E. Audited financial statements of NES Global Talent Norge AS for 2022, including auditor report
2F. Audited financial statements of NES Global, LLC for 2021 and 2022, including auditor report
2G Audited financial statements of Bedrock Petroleum Consultants, LLC for 2021 and 2022, including auditor report
2H. Audited financial statements of NES Global Limited (UK subsidiary) for 2021, including auditor report
2I. Audited financial statements of NES Global Limited (UK subsidiary) for 2022, including auditor report
2J. Audited financial statements of NES Group Limited for 2021, including auditor report
2K. Audited financial statements of NES Group Limited for 2022, including auditor report
2L. Audited financial statements of Fircroft Engineering Services Limited for 2021, including auditor report
2M. Audited financial statements of Fircroft Engineering Services Limited for 2022, including auditor report
2N. Audited financial statements of NES Global Talent Holdings Ltd for 2021, including auditor report
2O. Audited financial statements of NES Global Talent Holdings Ltd for 2022, including auditor report
2P. Audited financial statements of NES Fircroft Australia PTY Limited for 2021, including auditor report
2Q. Audited financial statements of NES Fircroft Australia PTY Limited for 2022, including auditor report
2R. Audited financial statements of NES Global Limited (Canadian subsidiary) for 2021, including auditor report
2S. Audited financial statements of NES Global Limited (Canadian subsidiary) for 2022, including auditor report
2T. Unaudited interim consolidated accounts for NES Fircroft Bondco AS for Q2 2023

NES Fircroft Bondco AS

Annual report and financial statements
for the period ended 31 October 2022

Registered number: 927 143 690

Officers and professional advisors

DIRECTORS
S.W. Buckley
S.F. Coton

REGISTERED OFFICE
Snarøyveien 36
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Norway

AUDITOR
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Directors’ responsibilities statement

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

The directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of International Financial Reporting Standards (IFRSs), the Norwegian Corporation Law, the Norwegian Accounting Act and the generally accepted accounting principles in Norway. Under IFRS, the directors must not approve the statutory financial statements unless they are satisfied that they are presented fairly in all material respects for the company’s affairs as at 31 October 2022 and of its profit for the year then ended.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company’s ability to continue as a going concern.

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

Approved by the board of directors and signed on behalf of the board by,

S.W. Buckley
Director
28 April 2023

S. Coton
Director
28 April 2023

J. Mellby
CEO
28 April 2023

Income statement
For the period ended 31 October 2022

	Notes	Period ended 31 October 2022 $'000	Period ended 31 December 2021 $'000 (unaudited)
Finance costs	3	(461)	-
Loss before taxation	4	(461)	-
Tax charge	5	-	-
Loss for the financial period		(461)	-
Other comprehensive income		-	-
Total comprehensive expense for the year		(461)	-

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the loss for the financial period shown above. Accordingly, a separate statement of other comprehensive income has not been prepared.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

As at 31 October 2022

	Notes	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Fixed assets			
Investments	6	178,803	-
Non-current other assets	7	283,876	-
Total fixed assets		462,679	-
Current assets			
Trade and other receivables	8	4	-
Cash and bank balances	8	-	4
		4	4
Total assets		462,683	4
Current liabilities			
Trade and other payables	9	(3,044)	-
		(3,044)	-
Net current assets		(3,040)	4
Non-current liabilities			
Borrowings	10	(281,296)	-
		(281,296)	-
Total liabilities		(284,340)	-
Net assets		178,343	4
Equity			
Share capital	12	3	3
Share premium	12	178,801	1
Retained earnings		(461)	-
Total equity		178,343	4

The accompanying notes are an integral part of this balance sheet. The financial statements of NES Fircroft Bondco AS registered company number 927 143 690 were approved by the board of directors and authorised for issue on 28 April 2023. They were signed on its behalf by:

S.W. Buckley
Director

S. Coton
Director

J. Mellby
CEO

Cash flow statement

For the period ended 31 October 2022

	Notes	Period ended 31 October 2022 $'000	Period ended 31 December 2021 $'000 (unaudited)
Cash outflow from operating activities	13	(4)	-
Financing activities			
Proceeds from issue of share capital		-	4
Proceeds from bond		286,464	-
Payment of NES Fircroft Limited loan		(286,464)	-
Net cash received in financing activities		-	4
Net change in cash and cash equivalents		(4)	4
Cash and cash equivalents at beginning of the period		4	-
Cash and cash equivalents at end of the period		-	4

Statement of changes in equity

For the period ended 31 October 2022

	Called-up share capital $'000	Share premium $'000	Profit and loss account $'000	Total $'000
At incorporation (note 12)	3	1	-	4
At 31 December 2021	3	1	-	4
Share capital decrease (note 12)	(3)	-	-	(3)
Issue of share capital (note 12)	3	178,800	-	178,803
Loss for the period and total comprehensive loss	-	-	(461)	(461)
At 31 October 2022	3	178,801	(461)	178,343

The accompanying notes are an integral part of this statement of changes in equity.

1 General information

NES Fircroft Bondco AS is a private company limited by shares, registered in Norway. To bring the financial year end of NES Fircroft Bondco AS in line with the NES Fircroft group, the current reporting period has been reduced to a period of 10 months, ending on 31 October 2022. The prior year comparatives have a reporting date of 31 December 2021 and cover the period from incorporation at 5 May 2021.

NES Fircroft Bondco AS now reports under IFRS, having previously reported under the generally accepted accounting principles in Norway. This has had no impact on the prior year comparatives.

There has been a change in the functional currency of the company from Norwegian kroner to US dollars during the financial period. Following the acquisition of NES Fircroft Bondco AS by NES Fircroft Midco Limited, this resulted in a change to the currency of the primary economic environment in which the company operates.

2 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period

a) General information and basis of accounting
The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of International Financial Reporting Standards (IFRSs). The financial statements have been prepared on the historical cost basis unless otherwise specified under the accounting policies listed in note 2. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

b) Going concern
The company is a member of the wider NES Global Talent group, which manages its working capital on a pooled basis across the group. The group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 14 September 2022, NES Fircroft Bondco AS secured committed funding via a senior secured bond which was used for the repayment of the senior term loan held within the NES Global Talent group. The bond is due for repayment in 2026 and attracts interest at 11.75%. The group also secured committed funding via a $72m revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026.

The combined group facilities in place at 31 October 2022 consist of a $72 million revolving credit facility and $157 million of invoice discounting facilities. Despite the continued increase in trade since year end, the group had undrawn committed facilities of $97,044,000 at 31 March 2023, showing the group continues to have significant unutilised financing facilities in place.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex EBITDA by 5%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required. The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to the end of May 2024.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to fall in excess of these sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote.

2 Accounting policies (continued)

b) Going concern (continued)

The directors have a reasonable expectation that the NES Global Talent group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly the group has adopted the going concern basis in preparing the financial statements.

c) *Adoption of new and revised standards*
In the current period, the company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 16, IFRS3 and IAS 37, and annual improvements to IFRS Standards 2018-2020	The IAS 16 amendment now requires entities to recognise the proceeds from selling items produced whilst bringing assets to the location and condition necessary for them to be capable of operating in the manner intended by management in profit or loss, as opposed to deducting from the cost of assets. The IFRS3 amendment now requires reference to the 2018 conceptual framework, the application of IAS 37 or IFRIC 21 where required and an explicit statement that acquirers do not recognise contingent assets acquired in business combinations. Changes under IAS37 requires that entities specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.

New and revised IFRSs in issue but not yet effective
At the date of authorisation of these financial statements, the below standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. It is not practical to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Amendments to IFRS 16	*Covid-19 Related Rent Concessions beyond 30 June 2021*
Amendments to IFRS 17	*Insurance Contracts*
Amendments to IAS 1	*Classification of liabilities as Current or Non-Current and Disclosure of accounting policies*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of accounting policies*
Amendments to IAS 8	*Definition of accounting estimates*
Amendments to IFRS 4	*Extension of Temporary Exemption from Applying IFRS9*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a single transaction*
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative information*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Non-current Liabilities with Covenants*

d) Borrowing costs
Directly attributable costs of a new debt instrument are capitalised and spread over the term of the instrument. All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

2 Accounting policies (continued)

e) Interest income
Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

f) Taxation
The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

g) Financial instruments
Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets subsequently measured either at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). The classification is based on two criteria: the company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

2 Accounting policies (continued)

g) Financial instruments (continued)
Loans and other receivables
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 initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Loans and other receivables are assessed for indicators of impairment at each balance sheet date. They 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 of the investment have been impacted.

Objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Cash and bank balances
Cash and bank balances comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets
The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
Loans and borrowings
Loans and borrowings are initially measured at fair value, net of transaction costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

2 Accounting policies (continued)

g) Financial instruments (continued)

Derecognition of financial liabilities
The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

h) Critical accounting judgements and key sources of estimation uncertainty
In applying the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider there to be no critical judgements or key sources of estimation uncertainty in applying the company's accounting policies in the current year.

i) Acquisition by NES Fircroft Midco Limited and change in reporting period.
On 27 September 2022 the company was acquired by NES Fircroft Midco Limited. To bring the financial year end of NES Fircroft Bondco AS in line with the NES Fircroft group, the current reporting period has been reduced to a period of 10 months, ending on 31 October 2022. The prior year comparatives have a reporting date of 31 December 2021 and cover the period from 5 May 2021.

3 Finance costs

	Period ended 31 October 2022 $'000	Period ended 31 December 2021 $'000 (unaudited)
Interest payable on bank loans, loan notes and overdrafts	3,035	-
Amortisation of debt issue costs (note 10)	398	-
Interest receivable from related parties	(2,972)	-
	461	-

4 Loss before taxation

There are no employees other than directors and no remuneration has been paid to the directors, their remuneration being borne by other group companies and not recharged to the company. This is because fair apportionment is not possible.

5 Tax on loss

There is a tax charge for the year of $nil. The differences between the total current tax shown and the amount calculated by applying the standard rate of corporation tax to the loss before tax are as follows:

	Period ended 31 October 2022 $'000	Period ended 31 December 2021 $'000 (unaudited)
Loss before tax	(461)	-
Loss before tax multiplied by the standard rate of corporation tax 22%	(101)	-
Effects of:		
Deferred tax not provided	101	-
Total tax charge for the year	-	-

6 Investments

	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Cost and net book value		
At the beginning of the period	-	-
Additions	178,803	-
At the end of the period	178,803	-

On 27 September 2022, the share capital of the company was reduced by $3,000 (NOK 30,000) to $nil, which took place through the redemption of shares owned by NES Fircroft Midco Limited. The share capital was then increased by $3,000 (NOK 30,000), by issuance of 1,000 new shares to the company's shareholder, NES Fircroft Midco Limited, each with a nominal value of NOK 30. In connection with the share capital increase, the company received all of the outstanding shares in NES Fircroft Limited.

The total share contribution and investment value in NES Fircroft Limited amounted to $178,803,000, (NOK 1,920,096,000). NES Fircroft Limited prepares consolidated financial statements. Copies of the financial statements of NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP, United Kingdom. The NES Fircroft group reported profits of $52,940,000 for the year ended 31 October 2022, with net assets of $82,474,000 at this date.

A list of all subsidiary undertakings including the name, principal activity, registered office address and country of incorporation is shown within note 16.

7 Other non-current assets

	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Amounts owed by group undertakings	283,876	-
	283,876	-

Amounts owed by group undertakings are unsecured, interest bearing and repayable on demand. Interest is charged at a rate of 11.8%

8 Other current assets

Other receivables

	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Other debtors	4	-
	4	-

Cash and bank balances

Cash and bank balances comprise cash held by the company and short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximates their fair value.

	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Cash and bank balances	-	4

9 Creditors: Amounts falling due within one year

	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Accruals	3,041	-
Amounts owing to related parties (note 14)	3	-
	3,044	-

Accruals principally comprise amounts outstanding for bond interest and ongoing costs. Amounts owing to related parties are unsecured and repayable on demand.

10 Borrowings

	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Secured borrowings at amortised cost		
Secured bond	300,000	-
Related capitalised costs of raising finance	(18,704)	-
	281,296	-
Total borrowings		
Amount due for settlement within 12 months	-	-
Amount due for settlement after 12 months	281,296	-
	281,296	-

The principal features of the company's borrowings are detailed below:

Secured Bond

In September 2022 NES Fircroft Bondco AS secured committed funding via a secured bond, totalling $300,000,000, which was listed on Nordic ABM on 8 March 2023. The bond is due for repayment in 2026 and incurs a fixed rate of interest at 11.75%.

In year, total costs of $19,102,000 were capitalised in relation to raising finance for the bond. Of these, $398,000 were amortised to finance costs in the income statement during the year. The remaining $18,704,000 will be amortised to finance costs over the term of the bond.

11 Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Categories of financial instruments

	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Financial assets		
Cash	-	4
Debtors	283,880	-
Financial liabilities		
Liabilities measured at amortised cost	(300,003)	-

The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Financial assets – Cash and cash equivalents

These comprise cash held by the company and short-term bank deposits with an original maturity of three months or less.

Financial assets – Debtors

These comprise of current and non-current other receivables. Details are given in notes 7 and 8 respectively.

Financial liabilities

These comprise of borrowings and related party debt. Details are given in notes 10 and 14 respectively.

Financial risk management objectives

The company's board and treasury function monitor and manage the financial risks relating to the operations. These risks include currency exposure, credit risk, liquidity risk and cash flow interest risk. There is no exposure to interest rate risk as the company borrows funds at a fixed rate of interest as disclosed in note 10. The principal risks are detailed below together with details of how these are mitigated.

11 Financial instruments (continued)

Capital and liquidity risk management

The company is part of the NES Global Talent group which manages its capital to ensure that all entities within the group continue as a going concern. The capital structure of the company consists of debt, which includes the borrowings disclosed in note 10, cash and cash equivalents and equity attributable to the equity holders of the company comprising retained earnings disclosed in the Statement of changes in equity. The company manages liquidity risks by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's exposure is constantly monitored and forms part of the monthly reporting to management.

Foreign currency exchange risk

Due to the nature of its business, the company engages in foreign currency denominated transactions. Sensitivity analysis has been performed on the impact of and exposure to foreign currency fluctuations with no significant issues arising as a result of the analysis.

The company does not use derivative instruments to protect against the volatility associated with foreign currency transactions and investments and other financial assets and liabilities created in the ordinary course of business. Revenues and expenses are transacted in the same foreign currency as far as possible to achieve a natural hedge.

Based on currency balances held as at 31 October 2022, the company had no exposure to foreign currency risk that would impact operating profit, (2021: same).

12 Called-up share capital and share premium

	31 October 2022	31 December 2021

	$'000	$'000 (unaudited)
Authorised, allotted, called up and fully paid		
1,000 ordinary shares of NOK 30 each	3	3
Share premium	178,801	1
	178,804	4

Prior to its acquisition by NES Fircroft Midco Limited, the company had a share capital of $3,000 (NOK 30,000), consisting of 1,000 shares, each with a nominal value of NOK 30, and a share premium of $1,000 (NOK 10,000).

On 27 September 2022, the share capital of the company was reduced by $3,000 (NOK 30,000) to $nil, which took place through the redemption of shares owned by NES Fircroft Midco Limited. The share capital was then increased by $3,000 (NOK 30,000), by issuance of 1,000 new shares to the company's shareholder, NES Fircroft Midco Limited, each with a nominal value of NOK 30. In connection with the share capital increase, the company received all of the outstanding shares in NES Fircroft Limited. The total subscription amount was $178,803,000, (NOK 1,920,096,000), of which $3,000 (NOK 30,000) was share capital and $178,800,000 (NOK 1,920,066,000) was share premium.

13 Notes to the cashflow statement

	Period ended 31 October 2022 $'000	Period ended 31 December 2021 $'000 (unaudited)
Loss for the year	(461)	-
Adjustments for:		
Finance costs	461	-
Operating cash flows before movements in working capital	-	-
Increase in receivables	(4)	-
Cash outflow from operating activities	(4)	-

Balances at 31 October 2022 comprise:

	31 October 2022 $'000	31 December 2021 $'000 (unaudited)
Cash and bank balances	-	4
	-	4

14 Related party transactions

Transactions between the company and its other related parties are disclosed below.

NES Fircroft Midco Limited
NES Fircroft Midco Limited holds a controlling interest in NES Fircroft Bondco AS and its subsidiaries.

As of the balance sheet date, there is an outstanding loan of $3,000 owed by NES Fircroft Bondco AS to NES Fircroft Midco Limited.

15 Ultimate parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. Copies of the financial statements of NES Global Talent Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

16 List of subsidiary undertakings

A list of all related undertakings including the name, principal activity (footnoted below), country of incorporation and the registered office address of the related undertaking is shown below. Where percentage ownership is below 50%, an entity is considered a subsidiary after an assessment of control held over the investee and the right to return. All investments are in ordinary shares.

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Algérie SARL (1)	No. 01, Mazareq Warkaly, Hydreh, Algiers State, Algeria	Algeria	49%
NES Global Talent Limitada (1)	Rua Nicolau Gomes Spencer, N. 1, Maculusso, Luanda, Angola	Angola	49%
North Eagle Star Limitada (1)	Rua Comandante Gika, Travessa dos Militares, No. 1, Alvalade, Luanda, Angola	Angola	98%
NES Fircroft Australia Pty Limited (1)	Parmelia House Level 12, 191 St Georges Terrace, Perth, WA 6000, Australia	Australia	100%
NES Global Pty Ltd (1)	Level 29, 66 Goulburn Street Sydney NSW 2000 Australia	Australia	100%
Fircroft Azerbaijan LLC (1)	69 Nizami Street, Nasimi district Baku, AZ1005, Azerbaijan	Azerbaijan	100%
Fircroft Caspian Services LLC (1)	69 Nizami Street, Nasimi district Baku, AZ1005, Azerbaijan	Azerbaijan	100%
NES Bahrain WLL (1)	Office 49d, 49th Floor, Harbour Towers – West Tower, Bahrain Financial Harbour, Road 4626, Manama 346, PO Box 11782, Kingdom of Bahrain	Bahrain	49%
NES Global Technical Consultants Ltd (1)	9 Mohakhali C/A (11th & 12th Floor), Dhaka-1212, Bangladesh	Bangladesh	100%
NES Global Limitada (1)	Avenida Presidente Vargas, 309, 21 ° andar, parte, Centro, Rio de Janeiro, CEP 20040-010, Brazil	Brazil	100%
NES Global Talent Sdn Bhd (1)	8th Floor, PGGMB Building, Jalan Kinanggeh, BS8111 Bandar Seri Begawan, Brunei	Brunei	70%
Fircroft (Canada) Limited (1)	4500, 855 – 2nd Street, S.W. Calgary, Alberta, Canada	Canada	100%
NES Global Limited (1)	333 11th Avenue SW, Suite 1602, Calgary, Alberta, T2R 1L9, Canada	Canada	100%
NES Advantage Solutions Canada Limited (1)	450, 855 - 2nd Street SW Calgay, Alberta, T2P 4K7, Canada	Canada	100%
NES Global Talent Chile, S.A. (1)	Providencia 1760 603, Providencia, Santiago, Chile	Chile	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Services (Shanghai) Co. Limited (1)	Room 804-805, Shui On Plaza, No.333 Middle HuaiHai Road, HuangPu District, Shanghai, 200021, China	China	100%
NES Global Technical Consultants (Shanghai) Co., Limited (1)	Room 804-805, Shui On Plaza, No.333 Middle HuaiHai Road, HuangPu District, Shanghai, 200021, China	China	100%
NES Global Technical Services (Shenzen) Co. Ltd	Room 332, 3/F, New Times Plaza, No.1 TaiZi Road NanShan District, ShenZhen, China	China	100%
Fircroft Engineering Services ApS (1)	C/o GTS Nordic ApS, Kalkbraenderilobskaj 6, 2100 Kobenhavn 0	Denmark	100%
NES Global Talent Egypt (1)	3 Oraby Street, Ground Floor, Maadi, Cairo, Egypt	Egypt	100%
NES Global France (1)	Le Bélvédère, 1-7 Cours Valmy, 92 800, Puteaux, France	France	100%
NES Global Talent Ltd SARL (1)	366 Rue Alfred Marche, PO Box 2164, Libreville, Gabon	Gabon	100%
Fircroft Engineering Services Limited SARL (4)	Montagne Sainte (à côté d'Air France) BP 74 19, Liberville, Gabon	Gabon	100%
NES Global Deutschland GmbH (1)	Glücksteinallee 45, D-68163 Manneheim, Germany	Germany	100%
North Eagle Star Limited (1)	PO Box CT 3466, 1st Floor, Earlbeam Plaza, George Walker Bush Highway, Dzorwulu, Accra, Ghana	Ghana	49%
FES Ghana Ltd (1)	20 Jones Nelson Road, Accra, PO Box GP 821, Ghana	Ghana	100%
Fircroft Ghana Limited (1)	20 Jones Nelson Road, Accra, PO Box GP 821, Ghana	Ghana	100%
NES Global Talent (Ghana) Limited (1)	No. 5, 1st Ridge Link, North Ridge, Accra, Ghana	Ghana	100%
PB Services Limited (1)	HNO.15 Kofi Dzata Dzorwulu, Kofi Dzata Street, Accra, Ghana	Ghana	100%
Red Coral Services Limited (1)	P.O Box DS 733, Dansoman, Accra, Ghana	Ghana	100%
Fircroft Guyana Inc (1)	Lot 62 Hadfield and Cross Streets, Werk-en-Rust, Georgetown, Guyana	Guyana	100%
NES Global Talent Guyana Inc (1)	Lot 62 Hadfield & Cross Street, Werk-en-Rust, Georgetown, Guyana	Guyana	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Limited (1)	608, 6th Floor Laford Centre, 838 Lai Chi Kok Road, Kowloon, Hong Kong	Hong Kong	100%
NES Global Specialist Engineering Services Private Limited (1)	CB-15, A Wing 8th Floor, Reliable Tech Park, Behind Reliable Plaza, Thane - Belapur Road, Airoli, Navi Mumbai, Thane, Maharashtra, India, 400708	India	100%
PT NES Global Teknik (1)	Cyber 2 Tower, 18th Floor, Jl. H.R. Rasuna Said Blok X-5 Kav, 13 Jakarta 12950, Indonesia	Indonesia	70%
PT NES Global Technical Consultant (1)	Cyber 2 Tower, 18th Floor, Jl. H.R. Rasuna Said Blok X-5 Kav, 13 Jakarta 12950, Indonesia	Indonesia	95%
PT Fircroft Indonesia (1)	The Executive Centre, Sampoerna Strategic Square, South Tower, 18th Floor, Jl. Jend Sudirman Kav. 45-46, Jakarta 12930, Indonesia	Indonesia	100%
Al Mazaya General Services LLC (1)	Flat 21, Al Rubaie Street, Al Zayytouna Building, Baghdad, Iraq	Iraq	100%
NES Global for Recruitment of Foreign Manpower Limited (1)	100 St Italian Village, Villa 404, Erbil, Kurdistan, Iraq	Iraq	100%
North Eagle Star for General Services LLC (1)	Al Rubaie Street, Al Zaytouna Building, Second Floor, Flat No 24, Baghdad, Iraq	Iraq	100%
NES Global Talent Ltd (1)	The Black Church, St. Mary's Place, Dublin, D07 P4AX, Ireland	Ireland	100%
NES Global Talent KK (1)	Level 6, Fukumatsu Bldg, 7-1 Sumiyoshicho, Shinjuku-ku, Tokyo, Japan	Japan	100%
Fircroft CIS LLP (1)	17B Kanysh Satpayev street, 2nd Floor, BC Atyrau Plaza, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	100%
Fircroft Engineering Services Kazakhstan LLP (1)	17B Kanysh Satpayev street, 2nd Floor, BC Atyrau Plaza, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	100%
NES Global Talent LLP (1)	Office 703, Atyrau Plaza Business Centre, Building 19, Satpayev Street, Atyrau Oblast 060000, Kazakhstan	Kazakhstan	100%
Fircroft Kenya Limited (1)	IKM Place, Tower A, 5th Floor, 5th Ngong Avenue, Off Bishops Road, PO Box 11866-00400, Nairobi, 00400, Kenya	Kenya	100%
NES Global Talent for Project Management WLL (1)	Office Number 5112, 2nd Floor, Dar Al Awadi Center, Kuwait	Kuwait	49%
Agensi Pekerjaan NES Global Talent SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avenue II 12 Jalan Yap. Kwan Seng, 50450 Kuala Lumpur, Malaysia	Malaysia	49%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Technical Consultants SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	70%
NES Global SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	30%
NES Global Talent SDN BHD (2)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	100%
Fircroft Engineering Mexico, S.A DE C.V. (1)	Angel Urraza #314, Colonia Del Valle, Benito Juarez, Mexico C.P. 03100	Mexico	100%
Fircroft Service, S.A DE C.V. (4)	Angel Urraza #314, Colonia Del Valle, Benito Juarez, Mexico C.P. 03100	Mexico	100%
NES Global Talent S. DE (1)	Bosque de Ciruelos No.180 Piso 4, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de Mexico, 11700	Mexico	100%
NMEXSTAFF S. DE R.L. DE C.V.(1)	Bosque de Ciruelos No.180 Piso 4, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de Mexico, 11700	Mexico	100%
Fircroft Mozambique Limitada (1)	Rua dos Desportistas, nº 833.Edifício JAT V-1, 15º andar Maputo, Mozambique	Mozambique	100%
North Eagle Star Limitada (1)	Bairro Central, Avenida Vladimir Lenine, no. 174, 1o andar, Edificio Millenium Park, Maputo, Mozambique	Mozambique	100%
NES Global (Myanmar) Private Limited (1)	No. 18/G/F, Tha Pyay Nyo Street, Shin Saw Pu Quarter, Sanchaung Township, Yangon, Myanmar	Myanmar	100%
NES Global Limited (1)	Vero House, Level 2, 10 Devon Street East, PO Box 8262, New Plymouth Central, 4342, New Zealand	New Zealand	100%
NES Global Talent Nigeria Limited (1)	4th Floor, Coscharis Building, 68A Adeola Odeku Street, Victoria Island, Lagos, Nigeria	Nigeria	49%
Fircroft Norge AS (1)	C/o Sum Regnskap AS, Travbaneveien 3, 4031, Stavanger, Norway	Norway	100%
Fircroft Norge Management AS (1)	C/o Sum Regnskap AS, Travbaneveien 3, 4031, Stavanger, Norway	Norway	100%
NES Advantage Solutions AS (1)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Advantage Solutions Group AS (2)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Global Management AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Offshore AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Holdco AS (2)	Haakon VII's gate 10, 0161 Oslo, Norway	Norway	100%
NES Global Talent Norge AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Norway Holdings AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global LLC (1)	Office A410, Al Assalah Towers, South Ghubrah, PO Box 199, Muscat, Oman	Oman	70%
New Eagle Services (1)	1st Floor Office No. BAZ-104 Al-Baz Commercial Centre Salalah, Oman	Oman	100%
New East Services Distinctive LLC (1)	Office A410, Al Assalah Towers South Ghubrah PO Box 199 Al Khuwair Muscat, Oman	Oman	100%
NES Global Limited (1)	Pacific Palms, Level 1, Harbourside West Building, Stanley Esplanade, PO Box 1140, Port Moresby, NCD, Papua New Guinea	Papua New Guinea	100%
NES Global Talent Sp. z.o.o.(1)	ul. Grzybowska 5a, 00-132, Warszawa, Polska	Poland	100%
Fircroft Portugal Limitada (2)	Rua Afonso Praça, nº 30, 1º D, 1495 – 061 Alges, Lisboa, Portugal	Portugal	100%
Fircroft Qatar LLC (6)	Office No. 1101, 11th Floor, Marina Twin Towers, Lusail, PO BOX 200183, DOHA, QATAR	Qatar	49%
NES Overseas Qatar WLL (1)	Office 8, First Floor, Al Qamra Building, Al Difaaf St., Al Sadd, Doha, Qatar	Qatar	49%
Fircroft LLC (1) (Russia)	Workplace 2t, Room V, Building 12/9, 1 Tekstilshchikov Street, Tekstilshchiki Municipal Districtm Moscow, 109390, Russia	Russia	100%
NES Global Arabia Company Limited (1)	Global Suhaimi Compound, King Abdul Aziz Road (Dammam Seaport Road), Dammam, Saudi Arabia	Saudi Arabia	55%
Fircroft Senegal SARL (1)	Le Plateau, Azur 15 Building 12, Dakar Senegal	Senegal	100%
NES Global Private Limited (1)	20-02, 61 Robinson Road, Singapore, 068893, Singapore	Singapore	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Fircroft Private Limited (1) (Singapore)	16 Collyer Quay, #17-00 Income at Raffles, Singapore, 049318	Singapore	100%
Fircroft Group SA (PTY) Ltd (4)	Lynnwood Bridge, 4 Daventry Street, Lynnwood Manor, Pretoria, 0081, South Africa	South Africa	100%
Fircroft South Africa PTY LLC (1)	1st Floor, Convention Towers, Cnr of Heerengracht and Walter Sisulu Street Foreshore, Cape Town, 8001, South Africa	South Africa	100%
NES Global South Africa Pty Ltd (1)	C/o Deloitte & Touche, Deloitte Place, Building 4, The Woodlands, 20 Woodlands Drive, Woodmead, 2052, South Africa	South Africa	100%
NES Global Korea Yuhan Hoesa (1)	16th Floor, Posco P&S Tower, Teheran-ro, Gangnam-gu, Seoul, 06235, South Korea	South Korea	100%
NES Global Talent Suisse AG (1)	Seefeldstrasse 69 Zurich 8008 Switzerland	Switzerland	100%
NES Global Talent Taiwan Co. Ltd	10F, No. 156, Section 3, Minsheng East Road, Songshan District, Taipei City 105, Taiwan	Taiwan	100%
Fircroft Tanzania Limited (1)	357 United Nations Road, Dar es Sallam, Tanzania	Tanzania	100%
NES Global (East Africa) Limited (1)	Plot no 211 Chabruma street, Kinondoni District, P.O. BOX 4524, Dar es Salaam, Tanzania	Tanzania	100%
NES Fircroft Recruitment (Thailand) Limited (1)	No. 399 Interchange Tower, 35th Floorm Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	49%
NES Fircroft Engineering (Thailand) Limited (2)	399 Interchange Building, 35th Floor, Sukhumvit Road, Klongtoey-Nua, Wattana, Bangkok, 10900, Thailand	Thailand	49%
NES Fircroft (Thailand) Limited	No. 399 Interchange Tower, 35th Floorm Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	100%
NES Global Engineering Services Company Limited (1)	No.94 Shinnawat M Thai Building, 3d Floor, Soi Sukhumvit 23, Sukhumvit Road, Klongt Toei Nua Sub District, Wattana District, Bangkok, Thailand	Thailand	100%
Northern Engineering Services (Thailand) Company Limited (1)	No. 399 Interchange Tower, 35th Floorm Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	100%
Fircroft Engineering Services B.V. (1)	Verlengede Poolseweg 16, Unit 318, Breda, 4818 CL, Netherlands	The Netherlands	100%
NES Global B.V. (1)	Verlengede Poolseweg 16, Unit 318, Breda, 4818 CL, Netherlands	The Netherlands	100%
Fircroft Trinidad Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad and Tobago	Trinidad & Tobago	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad & Tobago	Trinidad & Tobago	100%
Aim Academy Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Energy People International Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Fircroft Engineering Services (Northern) Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Fircroft International Technical Services Limited (1)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Fircroft Engineering Services Limited (1)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Fircroft Kazakhstan Trustee Limited (2)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
International Workforce Solutions Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Italic Managed Solutions Limited (6)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Johnson Knight International Holdings Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Johnson Knight International Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
NES 2 Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Advantage Solutions Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Finance Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Engineering Services Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Limited (6)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Finco Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Holdings Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Group Limited (7)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Holdings Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES International Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES IT Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Managed Services Limited (8)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Recruitment Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Trustees Limited (9)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES UK Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES UK Recruitment Limited (4)	7 The Arc, Hillington Park, Colquhoun Avenue, Glasgow, G52 4BN	UK	100%
NESCO Holdings Limited (2)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
North Eagle Star Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Northern Technical Talent Services Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Professional Laboratory Services Limited (2)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Recruitment Advisory Services (Northern) Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Rize Recruitment Limited (1)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
South Star Technical Services Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Fircroft Foundation Limited	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Fircroft Ukraine LLC (1)	35 Svitlytskoho, Office 108/4, 04123 Kyiv, Ukraine	Ukraine	100%
NES Global Human Resources Consultancy LLC (1)	Office Unit 26-D2, Marina Square, Tamouh Tower, Al Reem Island, PO Box 63107, Abu Dhabi, United Arab Emirates	United Arab Emirates	49%
Fircroft Recruitment Services LLC (1)	Block 17, Office 205, Dubai Knowledge Village, Dubai, UAE, PO Box 27131	United Arab Emirates	100%
NES Global Energy Services DMCC (1)	Unit No. 409, Indigo Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates	United Arab Emirates	100%
NES Global Talent Recruitment Services LLC (1)	Office Unit 26-D2, Marina Square, Tamouh Tower, Al Reem Island, PO Box 63107, Abu Dhabi, United Arab Emirates	United Arab Emirates	100%
Bedrock PC 1099, LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
Bedrock PC W2, LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
Bedrock Petroleum Consultants, LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
Fircroft Inc (1)	3411 Silverside Road, Suite 104, Wilmington, Delaware, 19810	USA	100%
NES Advantage Solutions Inc.(1)	800 Gesner Road, Suite 310, Houston, Texas, 77204, USA	USA	100%
NES Global Construction LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
NES Global Downstream LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
NES Global LLC (1)	800 Gessner Road, Suite 800, Houston, Texas, 77024, USA	USA	100%
NES Global Onshore Upstream, LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
NES Global Talent Finance US LLC (5)	1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100%
NES Global Talent US Inc. (5)	1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Redbock LLC (1)	21684 Granada Avenue, Suite B, Cupertino, California, 95014, USA	USA	100%
NES Global Technical Consultants Vietnam Ltd (1)	Level 16, Regus Saigon Tower, 29 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	Vietnam	100%

Principal activities of related undertakings:

1. Provision of technical recruitment agency services
2. Intermediate holding company
3. Provision of services to the Group
4. Dormant company
5. Provision of finance to the Group
6. Provision of technical engineering consultancy services overseas and holding company
7. Provision of support services for the NES Fircroft Group of companies
8. Provision of technical recruitment solutions
9. Trustee company for NES Group EBT
10. Provision of finance for charitable activities

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To the General Meeting of NES Fircroft Bondco AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of NES Fircroft Bondco AS (the Company), which comprise the balance sheet as at 31 October 2022, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 October 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements
The Board of Directors and the Managing Director (management) are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 30 April 2023
Deloitte AS

Arnstein Antonsen
State Authorised Public Accountant

Arnstein Antonsen
Statsautorisert revisor
Serienummer: 9578-5999-4-1936005
IP: 79.160.xxx.xxx
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Annual Report 2021
NES Advantage Solutions AS

Profit and loss statement
Balance sheet
Notes to the Accounts
Cash flow analysis

Org.no.: 984 909 020

NES Advantage Solutions AS

Income statement

Amounts in NOK 1000

	Note	2021	2020
Operating income and operating expenses			
Operating revenue	2, 3, 4	713 330	811 294
Total operating revenues		**713 330**	**811 294**
Goods and services	3, 4	(328 232)	(366 631)
Salary costs	6	(299 194)	(406 984)
Depreciation and amortisation expenses	7	(378)	(1 124)
Other operating costs	3, 4, 6	(78 504)	(38 205)
Total operating expenses		**(706 308)**	**(812 944)**
EBIT		**7 022**	**(1 650)**
Financial income and expenses			
Interest income from group companies	3, 4	10 594	14 768
Interest income		129	466
Other financial income		1 573	2 619
Interest cost to group entities	3, 4	(4 468)	(4 927)
Other financial cost		(281)	(2 242)
Net financial income and expenses		**7 546**	**10 683**
Profit before tax		**14 569**	**9 033**
Tax	10	(2 158)	(1 987)
Annual result		**12 410**	**7 046**
Attributable to:			
Group contribution submitted, net of tax	8, 9	8 753	11 205
Transferred to (+) / from (-) other equity	8	3 657	(4 159)
Total distributed		**12 410**	**7 046**

NES Advantage Solutions AS

Balance sheet as of 31st October

Amount in NOK 1000

	Note	2021	2020
Assets			
Non-current assets			
Intangible assets			
Software	7	1	8
Deferred tax assets	10	2 860	1 787
Total intangible fixed assets		**2 862**	**1 795**
Property, plant and equipment			
Equipment and other movables	7	567	715
Total property, plant and equipment		**567**	**715**
Total non-current assets		**3 429**	**2 510**
Current assets			
Accounts receivables			
Trade debtors	4	107 419	37 263
Work in progress		563	5 943
Other receivables internal	3	269 423	284 691
Other short term receivables		8 923	10 799
Total accounts receivables		**386 328**	**338 695**
Cash and cash equivalents	5	19 595	13 625
Total current assets		**405 923**	**352 320**
Total assets		**409 351**	**354 830**

NES Advantage Solutions AS

Balance sheet as of 31st October

Amount in NOK 1000

	Note	2021	2020
Equity and liabilities			
Equity			
Invested equity			
Share capital		(100)	(100)
Share premium reserve		(15)	(15)
Total invested equity	**8**	**(115)**	**(115)**
Retained earnings			
Other equity		(22 776)	(19 119)
Total retained earnings	**8**	**(22 776)**	**(19 119)**
Total equity	**8**	**(22 891)**	**(19 234)**
Liabilities			
Short term liabilities			
Trade creditors	4	(52 120)	(40 757)
Tax payable	10	(762)	0
Public duties		(41 675)	(28 624)
Accrued salary		(49 023)	(32 417)
Group contribution	3, 9	(11 222)	(76 618)
Other current liabilities	4, 11	(38 925)	(34 561)
Other short term liabilities internal	3	(192 732)	(122 618)
Total short term liabilities		**(386 460)**	**(335 595)**
Total liabilities		**(386 460)**	**(335 595)**
Total equity and liabilities		**(409 351)**	**(354 830)**

Manchester, 30.06.2022

The board of NES Advantage Solutions AS

J M Mellbye

Jens Michael Mellbye
Member of the board/General Manager

Stephen William Buckley
Chairman of the board

Jens B. Iversen

Jens Børge Franc Iversen
Member of the board

Indirect cash flow
NES Advantage Solutions AS

Amounts in NOK 1000

	Note	2021	2020
Cash flows from operating activities			
Profit/loss before tax		14 569	9 033
Ordinary depreciation		378	0
Change in inventory, trade debtors and trade creditors		(58 793)	(62 668)
Changes in accrued accounting items		64 407	(104 669)
Net cash flows from operating activities		**20 561**	**(158 304)**
Cash flow from investments		(226)	(366)
Net cash flows from investment activities		**(226)**	**(366)**
Cash flows from financing activities			
Borrowing from group companies		0	91 906
Group contribution paid		(14 365)	0
Net cash flows from financing activities		**(14 365)**	**91 906**
Net change in cash and cash equivalents		5 970	(66 764)
Cash and cash equivalents at the start of the period		13 625	80 390
Cash and cash equivalents at the end of the period		**19 595**	**13 626**

NES Advantage Solutions AS
Notes to Financial Statements 2021
Amounts in NOK 1000

Accounting principles
The financial statement consists of a profit and loss statement, balance sheet, cash flow analysis and notes. The financial statement is in accordance with the Norwegian Corporation Law, the Norwegian Accounting Act and the generally accepted accounting principles in Norway.

The financial statement is based on the basic principles and classification of liabilities according to the definition in the Norwegian Accounting Act. In use of accounting principles and presentation of transactions and other circumstances we emphasise importance to economic reality, not only legal form. Contingent liabilities that are probable and quantifiable will be charged as an expense. There are no changes in the accounting principles.The fiscal period starts on November 1 and ends at October 31.

Foreign currency
Transaction in foreign currency is converted to NOK on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

Revenue recognition
Revenue is recognised on the basis of hours worked for contractors hired out, on the start date of permanent placements, and on the basis of work performed for project management services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes.

Tax
The tax expense consist of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax asset are recorded in the balance sheet when it is more likely than not that the tax asset will be utilised.
Tax payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so at to write off the cost or valuation of assets over their estimated useful lives. The company recognises intangible assets in respect of computer software. Computer software is amortised on a straight-line basis over its useful economic life, which is estimated at five years.

Accounts receivable
Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

Group company
NES Advantage Solutions Group AS' ultimate parent company is NES Global Talent Limitied, a company incorporated in England and Wales.

Pension
The pension contribution plans are accrued according to the matching principle. The annual pension premium is charged as a cost in the income statement.

Cash flow
The cash flow statement is prepared in accordance with the indirect method.

NES Advantage Solutions AS
Notes to Financial Statements 2021
Amounts in NOK 1000

Note 2 Operating revenues

	2021	2020
Geographic breakdown		
Angola	15 785	16 869
Austria	0	48
Azerbaijan	165	0
Belgium	75	0
Canada	423	363
Congo	8 711	886
Denmark	4 771	2 380
France	0	312
India	902	4 392
Malaysia	34	240
Norway	673 575	783 552
Romania	260	0
Singapore	1 454	1 261
Sweden	539	0
United Kingdom	2 583	991
United States	4 054	0
Total	**713 330**	**811 294**

Note 3 Balances and internal transactions within the Group

	2021	2020
Receivables		
NES Group Limited	147 053	152 937
NES Advantage Group AS	0	9 874
NES Global Limited	0	2 591
NES Advantage Limited	0	624
NES Advantage Inc	74	77
NES GT Norge AS	0	385
NES GT Holdco AS	122 297	117 990
NES Managed Services Limited	(0)	212
Total	**269 423**	**284 691**
Liabilities		
NES Group Limited	0	4 698
NES Global Limited	9 922	10 531
NES UK Limited	2 780	2 696
NES Advantage Limited	13 067	10 608
NES Advantage Group AS	164 507	92 603
NES GT Norge AS	1 274	236
NES Global Hong Kong	276	276
NES Global Tech Consultants	906	971
Total	**192 732**	**122 618**
Operating revenues within NES Global Talent companies	6 642	2 562
Operating purchases within NES Global Talent companies	19 616	54 277
Management charge from parent company	2 191	2 099
Interest income from short term receivables	10 594	14 768
Interest cost from short term liabilities	4 468	4 927

Note 4 Related parties

Year-end balances with companies in the same group:

	2021	2020
Accounts receivables	752	0
Receivables from related parties	307 051	284 691
Trade creditors	1 237	0
Other short term liabilities	(132 846)	(122 618)

Other short term liabilities includes group contribution.

The company has had the following transactions with related parties in 2021:

Revenue	8 865
Cost	(42 125)
Other IC expenses	330

The transactions has been carried out at arms' length.
Interests is calculated on both receivables and liabilities.

Note 5 Bank Deposits

Funds standing on the tax deduction account (restricted funds) are TNOK 16 660.

Note 6 Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs	2021	2020
Salaries	261 402	350 592
Employment tax	34 257	47 655
Pension costs	535	1 353
Other benefits	3 000	7 384
Total	**299 194**	**406 983**
Average number of employed consultants	574	689

Mandatory occupational pension
The company has established pension scheme that fulfil the requirements of the law.

Management remuneration
The Managing Director is employed in another company within the Group.
NES Advantage Solutions AS is charged 50% of Managing Director's remuneration: TNOK 1 166.

Auditor	
Statutory audit fee	213
Other assurance	0
Other fees paid to auditor	295
Total	**507**

Note 7 Intangible and tangible assets

	Software	Computers	Total
Acquisition cost 01.11.2020	769	2 336	3 105
Additions	0	224	224
Disposals	0	0	0
Acquisition cost 31.10.2021	**769**	**2 560**	**3 329**
Accumulated depreciation 31.10.2020	761	1 621	2 383
Accumulated depreciation 31.10.2021	767	1 993	2 760
Book value as at 31.12.2021	**1**	**567**	**568**
The year's depreciation	6	372	378

Note 8 Equity and information of shareholders

	Share capital	Share premium	Other equity	Total
Equity as at 01.11.2020	100	15	19 119	19 234
Result for the year			12 410	12 410
Group contribution provided, net of tax			(8 753)	(8 753)
As at 31.10.2021	**100**	**15**	**22 776**	**22 891**

Share capital and information of shareholders:
The share capital in NES Advantage Solutions AS consist of 100 shares with a face value of NOK 1.000.

Ownership structure

	Shares	Owner Share	Vote Share
NES Advantage Solutions Group AS	100	100%	100%
Total number of shares	**100**	**100%**	**100%**

Parent company
The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the company's ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, Akastor AS, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

NES Global Talent LP is the parent company of the largest group for which financial statements are drawn up. NES Global Talent Limited is the parent company of the smallest group for which group financial statements are drawn up. Both NES Global Talent Limited & NES Fircroft Limited financial statements are drawn up as at 1 October 2021. Copies of the financial statements of NES Global Talent Limited are available from its registered office address at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

Note 9 Group contribution

	2021	2020
Group contribution provided	(11 222)	(14 365)
Group contribution from previous years	76 618	(62 254)
Group contribution	**65 396**	**(76 618)**

Note 10 Tax

This year's tax expense	**2021**	**2020**
Entered tax on ordinary profit/loss:		
Payable tax	762	0
Tax payable on group contribution	2 469	3 160
Changes in deferred tax assets	(1 073)	(1 173)
Tax expense on ordinary profit/loss	**2 158**	**1 987**

Taxable income:	**2021**	**2020**
Ordinary result before tax	14 569	9 033
Permanent differences	0	0
Changes in temporary differences	4 876	5 332
Received group contribution	0	0
Provided group contribution	(11 222)	(14 365)
Taxable income	**8 223**	**0**

Payable tax in the balance:	**2021**	**2020**
Payable tax on this year's result	4 278	3 160
Payable tax on provided Group contribution	(2 469)	(3 160)
Reduction credit tax paid in other countries	(1 047)	0
Total payable tax in the balance	**762**	**0**

Calculation of effective tax rate	**2021**	**2020**
Profit before tax	14 569	9 033
Calculated tax on profit before tax	(2 158)	1 987
Total	**(2 158)**	**1 987**
Effective tax rate	(14,8) %	22,0 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2021	**2020**	**Difference**
Tangible assets	(443)	(499)	(56)
Accounts receivables	(1 330)	(251)	1 079
Deferred revenue	(2 817)	(100)	2 717
Other differences	(8 411)	(7 275)	1 136
Total	**(13 001)**	**(8 125)**	**4 876**
Basis for deferred tax assets	**(13 001)**	**(8 125)**	**4 876**
Deferred tax assets (22 %)	**(2 860)**	**(1 787)**	**1 073**

Note 11 Other current debt

	2021	2020
Accrual for invoices not received	12 591	8 283
Other short term liabilities	23 414	26 178
Deferred revenue	2 817	100
Total	**38 822**	**34 561**

Note 12 Going concern

The Group's business activities are described in note 1. The COVID-19 pandemic led to a short term reduction in activity levels. The Group reacted quickly to manage its cost base in line with reduced activity levels. These actions have resulted in continued operating profits and positive cash generation.

The Group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 18 September 2020, the Group entered into a business combination with Fircroft Engineering Services Limited and its subsidiaries ('Fircroft Group'). An amendment of the existing credit agreement was signed to support the new combined group. The combined Group facilities in place at 31 October 2021 consist of a $72 million revolving credit facility, $165 million of invoice discounting facilities and a $263 million senior term loan.

The Group had undrawn committed facilities at 31 October 2021 of $155,349,000 (2020: $225,309,000). Despite the continued increase in trade since the year end, the Group had undrawn committed facilities at 31 January 2022 of $153,106,000, showing the Group continues to have significant unutilised financing facilities in place. The facilities are committed for over 12 months from the date of the approval of the financial statements.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex EBITDA by 5%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to March 2023.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to fall in excess of these sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote. The majority of NES Fircroft Group's bank facilities are not repayable until May 2023. The directors have a reasonable expectation that the NES Fircroft Group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the Group has adopted the going concern basis in preparing the financial statements.

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To the General Meeting of NES Advantage Solutions AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of NES Advantage Solutions AS (the Company), which comprise the balance sheet as at 31 October 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 October 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Matters
The company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 30 June 2022
Deloitte

Arnstein Antonsen
State Authorised Public Accountant

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Arnstein Antonsen
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BOARD OF DIRECTORS REPORT 2021
OF
NES ADVANTAGE SOLUTIONS AS

The business and business concept
NES Advantage Solutions AS is a Norwegian recruitment company supplying multi discipline engineers and project administrative personnel to customers primarily in Norway. NES Advantage Solutions AS is one of the leading recruitment companies in the oil and gas industry. The company's registered head office is in Oslo, and it has recruitment offices in Oslo, Bergen, Stavanger, Kristiansund and Kristiansand.

NES Advantage Solutions Group AS is the management company for NES Advantage Solutions AS.

Going concern
The accounts for 2021 have been prepared on the basis of the going concern assumption. The basis for this is the company's financial position at year end, the profit and loss budget for 2022 and the financial outlook for the coming years. The covid-19 outbreak does not affect this assessment based on the company's ability to scale to the activity level.

Annual accounts for 2021
General
The 2021 business year was the company's eighteenth year of operations. The business activities and turnover reflect the underlying status of the oil and gas industry and the development of its main customers.

In 2021, NES Advantage Solutions AS provided personnel to Aker Solutions and MHWirth for projects mainly in Norway and across the Norwegian continental shelf. No specific risk has been identified above the ordinary risk associated with this type of business.

Profit and loss account
In 2021, NES Advantage Solutions AS had a turnover of NOK 713.3 million and it recorded a profit for the year of NOK 12.4 million compared to a turnover of NOK 811.3 million and a profit of NOK 7.0 million for 2020.

It is proposed to allocate the profit for the year as follows:

Allocated to group contribution (net of tax) NOK 8.8 million
Other equity NOK 3.6 million
Total allocations NOK 12.4 million

Cash flow
The difference between operating result and cash flow from operating activities is related to short term accruals not yet paid and receivables not yet received.

Balance sheet and cash flow
The company's liquidity was good throughout the year and is good at year end.

Financial position is sound and adequate to settle short-term debt as of 31.10.21 with the company's most liquid assets.

The company's short-term liabilities and trade receivables have increased in accordance with increased level of activity and profitability throughout 2021.

Financial risk (interest, credit, currency)

At year end, NES Advantage Solutions AS had NOK 0,193 million in interest-bearing intercompany debt.

The management of the company continued to hedge against foreign currency losses in line with the rest of the group undertakings. Although the turnover in foreign currency is limited there are also intercompany trading loans in multiple currencies to consider. The creditworthiness of new customers is assessed before entering into major contracts.

Health, safety and the environment
NES Advantage Solutions AS has strong focus on health, safety and the working environment and on the natural environment. The company had registered sickness absence of 14,859 hours. This corresponds to 1.4 % of the targeted hours for the company's employed personnel. No lost-time injuries or accidents at work were registered during the year.

The working environment in the company appears to be good.

The company does not pollute the environment.

Gender equality
NES Advantage Solutions AS makes active efforts to ensure equal rights between men and women. Both the company's recruitment policy and wages policy reflect the fact that equal rights apply. The company's management does not believe it is necessary to initiate special measures to further enhance gender equality in the company.

Discrimination
NES Advantage Solutions AS fulfils the object in the Norwegian discrimination act including protection of equal rights and possibilities across ethnicity and origin. At year end, the company engaged personnel from 36 different nations where 32.0 % came from other countries than Norway.

Director & Officer's Liability Insurance
The directors and officers of the Company are covered under a Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defense and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 percent) are covered by the insurance. The cover also includes employees serving as officers of the company

Market prospects
With the pandemic and lock downs the unemployment was record high in 2020. In June 2020, the Norwegian parliament introduced temporary changes to Norway's petroleum tax regime that would stimulate investments and activity. The temporary tax regime applies to all CAPEX in 2020 and 2021, and all CAPEX up until production start for new projects where a field development plan is submitted to the relevant authorities by year-end 2022.

2021 was a rebound year driven by the tax packages initially, and increased energy prices. The labor market went from record high unemployment beginning of 2021 to a high level of job openings within months, driven by both oil and gas and renewable projects. Client demand increased month by month and we ramped our capacity hiring new recruiters.

Client growth targets and robust forecasts with a very strong project pipeline drive people requirements. Increased turnover adds to the recruitment requirements.

We expect to support our customers in close partnership in 2022 and beyond. NES Advantage Solutions is the exclusive provider of permanent and temporary recruitment services to Aker Solutions and HMH (former MHWirth). The company strategy is to continue to develop its capabilities and services as an enabler to the Aker companies.

The Company is also a preferred provider of these services to other Aker companies such as Aker Horizons. Aker Horizons is a company that develops companies within the renewable energy sectors such as offshore wind, carbon capture and hydrogen, and Aker Solutions are positioning as a partner within the same segments.

Other matters
The company has not engaged in any R&D activities during the year.

Fornebu, 30.06.2022
The board of NES Advantage Solutions AS

Stephen William Buckley Chairman of the Board	Jens Michael Mellbye Managing Director/Board member	Jens Børge Franc Iversen Board member

NES Advantage Solutions AS

Annual report and financial statements
for the year ended 31 October 2022

Organisation number: 984 909 020

Profit and loss account

For the year ended 31 October 2022

	Notes	2022 NOK'000	2021 NOK'000
Operating income and operating expenses			
Operating revenue	2,3,4	1,044,795	713,330
Total operating revenues		1,044,795	713,330
Goods and services	3,4	(460,336)	(328,232)
Salary costs	5	(472,523)	(299,194)
Depreciation and amortisation expenses	6	(408)	(378)
Other operating costs	3,4,5	(94,855)	(78,504)
Total operating expenses		(1,028,122)	(706 308)
EBIT		16,673	7,022
Financial income and expenses			
Interest income from group companies	3,4	19,264	10,594
Interest income		52	129
Other financial income		2,406	1,573
Interest cost to group entities	3,4	(14,149)	(4,468)
Other financial cost		(295)	(281)
Net financial items and expenses		7,277	7,546
Profit before tax		23,950	14,569
Tax	7	(5,269)	(2,158)
Annual result		18,681	12,410
Attributable to:			
Group contribution submitted, net of tax	8,9	9,072	8,753
Transferred to other equity	8	9,609	3,657
Total distributed		18,681	12,410

Balance sheet

As at 31 October 2022

	Notes	2022 NOK'000	2021 NOK'000
Assets			
Non – current assets			
Intangible assets			
Software	6	1	1
Deferred – tax assets	7	496	2,860
Total intangible fixed assets		497	2,862
Property, plant and equipment			
Equipment and other movables	6	1,151	567
Total property, plant and equipment		1,647	567
Total non-current assets		1,647	3,429
Current assets			
Accounts receivables			
Trade debtors	4	212,024	107,419
Work in progress		140	563
Other receivables internal	3	253,714	269,423
Other short term receivables		7,212	8,923
Total accounts receivables		473,090	386,328
Cash and cash equivalents	10	60,397	19,595
Total current assets		533,487	405,923
Total assets		535,134	409,351
Equity and liabilities			
Equity			
Invested equity			
Share capital		(100)	(100)
Share premium reserve		(15)	(15)
Total invested equity	8	(115)	(115)
Retained earnings			
Other equity		(37,745)	(22,776)
Total retained earnings	8	(37,745)	(22,776)
Total equity	8	(36,860)	(22,891)

Balance sheet (continued)

As at 31 October 2022

		2022	2021
		NOK'000	NOK'000
Liabilities			
Short term liabilities			
Trade creditors	4	(78,719)	(52,120)
Tax payable	7	(346)	(762)
Public duties		(57,357)	(41,675)
Accrued salary		(58,952)	(49,023)
Group contribution	3,9	(11,631)	(11,222)
Other current liabilities	4,11	(30,402)	(38,925)
Other short term liabilities internal	3	(260,867)	(192,732)
Total short term liabilities		(498,274)	(386,460)
Total liabilities		(498,274)	(386,460)
Total equity and liabilities		(535,134)	(409,351)

The financial statements of NES Advantage Solutions AS, organisation number 984 909 020, Manchester, were approved by the board of directors and authorised for issue on 29 June 2023 and signed on its behalf by:

Stephen William Buckley
Chairman of the board

Jens Michael Mellbye
Member of the board

Jens Borge Franc Iversen
Member of the board

Indirect Cash Flow

For the year ended 31 October 2022

	Note	2022	2021
		NOK'000	NOK'000
Cash flows from operating activities			
Profit before tax		23,950	14,569
Ordinary depreciation		408	378
Change in inventory, trade debtors and trade creditors		(78,006)	(58,793)
Changes in accrued accounting items		100,153	64,407
Net cash flows from operating activities		46,508	20,561
Cash flow from investments		-	(226)
Purchase of property and equipment		(992)	-
Net cash flows from investment activities		(992)	(226)
Cash flows from financing activities			
Group contribution paid		(4,711)	(14,365)
Net cash flows from financing activities		(4,711)	(14,365)
Net change in cash and cash equivalents		40,802	5,970
Cash and cash equivalents at the start of the period		19,595	13,625
Cash and cash equivalents at the end of the period		60,397	19,595

1 Accounting principles

The financial statement consists of a profit and loss statement, balance sheet, cash flow analysis and notes. The financial statement is in accordance with the Norwegian Corporation Law, the Norwegian Accounting Act and the generally accepted accounting principles in Norway.

The financial statement is based on the basic principles and classification of liabilities according to the definition in the Accounting Act. In use of accounting principles and presentation of transactions and other circumstances we emphasise importance to economic reality, not only legal form. Contingent liabilities that are probable and quantifiable will be charged as an expense. There are no changes in the accounting principles. The fiscal period starts on November 1 and ends at October 31.

a) Foreign currency
Transaction in foreign currency is converted to NOK on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period.

b) Revenue recognition
Revenue is recognised on the basis of hours worked for contractors hired out, on the start date of permanent placements, and on the basis of work performed for project management services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes.

c) Tax
The tax expense consist of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax asset are recorded in the balance sheet when it is more likely than not that the tax asset will be utilised.

Tax payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

d) Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so at to write off the cost or valuation of assets over their estimated useful lives. The company recognises intangible assets in respect of computer software. Computer software is amortised on a straight-line basis over its useful economic life, which is estimated at five years.

e) Accounts receivable
Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. consolidated financial statements.

f) Group company
NES Advantage Solutions Group AS' ultimate parent company is NES Global Talent Limited, a company incorporated in England and Wales

g) Pension
The company has made contributions to individual pension plans. These contributions have been made to the pension plan for full-time employees and equal 3-5% of the employee's salary. The pension premiums are charged to expenses as they are incurred.

h) Cash flow
The cash flow statement is prepared in accordance with the indirect method.

2 Operating revenues

Geographic breakdown	2022 NOK'000	2021 NOK'000
Angola	17,446	15,785
Argentina	788	-
Azerbaijan	1,048	165
Belgium	-	75
Canada	-	423
Congo	15,990	8,711
Denmark	1,998	4,771
Estonia	56	-
India	1,259	902
Italy	(5)	-
Malaysia	-	34
Norway	995,781	673,575
Poland	1,502	-
Romania	-	260
Singapore	2,825	1,454
Sweden	1,433	539
United Kingdom	3,338	2,583
United States	1,336	4,054
	1,044,795	713,330

3 Balances and internal transactions within the group

	2022 NOK'000	2021 NOK'000
Receivables		
NES Group Limited	101,279	147,053
NES Poland Limited	(1,029)	-
NES Advantage Inc	97	74
NES Global Talent Holdco AS	153,367	122,297
	253,714	269,423

3 Balances and internal transactions within the group (continued)

	2022	2021
	NOK'000	NOK'000
Liabilities		
NES Global Management A S	56	-
NES Global Limited	14,953	9,922
NES UK Limited	2,960	2,780
NES Advantage Limited	14,284	13,067
NES Advantage Group AS	233,435	164,507
NES Global Talent Norge AS	6,816	1,274
Fircroft Engineering Services Limited	(4)	-
NES Global Hong Kong	-	276
NES Global Tech Consultants	-	906
	272,498	192,732

	2022	2021
	NOK'000	NOK'000
Operating revenues within NES Global Talent companies	-	6,642
Operating purchases within NES Global Talent companies	81,656	19,616
Management charge from parent company	1,417	2,191
Interest income from short term receivables	19,264	10,594
Interest cost from short term liabilities	14,149	4,468

4 Related parties

	2022	2021
	NOK'000	NOK'000
Accounts receivables	765	752
Receivables from related parties	254,747	307,051
Trade creditors	(3,180)	1,237
Other short term liabilities	(264,459)	(132,846)

Other short term liabilities includes group contribution.

The company has had the following transactions with related parties in 2022:

	NOK'000
Revenue	9,104
Cost	(1,746)
Other IC expenses	(197)

The transactions has been carried out at arms' length.

Interests is calculated on both receivables and liabilities.

5 Salary costs and benefits, remuneration to the chief executive, board and auditor

	2022	2021
	NOK'000	NOK'000
Salary costs		
Salaries	471,359	261,402
Employment tax	(397)	34,257
Pension costs	-	535
Other benefits	1,561	3,000
Total	472,523	299,194

Average number of employed consultants	763	574

Mandatory occupational pension
The company has established pension scheme that fulfil the requirements of the law.

Management remuneration
The Managing Director is employed in another company within the Group.
NES Advantage Solutions AS is charged 50% of Managing Director's remuneration: TNOK 1,171.

	2022
	NOK'000
Auditor	
Statutory audit fee	578
Other assurance	128
Total	706

6 Intangible and tangible assets

	Software	Computers	Total
	NOK'000	NOK'000	NOK'000
Acquisition cost 31.10.2021	769	2,560	3,329
Additions	-	992	992
Disposals	(527)	(864)	(1,391)
Acquisition cost 31.10.2022	242	2,688	2,930
Accumulated depreciation 31.10.2022	(241)	(1,537)	(1,778)
Book value as at 31.10.2022	1	1,151	1,152
The year's depreciation and write-downs	1	407	408

7 Tax

	2022 NOK'000	2021 NOK'000
This year's tax expense		
Entered tax on ordinary profit/loss:		
Payable tax	2,904	762
Tax payable on group contribution	-	2,469
Changes in deferred tax	2,365	(1,073)
Tax expense on ordinary profit	5,269	2,158

Taxable income:	2022 NOK'000	2021 NOK'000
Ordinary result before tax	23,950	14,569
Permanent differences	-	-
Changes in temporary differences	(10,748)	4,876
Group contribution received	-	-
Group contribution provided	(11,631)	(11,222)
Taxable income	1,571	8,223

	2022 NOK'000	2021 NOK'000
Payable tax in the balance:		
Payable tax on this year's result	2,904	4,278
Payable tax on provided Group contribution	(2,559)	(2469)
Reduction credit tax paid in other countries	-	(1047)
Total payable tax in the balance	346	762

	2022 NOK'000	2021 NOK'000
Calculation of effective tax rate		
Profit before tax	23,950	14,569
Calculated tax on profit before tax	5,269	(2,158)
Total	5,269	(2,158)
Effective tax rate	22.00%	(14.8) %

7 Tax (continued)

The tax effect of temporary differences and losses to be carried forward have formed the basis for deferred tax and deferred tax advantages, specified on the type of temporary differences:

	2022	2021	Difference
	NOK'000	NOKX'000	NOK'000
Tangible assets	(250)	(443)	(193)
Accounts receivable	(2,003)	(1,330)	673
Deferred revenue	-	(2,817)	(2,817)
Other differences	-	(8,411)	(8,411)
Total	(2,253)	(13,001)	(10,748)
Basis for deferred tax assets	(2,253)	(13,001)	(10,748)
Deferred tax assets (22 %)	(496)	(2,860)	(2,365)

8 Equity and information of shareholders

	Share capital NOK'000	Share premium NOK'000	Other equity NOK'000	Total NOK'000
Equity as at 01.11.2021	100	15	22,776	22,891
Result for the year			18,681	18,681
Correction *			4,360	4,360
Group contribution made this year			(9,072)	(9,072)
As at 31.10.2022	100	15	36,745	36,860

* Group contribution made prior year amended due to WHT credit claim

Share capital and information of shareholders:
The share capital in NES Advantage Solutions AS consist of 100 shares with a face value of NOK 1.000.

Ownership structure

	Shares	Owner Share	Vote Share
NES Advantage Solutions Group AS	100	100%	100%
Total number of shares	**100**	**100%**	**100%**

Parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

9 Group contribution

	2022 NOK'000	2021 NOK'000
Group contribution provided	(11,631)	(11,222)
Group contribution from previous years	-	76,618
Group contribution	(11,631)	65,396

10 Bank Deposits

Funds standing on the tax deduction account (restricted funds) are TNOK 22,850.

11 Other current liabilities

	2022	2021
	NOK'000	NOK'000
Accrual for invoices not received	13,993	12,591
Other short term liabilities	16,409	23,414
Deferred revenue	-	2,817
Total	30,402	38,822

12 Going concern

The company is a subsidiary of NES Fircroft Limited, which manages its working capital on a pooled basis across the NES Fircroft Limited group.

The group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

The directors have a reasonable expectation that the NES Fircroft group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company as adopted the going concern basis in preparing the financial statements

Deloitte.

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To the General Meeting of NES Advantage Solutions AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of NES Advantage Solutions AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 29 June 2023
Deloitte AS

Arnstein Antonsen
State Authorised Public Accountant

Arnstein Antonsen
Statsautorisert revisor
Serienummer: 9578-5999-4-1936005
IP: 217.173.xxx.xxx
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BOARD OF DIRECTORS REPORT 2022
OF
NES ADVANTAGE SOLUTIONS AS

The business and business concept
NES Advantage Solutions AS is a Norwegian recruitment company supplying multi discipline engineers and project administrative personnel to customers primarily in Norway. NES Advantage Solutions AS is one of the leading recruitment companies in the oil and gas industry. The company's registered head office is in Oslo, and it has recruitment offices in Oslo, Bergen, Stavanger, Kristiansund and Kristiansand.

NES Advantage Solutions Group AS is the management company for NES Advantage Solutions AS.

Going concern
The accounts for 2022 have been prepared on the basis of the going concern assumption. The basis for this is the company's financial position at year end, the profit and loss budget for 2023 and the financial outlook for the coming years.

Annual accounts for 2022
General
The 2022 business year was the company's nineteenth year of operations. The business activities and turnover reflect the underlying status of the oil and gas industry and the development of its main customers.
In 2022, NES Advantage Solutions AS provided personnel to Aker Solutions and MHWirth for projects mainly in Norway and across the Norwegian continental shelf. No specific risk has been identified above the ordinary risk associated with this type of business.

Profit and loss account
In 2022, NES Advantage Solutions AS had a turnover of NOK 1 044.8 billion and it recorded a profit for the year of NOK 18.7 million compared to a turnover of NOK 713.3 million and a profit of NOK 12.4 million for 2021.

It is proposed to allocate the profit for the year as follows:

Allocated to group contribution (net of tax) NOK 9.1 million
Other equity NOK 9.6 million
Total allocations NOK 18.7 million

Cash flow
The difference between operating result and cash flow from operating activities is related to short term accruals not yet paid and receivables not yet received.

Balance sheet and cash flow
The company's liquidity was good throughout the year and is good at year end.

Financial position is sound and adequate to settle short-term debt as of 31.10.22 with the company's most liquid assets.

The company's short term liabilities and trade receivables have decreased in accordance with reduced level of activity and revenues throughout 2022.

Financial risk (interest, credit, currency)
At year end, NES Advantage Solutions AS had NOK 0,262 million in interest-bearing intercompany debt.

The management of the company continued to hedge against foreign currency losses in line with the rest of the group undertakings. Although the turnover in foreign currency is limited there are also intercompany trading loans in multiple currencies to consider. The creditworthiness of new customers is assessed before entering into major contracts.

a) Market risk

The majority of the company's turnover as well as payable cost are in local currency (NOK) excluding any exposure towards currency loss. The company has no direct exposure towards raw materials but is indirectly exposed doing business with oil & gas companies.

b) Credit risk

The company's accounts receivables are mainly towards bigger international oil companies. The company is a party to a group credit insurance policy, which further mitigates the risk of bad debts. The credit risk is considered to be low.

c) Liquidity risk

The company has satisfactory liquidity and working capital

Health, safety and the environment
NES Advantage Solutions AS has strong focus on health, safety and the working environment and on the natural environment. The working environment in the company appears to be good.

The Company hold monthly 1:1 conversations between manager and employee where, in addition to talking about achievements and development, the employee is also given room to address and wishes, problems or challenges. The Company strive for a culture of openness where employees are encouraged to raise problems or suggest improvements.

The employees have a shop steward and a safety representative with whom they can raise matters, if they wish. Monthly meetings are held between the safety representative/representative and responsible manager.

The company had registered sickness absence of 89 days. This corresponds to 0.1% of the targeted days for the company's employed personnel. No lost-time injuries or accidents at work were registered during the year.

The company does not pollute the environment.

Gender equality
The Company focuses on value-based management. One of their values is concrete - team work, we work together as one team, always. Their collaboration – globally and locally – sets them apart. The Company values diversity, and believes it makes them better. This is presented at interviews in connection with new hires.

The Company provides a workplace that is based on equality of opportunity, recognises each individual and celebrates diversity of perspective. They support their people to be at their very best. They attract and retain talented, collaborative and innovative people who bring a broad range of skills, backgrounds and experiences. The Company approaches career development and promotion in the same equitable way and value the contribution of every individual.

With 81 offices around the globe in the wider group, Advantage Solutions and their related companies have a diverse workforce - employing over 130 different nationalities and 57% female staff. Advantage

Solutions monitor the gender and nationality of their people split at different levels across the business and report to the board on a regular basis.

Externally they also are at the forefront of driving the diversity agenda and perform an annual survey of female engineers to find out what challenges and opportunities they are facing working in the energy sector. The research is designed to highlight what the energy industry could be doing to attract and retain female engineers and educate energy hiring managers on diversity best practice.

The Company recognises that they have a key role in supporting their clients achieve their own workforce diversity and inclusion goals and are committed to identifying a wide candidate pool for their clients including people from all backgrounds.

NES Advantage Solutions AS makes active efforts to ensure equal rights between men and women. Both the company's recruitment policy and wages policy reflect the fact that equal rights apply. By year end, the company had 529 employees whereof 473 men and 56 women. The company's management does not believe it is necessary to initiate special measures to further enhance gender equality in the company.

Discrimination
NES Advantage Solutions AS fulfils the object in the Norwegian discrimination act including protection of equal rights and possibilities across ethnicity and origin. At year end, the company engaged personnel from 19 different nations where 14.0 % came from other countries than Norway.

Market prospects
The market prospects for the recruitment of engineers in the energy market in Norway are promising. The demand for engineers in the energy sector continues to be strong, fueled by the ever-increasing need for energy, energy security, and the ongoing transition initiatives.

In Norway, both the new projects together with significant existing oil and gas fields that require ongoing maintenance and optimization create a demand for engineers.

With the pandemic and lock downs, the unemployment was record high in 2020. The Norwegian parliament introduced temporary changes to Norway's petroleum tax regime that would stimulate investments and activity. The temporary changes to the petroleum tax on the Norwegian Continental Shelf has led to high investments and predicable, high activity level towards 2028.

In addition, Norway, like many other countries, is actively transitioning towards cleaner and more sustainable energy sources. This shift, coupled with global efforts to reduce carbon emissions, also creates opportunities for engineers with skills in renewable energy technologies and related sectors. Many engineering skills in the oil and gas sector are transferable to other industries.

Overall, the market prospects for the recruitment of engineers in the energy market are robust and promising. The transition to clean energy, infrastructure upgrades, electrification of transportation, energy efficiency initiatives, digitalization, and the need for specialized expertise in various energy technologies all contribute to a growing demand for skilled engineers in this sector.

NES Advantage is well positioned with its partnerships with clients within oil and gas and the renewable energy sectors, and its focus on attracting and matching qualified engineers with opportunities in the energy market.

Looking ahead, we are optimistic about the prospects despite the challenges posed by a tight labor market and the potential risks of a recession or regulative changes. We continue to leverage technology platforms and digital tools to streamline the hiring process to strengthen our competitive position and seize new opportunities.

The Transparency Act
Our report on our commitments to the Transparency Act (Åpenhetsloven) will be published on www.nesfircroft.com within June 30, 2023.

Other matters
The company has not engaged in any R&D activities during the year.

Directors' Indemnities
The Group has indemnity insurance in place on behalf of all of its directors during the year, which remains in force at the date of this report.

Fornebu, 29.06.2023
The board of NES Advantage Solutions AS

Stephen William Buckley	Jens Michael Mellbye	Jens Børge Franc Iversen
Chairman of the Board	Managing Director/Board member	Board member

FINANCIAL STATEMENTS 2021

Nes Global Talent Norge AS

Company registration number 989 128 639

Nes Global Talent Norge AS

Income statement

NOK 1000

Operating income and operating expenses	Note	2021	2020
Operating income			
Revenue	9, 12	882 082	847 067
Total income		**882 082**	**847 067**
Operating expenses			
Cost of sales	9	487 069	510 636
Employee benefits expense	2	325 508	264 444
Depreciation and amortisation expenses	5	80	36
Other expenses	2, 9	68 685	66 952
Total expenses		**881 342**	**842 068**
Operating profit		**741**	**5 000**
Financial income and expenses			
Interest income from group companies	9	1 911	3 021
Other financial income		1 114	(368)
Interest expense to group companies	9	1 786	1 892
Other interest expenses		(522)	(518)
Net financial items		**718**	**243**
Net profit before tax		**1 458**	**5 243**
Income tax expense	3	(312)	(1 156)
Net income		**1 146**	**4 087**
Attributable to			
Transferred to other equity	8	1 146	4 087
Total		**1 146**	**4 087**

Nes Global Talent Norge AS

Balance sheet as of 31 October

NOK 1000

Assets	Note	2021	2020
Non-current assets			
Intangible assets			
Deferred tax assets	3	601	184
Total intangible assets		**601**	**184**
Property, plant and equipment			
Equipment and other movables	5	267	142
Total property, plant and equipment		**267**	**142**
Non-current financial assets			
Investments in subsidiaries	4	3 667	3 320
Total non-current financial assets		**3 667**	**3 320**
Total non-current assets		**4 535**	**3 646**
Current assets			
Debtors			
Accounts receivables	9	165 649	131 424
Receivables from related parties	9	91 999	62 250
Other short-term receivables	9	8 614	3 258
Total receivables		**266 262**	**196 932**
Cash and cash equivalents	6	18 411	12 339
Total current assets		**284 674**	**209 271**
Total assets		**289 208**	**212 917**

Nes Global Talent Norge AS

Balance sheet as of 31 October

NOK 1000

Equity and liabilities	Note	**2021**	**2020**
Equity			
Paid-in capital			
Share capital	7, 8	700	700
Share premium reserve	8	6 149	6 149
Total paid-up equity		**6 849**	**6 849**
Retained earnings			
Other equity	8	5 233	4 087
Total retained earnings		**5 233**	**4 087**
Total equity		**12 082**	**10 936**
Liabilities			
Current liabilities			
Trade payables	9	89 131	76 429
Tax payable	3	627	1 161
Social security, employee related taxes and VAT	10	46 436	33 255
Group contribution	9	445	497
Other current liabilities	9	140 487	90 639
Total current liabilities		**277 127**	**201 982**
Total liabilities		**277 127**	**201 982**
Total equity and liabilities		**289 208**	**212 917**

Sandnes, 30.04.2022

Stephen William Buckley	Jens Michael Mellbye	Jens Børge Franc Iversen
chairman of the board	member of the board/General Manager	member of the board

Amounts in NOK 1000

Note 1 Accounting principles

The financial statements have been presented in compliance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

The company's accounting year is from 1st November to 31st October.

Revenue
Revenue is recognised when the service is performed. Revenue is measured at the fair value of the consideration received.

Current assets/Current liabilities
Current assets and current liabilities includes items that are due for payment within one year after the balance sheet date, and items that are related to the sales/purchase-processes. Current assets are valued to the lowest of cost and estimated fair value.

Fixed assets/Long term liabilities
Fixed assets are assets held for permanent ownership or use. Fixed assets are valued at cost and are subject to depreciation charges over the useful life of the asset. Fixed assets and investments are written down to the recoverable amount in the event of a decline in value which is not temporary. The recoverable amount is the highest of net sales value and value in use. Value in use is the net present value of future cash flows generated by the asset. The write down is reversed if the value recovers.

Receivables
Accounts receivables and other receivables are booked at face value less provision for doubtful debt.
The provision for doubtful debt has been made based on an individual assessment of each balance.

Shares in subsidiaries
Shares in subsidiaries are valued at lowest of cost and estimated fair value.

Tax
Tax on ordinary profit in the Profit and Loss Statement includes both taxes payable for the period and the change in deferred tax. Deferred tax is calculated based on 22 % of the temporary differences between book value and tax values, including tax loss carried forward at the end of the accounting year. Tax increasing and tax reducing temporary differences which reverse or may reverse in the same period are booked net.

Cash flow statement
The cash flow statement has been prepared using the indirect method. Cash and cash equivalents includes bank deposits and cash.

Foreign exchange
Receivables, liabilities and bank deposits in other currencies than NOK have been revalued using the exchange rate at the balance sheet date.

Note 2 Payroll expenses

Payroll expenses	**2021**	**2020**
Salaries	283 672	230 702
Social security	40 424	33 318
Other payroll expenses	1 411	424
Total payroll expenses	**325 508**	**264 444**
Number of man-years	276	399

Benefits	**Managing Director**	**Board of Directors**
Salary	*	0
Other benefits	*	0

*Managing Director is employed by NES Global Management AS and his salary is paid by that company.

Pensions
The company is obligated to follow the Act on Mandatory company pension. The Company's pension scheme is a contribution plan. This pension scheme follows the requirements as set in the Act on Mandatory company pension.

This year's pension cost of kNOK 6 808 is included in other payroll expenses.

Auditors
The fee to the auditors expensed in 2021 were kNOK 260.
In addition other services including preparation of financial statements and tax return amounting to kNOK 45 have been expensed.

Loans to Directors and Shareholders
No loans or guarantees have been provided to Directors and Shareholders.

Note 3 Tax

This year's tax expense	**2021**	**2020**
Entered tax on ordinary profit/loss:		
Payable tax	729	1 270
Changes in deferred tax assets	(417)	(114)
Tax expense on ordinary profit/loss	**312**	**1 156**
Taxable income:		
Ordinary profit/loss before tax	1 458	5 243
Permanent differences	(55)	12
Changes temporary differences	1 893	519
Provided Group contribution	(445)	(497)
Taxable income	**2 851**	**5 277**
Payable tax in the balance:		
Payable tax on this year's result	725	1 270
Payable tax on provided Group contribution	(98)	(109)
Total payable tax in the balance	**627**	**1 161**

The tax effect of temporary differences and loss for to be carried forward that has formed the basis fordeferred tax and deferred tax advantages, specified on type of temporary differences:

	2021	**2020**	**Difference**
Tangible fixed assets	44	28	(16)
Accounts receivable	(2 106)	(866)	1 240
Total	**(2 062)**	**(838)**	**1 225**
Basis for deferred tax/(deferred tax assets)	**(2 062)**	**(838)**	**1 225**
Deferred tax/(deferred tax assets) 22%	**(601)**	**(184)**	**417**

Note 4 Investments in subsidiaries

At 31st October the company has the following investments:

Investments in subsidiaries:

	Main office	**Ownership/ share of votes**	**Booked equity**	**Annual profit/loss**	**Carrying amount**
NES Global Offshore AS	Sandnes	100 %	1 235	151	2 932
NES Global Management AS	Sandnes	100 %	13	(397)	735
Sum					**3 667**

Group contribution with tax effect has been given in 2020 to NES Global Management AS. In 2021, group contribution with tax effect was given to NES Global Management AS.

Amounts in NOK 1000

Note 5 Fixed assets

	Equipment and other movables	Total plant and equipment
Acquisition cost 1st November	185	185
Addition of plant and equipment purchased	206	206
Acquisition cost 31st October	**390**	**390**
Accumulated depreciation 31st October	123	123
Book value as at 31st October	**267**	**267**
The year's depreciation	80	80
Depreciation rates	0 - 5 year	

Note 6 Restricted cash

Included in the company's bank and cash deposits at 31st October are deposits in a separate bank account for employee related taxes amounting to kNOK 16 019.

Note 7 Total shares, shareholders etc

The share capital in NES Global Talent Norge AS as of 31st October consists of:

	Total	Face value	Entered
Ordinary shares	1 000	700,00	700
Total	**1 000**		**700**

Ownership structure
The largest shareholder in % at 31st October is:

	Ordinary	Owner interest	Share of vote
NES Global Talent Norway Holding AS	1 000	100%	100%
Total number of shares	**1 000**	**100%**	**100%**

The company is part of the NES Global Talent Group. According to the Norwegian Accounting Act §3-7 (1), the Norwegian sub group is exempt from preparing consolidated financial statements as consolidated financial statements are prepared by the ulitimate parent company in UK.

Note 8 Equity

	Share capital	Share premium	Other equity	Total equity
Equity 1st November	700	6 149	4 087	10 936
Profit for the year	0	0	1 146	1 146
Equity 31st October	**700**	**6 149**	**5 233**	**12 082**

Note 9 Related parties

Year-end balances with companies in the same group:

	2021	2020
Accounts receivables	1 237	1 294
Receivables from related parties	91 999	62 250
Dividends receivables	0	0
Dividends payable	0	0
Trade creditors	(1 169)	(20 419)
Other short term liabilities	(95 333)	(54 258)
Sum	**(3 266)**	**(11 133)**

Other short term liabilities includes group contribution.

The company has had the following transactions with related parties in 2021:

Revenue	18 581
Cost of sales	(51 093)
Other operating expenses	(330)
Other interest	10 745

The transactions has been carried out at arms' length.
Interests is calculated on both receivables and liabilities.

Note 10 Social security, employee related taxes and VAT

Nes Global Talent Norge AS is jointly registered with NES Global Talent Norway Holdings AS, NES Global Offshore AS and NES Global Management AS for VAT purposes in the VAT directory. As a result of this, the company has a joint liability for VAT related to these companies. VAT due is reported for the jointly registered companies by NES Global Talent Norge AS and any VAT due by the other companies are recorded as intercompany by NES Global Talent Norge AS.

NES Global Talent Norge AS has kNOK 21 593 in VAT due as of 31st October.
The jointly registered VAT group has kNOK 21 593 in VAT due as of 31st October.

Note 11 Financial market risk

Market risk
The majority of the company's turnover as well as payable cost are in local currency (NOK) excluding any exposure towards currency loss. The Company has no direct exposure towards raw materials but is indirectly exposed doing business with oil & gas companies.

Credit risk
The company's accounts receivables are mainly towards bigger international oil companies. The company is a party to a group credit insurance policy, which further mitigates the risk of bad debt. The credit risk is considered to be low.

Liquidity risk
The company has satisfactory liquidity and working capital.

Note 12 Revenue

The company's revenue has a split of approx. 95 % in Norway, including the Norwegian continental shelf and approx. 5% abroad.

Note 13 Going concern

The COVID-19 pandemic led to a short term reduction in activity levels. The Group reacted quickly to manage its cost base in line with reduced activity levels. These actions have resulted in continued operating profits and positive cash generation.

The company closely monitors the situation and will take the necessary actions to minimise the negative impact on our operations and financial result.

The company has not been directly impacted by the Ukraine war and implications from this ongoing situation.

Deloitte.

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NO-4032 Stavanger
Norway

Tel: +47 51 81 56 00
www.deloitte.no

To the General Meeting of NES Global Talent Norge AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of NES Global Talent Norge AS (the Company), which comprise the balance sheet as at 31 October 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 October 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 30 June 2022
Deloitte

Arnstein Antonsen
State Authorised Public Accountant

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Arnstein Antonsen
Statsautorisert revisor
Serienummer: 9578-5999-4-1936005
IP: 217.173.xxx.xxx
2022-07-04 13:35:00 UTC

bankID

NES Global Talent Norge AS
Directors' report 2021

Nature of Business and location
NES Global Talent Norge AS is a company that supplies contractors and advisory services to the Energy, Oil and Gas industry as well as business support through a business partner model. The Company is located at Lura in the municipality of Sandnes.

True and fair view of development and profit
The company has had the following development of profit and equity:

	2021	2020	2019
Operating income	882 082 422	847 067 500	860 549 964
Net income	1 146 054	4 086 738	22 231 762
Total equity	12 081 866	10 935 812	6 849 074
Total equity and liabilities	289 208 475	212 917 333	246 319 482
Equity Share	4%	5%	3%

It is the opinion of the board that the financial statements give a true and fair view of the company's assets, debt, financial position and profit.

Future development
Global increase in energy demand will secure the basis for the longer term, with growth in both oil and gas and emerging renewable sectors, as energy companies and suppliers' position for sustainable growth.

Financial Risk
The major assets are accounts receivables towards large international oil companies. The credit risk is considered to be acceptable. Most of the turnover as well as payable cost are in local currency (NOK) excluding any exposure towards currency loss. The Company has no direct exposure towards raw materials but is indirect exposed doing business with oil & gas companies.

Considerations after yearend close
No incidents after yearend close have occurred which is of significance for the assessment of the company other than what is included in the other parts of the financial statements.

Research and development activities
The Company has no ongoing research or development activities.

Going concern
The Financial statement for 2021 has been prepared with the assumption of a going concern. The board confirms that the premises for such assumption are indeed there.

Working Environment
The Board considers the working environment in the Company as satisfactory. There have not been any injuries or accidents in 2021. Total absence due to illness have been 636,3 days which represents 0,4%.

Gender Equality
By yearend the Company had 421 employees whereof 392 men and 29 women. The Board considers the balance between the genders to be acceptable and no measures will be launched with respect to Equality.

Director & Officer's Liability Insurance
The directors and officers of the Company are covered under a Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defense and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 percent) are covered by the insurance. The cover also includes employees serving as officers of the company

The discrimination and availability law
The company has an employment policy that ensures equal rights and opportunities for all applicants and employees.

External Environment
The Company does not pollute any external environment.

Sandnes, 30th April 2022

Stephen William Buckley	Jens Michael Mellbye	Jens Børge Franc Iversen
Chairman of the Board	Managing Director/Board member	Board member

NES Global Talent Norge AS

Annual report and financial statements
for the year ended 31 October 2022

Company registration number: 989 128 639

Profit and loss account

For the year ended 31 October 2022

	Notes	2022 NOK'000	2021 NOK'000
Operating income and operating expenses			
Operating income			
Revenue	2,3	1,007,222	882,082
Operating expenses			
Cost of sales	2	(534,741)	(487,069)
Employee benefits expense	4	(402,352)	(325,508)
Depreciation and amortisation expenses	5	(135)	(80)
Other expenses	2,4	(58,982)	(68,685)
Total expenses		(996,210)	(881,342)
Operating profit		11,012	741
Financial income and expenses			
Interest income from group companies	2	9,489	1,911
Other financial income		32	1,114
Interest expense to group companies	2	(6,389)	1,786
Exceptional items		-	-
Other interest expenses		(3,465)	(522)
Net financial items		(332)	718
Net profit before taxation		10,680	1,458
Income tax expense	6	(2,358)	(312)
Net income		8,322	1,146
Attributable to:			
Transferred to other equity	7	8,322	1,146
Total distributed		8,322	1,146

Balance sheet

As at 31 October 2022

	Notes	2022 NOK'000	2021 NOK'000
Non-current assets			
Intangible assets			
Deferred tax assets	6	370	601
Total intangible assets		370	601
Property, plant and equipment			
Equipment and other movables	5	302	267
Total property, plant and equipment		302	267
Non-current financial assets			
Investments in subsidiaries	8	4,495	3,667
Total non-current financial assets		4,495	3,667
Total non-current assets		5,167	4,535
Current assets			
Accounts receivables	2	162,529	165,649
Receivables from related parties	2	197,687	91,999
Other short-term receivables	2	7,893	8,614
Total receivables		368,109	266,262
Cash and cash equivalents	9	39,655	18,411
Total assets		412,931	289,208
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	7,10	700	700
Share premium reserve	10	6,149	6,149
Total paid-up equity		6,849	6,849
Retained earnings			
Other equity	10	18,430	5,233
Total equity		25,279	12,082

Balance sheet (continued)

As at 31 October 2022

	Notes	2022	2021
		NOK'000	NOK'000
Liabilities			
Current liabilities			
Trade payables	2	69,891	89,131
Tax payable	6	804	627
Social security, employee related taxes and VAT	11	47,048	46,436
Group contribution	2	4,953	445
Other current liabilities	2	264,956	140,487
Total current liabilities		387,652	277,127
Total equity and liabilities		412,931	289,208

The financial statements of NES Global Talent Norge AS, company registration number 989 128 639, Sandnes, were approved by the board of directors and authorised for issue on 29 June 2023 and signed on its behalf by:

Stephen William Buckley	**Jens Michael Mellbye**	**Jens Borge Franc Iversen**
Chairman of the board	Member of the board	Member of the board

Indirect Cash Flow

As at 31 October 2022

	Note	2022	2021
		NOK'000	NOK'000
Cash flows from operating activities			
Profit before tax		10,680	1,458
Ordinary depreciation		135	80
Change in inventory, trade debtors and trade creditors		(16,120)	(21,523)
Changes in accrued accounting items		22,672	26,610
Net cash flows from operating activities		17,367	6,625
Cash flow from investments		(828)	(347)
Purchases of property, plant and equipment		(170)	(206)
Net cash flows from investment activities		(998)	(553)
Cash flows from financing activities			
Borrowing from group companies		-	-
Group contribution paid		4,875	-
Net cash flows from financing activities		4,875	-
Net change in cash and cash equivalents		21,244	6,072
Cash and cash equivalents at the start of the period		18,411	12,339
Cash and cash equivalents at the end of the period		39,655	18,411

1 Accounting principles

The financial statements have been presented in compliance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles.

The company's accounting year is from 1st November to 31st October.

a) Revenue
Revenue is recognised when the service is performed. Revenue is measured at the fair value of the consideration received.

b) *Current assets/Current liabilities*
Current assets and current liabilities includes items that are due for payment within one year after the balance sheet date, and items that are related to the sales/purchase-processes. Current assets are valued to the lowest of cost and estimated fair value.

c) *Fixed assets/Long term liabilities*
Fixed assets are assets held for permanent ownership or use. Fixed assets are valued at cost and are subject to depreciation charges over the useful life of the asset. Fixed assets and investments are written down to the recoverable amount in the event of a decline in value which is not temporary. The recoverable amount is the highest of net sales value and value in use. Value in use is the net present value of future cash flows generated by the asset. The write down is reversed if the value recovers.

d) Receivables
Accounts receivables and other receivables are booked at face value less provision for doubtful debt. The provision for doubtful debt has been made based on an individual assessment of each balance.

e) Shares in subsidiaries
Shares in subsidiaries are valued at lowest of cost and estimated fair value.

f) Tax
Tax on ordinary profit in the Profit and Loss Statement includes both taxes payable for the period and the change in deferred tax. Deferred tax is calculated based on 22 % of the temporary differences between book value and tax values, including tax loss carried forward at the end of the accounting year. Tax increasing and tax reducing temporary differences which reverse or may reverse in the same period are booked net.

g) Cash flow statement
The cash flow statement has been prepared using the indirect method. Cash and cash equivalents includes bank deposits and cash.

h) Foreign exchange
Receivables, liabilities and bank deposits in other currencies than NOK have been revalued using the exchange rate at the balance sheet date.

2 Related parties

Year-end balances with companies in the same group:

	2022 NOK'000	2021 NOK'000
Accounts receivables	2,961	1,237
Receivables from related parties	197,687	91,999
Trade creditors	(939)	(1,169)
Other current liabilities	(162,104)	(95,333)
Total	37,605	(3,266)

Other short-term liabilities includes group contribution.

The company has had the following transactions with related parties in 2022:

	2022 NOK'000
Revenue	28,020
Cost of sales	(92,252)
Other operating expenses	(47,049)
Other interest	3,100

The transactions have been carried out at arms' length. Interests is calculated on both receivables and liabilities.

3 Revenue

The company's revenue has a split of approx. 95% in Norway, including the Norwegian continental shelf and approx. 5% abroad.

4 Payroll expenses

	2022 NOK'000	2021 NOK'000
Salaries	350,875	283,672
Social security	44,282	40,424
Other payroll expenses	2,342	1,411
Total payroll expenses	402,352	325,508

Number of man-years	317	276

Benefits	Managing Director	Board of Directors
Salary	*	-
Other benefits	*	-

4 Payroll expenses *(continued)*

*Managing Director is employed by NES Global Management AS and his salary is paid by that company

Pensions

The company is obligated to follow the Act on Mandatory company pension. The Company's pension scheme is a contribution plan. This pension scheme follows the requirements as set in the Act on Mandatory company pension.

This year's pension cost of kNOK 55,311 is included in other payroll expenses.

Auditors

	2022
	NOK'000
Auditor	
Statutory audit fee	530
Other assurance	1
Total	531

Loans to Directors and Shareholders

No loans or guarantees have been provided to Directors and Shareholders.

5 Fixed assets

	Equipment and other movables NOK'000	Total plant and equipment NOK'000
Acquisition cost 1st November	390	390
Addition of plant and equipment purchased	170	170
Acquisition cost 31st October	560	560
Accumulated depreciation 31st October	258	258
Book value as at 31st October	302	302
The year's depreciation	135	135
Depreciation rates	0-5 years	

6 Tax

	2022 NOK'000	2021 NOK'000
This year's tax expense		
Entered tax on ordinary profit/loss:		
Payable tax	2,127	729
Changes in deferred tax assets	230	(417)
Tax expense on ordinary profit/loss	2,358	312
Taxable income:		
Ordinary result before tax	10,680	1,458
Permanent differences	37	(55)
Changes in temporary differences	(1,048)	1,893
Provided Group contribution	(6,015)	(445)
Taxable income	3,654	2,851
Payable tax in the balance:		
Payable tax on this year's result	2,127	729
Payable tax on provided Group contribution	(1,323)	(98)
Other	-	(4)
Total payable tax in the balance	804	627

The tax effect of temporary differences that has formed the basis for deferred tax advantages, specified on type of temporary differences:

	2022 NOK'000	2021 NOK'000	Difference NOK'000
Tangible fixed assets	26	44	17
Accounts receivable	(1,710)	(2,106)	(396)
Allocations and more	-	(398)	(398)
Other differences	-	(271)	(271)
Total	(1,683)	(2,731)	(1,048)
Basis for deferred tax/(deferred tax assets)	(1,683)	(2,731)	(1,048)
Deferred tax/(deferred tax assets) 22%	(370)	(601)	(230)

7 Total shares, shareholders etc

The share capital in NES Global Talent Norge AS as of 31st October consists of:

	Total Number	Face value NOK	Entered NOK'000
Ordinary shares	1,000	700.00	700
Total	1,000		700

Ownership Structure

The largest shareholder in % at 31st October is:	Ordinary	Owner Interest	Share of votes
NES Global Talent Norway Holding AS	1,000	100%	100%
Total number of shares	1,000	100%	100%

The company is part of the NES Global Talent Group. According to the Norwegian Accounting Act §3-7 (1), the Norwegian sub group is exempt from preparing consolidated financial statements as consolidated financial statements are prepared by the ultimate parent company in UK.

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

8 Investment in Subsidiaries

At 31st October the company has the following investments:

Investments in subsidiaries	Main Office	Ownership/ shares of votes	Booked equity	Annual profit/loss	Carrying amount
			NOK'000	NOK'000	NOK'000
NES Global Offshore AS	Sandnes	100%	3,362	125	2,932
NES Global Management AS	Sandnes	100%	47	(795)	1,563
Total					4,495

Group contribution with tax effect has been given in 2021 to NES Global Management AS. In 2022, group contribution with tax effect was given to NES Global Management AS.

9 Restricted cash

Included in the company's bank and cash deposits at 31st October are deposits in a separate bank account for employee related taxes amounting to NOK 18,882.

10 Equity

	Share Capital	Share premium	Other equity	Total equity
	NOK'000	NOK'000	NOK'000	NOK'000
Equity 1st November	700	6,149	5,233	12,082
Correction *	-	-	8,739	8,739
Profit/loss for the year	-	-	8,322	8,322
Group Contribution provided	-	-	(3,864)	(3,864)
Equity 31st October	700	6,149	18,430	25,279

* Group contribution made prior year

11 Social security, employee related taxes and VAT

Nes Global Talent Norge AS is jointly registered with NES Global Talent Norway Holdings AS, NES Global Talent Norge AS and NES Global Offshore AS for VAT purposes in the VAT directory. As a result of this, the company has a joint liability for VAT related to these companies. VAT due is reported for the jointly registered companies by NES Global Talent Norge AS and any VAT due is recorded as intercompany by NES Global Management AS.

NES Global Talent Norge AS has kNOK 18,588 in VAT to be received as of 31st October.

The jointly registered VAT group, however, has kNOK 18,587 in VAT due to be paid as of 31st October.

12 Financial market risk

a) Market risk
The majority of the company's turnover as well as payable cost are in local currency (NOK) excluding any exposure towards currency loss. The company has no direct exposure towards raw materials but is indirectly exposed doing business with oil & gas companies.

b) Credit risk
The company's accounts receivables are mainly towards bigger international oil companies. The company is a party to a group credit insurance policy, which further mitigates the risk of bad debts. The credit risk is considered to be low.

c) Liquidity risk
The company has satisfactory liquidity and working capital.

13 Going concern

The company is a subsidiary of NES Fircroft Limited, which manages its working capital on a pooled basis across the NES Fircroft Limited group.

The group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

13 Going concern (continued)

The directors have a reasonable expectation that the NES Fircroft group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company as adopted the going concern basis in preparing the financial statements.

Deloitte.

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NO-4032 Stavanger
Norway

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To the General Meeting of NES Global Talent Norge AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of NES Global Talent Norge AS (the Company), which comprise the balance sheet as at 31 October 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 October 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 29 June 2023
Deloitte AS

Arnstein Antonsen
State Authorised Public Accountant

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Arnstein Antonsen
Statsautorisert revisor
Serienummer: 9578-5999-4-1936005
IP: 217.173.xxx.xxx
2023-06-29 14:50:57 UTC

bank ID

Penneo Dokumentnøkkel: 4PBYI-NZHYA-LPDU4-G3AXY-6C8DO-Q61LI

NES Global Talent Norge AS
Directors’ report 2022

Nature of Business and location

NES Global Talent Norge AS is a company that supplies contractors and advisory services to the Energy, Oil and Gas industry as well as business support through a business partner model. The Company is located at Lura in the municipality of Sandnes.

True and fair view of development and profit

The company has had the following development of profit and equity:

	2022	2021	2020
Operating income	1 007 222	882 082	847 067
Net income	8 322	1 146	4 086
Total equity	25 279	20 821	10 935
Total equity and liabilities	412 931	289 209	212 917
Equity Share	6%	7%	5%

It is proposed to allocate the profit for the year as follows:

Allocated to group contribution (net of tax) NOK 0.0 million
Other equity NOK 8.3 million
Total allocations NOK 8.3 million

It is the opinion of the board that the financial statements give a true and fair view of the company’s assets, debt, financial position and profit.

Future development

The demand for engineers in the energy sector continues to be strong, fueled by the ever-increasing need for energy, energy security, and the ongoing transition initiatives. The temporary changes to the petroleum tax on the Norwegian Continental Shelf has led to high investments and predicable, high activity level towards 2028. In a small Norwegian market this has also resulted in a tight labour market, with scarcity of qualified engineers and specialists available for recruitment. Regulative change with restrictions on hire from staffing agencies in Norway has limited the market potential. However, companies that have a tariff agreement with a major union and can come to terms with an employee representative are exempted.

Financial Market Risk

a) Market risk

The majority of the company’s turnover as well as payable cost are in local currency (NOK) excluding any exposure towards currency loss. The company has no direct exposure towards raw materials but is indirectly exposed doing business with oil & gas companies.

b) Credit risk

The company’s accounts receivables are mainly towards bigger international oil companies. The company is a party to a group credit insurance policy, which further mitigates the risk of bad debts. The credit risk is considered to be low.

c) Liquidity risk

The company has satisfactory liquidity and working capital.

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Considerations after yearend close

No incidents after yearend close have occurred which is of significance for the assessment of the company other than what is included in the other parts of the financial statements.

Research and development activities

The Company has no ongoing research or development activities.

Going concern

The Financial statement for 2022 has been prepared with the assumption of a going concern. The board confirms that the premises for such assumption are indeed there.

The Transparency Act

Our report on our commitments to the Transparency Act (Åpenhetsloven) will be published on www.nesfircroft.com within June 30, 2023.

Working Environment

The Board considers the working environment in the Company as satisfactory. The Company hold monthly 1:1 conversations between manager and employee where, in addition to talking about achievements and development, the employee is also given room to address and wishes, problems or challenges. The Company strive for a culture of openness where employees are encouraged to raise problems or suggest improvements.

The employees have a shop steward and a safety representative with whom they can raise matters, if they wish. Monthly meetings are held between the safety representative/representative and responsible manager.

There have not been any injuries or accidents in 2022. Total absence due to illness have been 1052 days which represents 0,6%.

Gender Equality

The Company focuses on value-based management. One of their values is concrete - team work, we work together as one team, always. Their collaboration – globally and locally – sets them apart. The Company values diversity, and believes it makes them better. This is presented at interviews in connection with new hires.

The Company provides a workplace that is based on equality of opportunity, recognises each individual and celebrates diversity of perspective. They support their people to be at their very best. They attract and retain talented, collaborative and innovative people who bring a broad range of skills, backgrounds and experiences. The Company approaches career development and promotion in the same equitable way and value the contribution of every individual.

With 81 offices around the globe in the wider group, NES Global Talent has a diverse workforce - employing over 130 different nationalities and 57% female staff. NES Global Talent monitor the gender and nationality of their people split at different levels across the business and report to the board on a regular basis.

Externally they also are at the forefront of driving the diversity agenda and perform an annual survey of female engineers to find out what challenges and opportunities they are facing working in the energy sector. The research is designed to highlight what the energy industry could be doing to attract and retain female engineers and educate energy hiring managers on diversity best practice.

The Company recognises that they have a key role in supporting their clients achieve their own workforce diversity and inclusion goals and are committed to identifying a wide candidate pool for their clients including people from all backgrounds.

By yearend the Company had 302 employees whereof 286 men and 16 women. The Board considers the balance between the genders to be acceptable and no measures will be launched with respect to Equality.

The discrimination and availability law

The company has an employment policy that ensures equal rights and opportunities for all applicants and employees.

External Environment

The Company does not pollute any external environment.

Directors' Indemnities

The Group has indemnity insurance in place on behalf of all of its directors during the year, which remains in force at the date of this report.

Sandnes, 29th June 2023

Stephen William Buckley	Jens Michael Mellbye	Jens Børge Franc Iversen
Chairman of the Board	Managing Director/Board member	Board member

NES Global LLC

Financial statements for the years ended 31 October 2022, 31 October 2021 and independent auditor’s report

Deloitte.

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USA

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Independent Auditor's Report

NES Global Talent US, Inc.
800 Gessner Road
Houston, TX 77024

Opinion

We have audited the financial statements of NES Global LLC (the "Company"), which comprise the balance sheets as of October 31, 2022 and 2021, the balance sheet as of November 1, 2020, and the related statements of income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements"), which, as described in Note 2a to the financial statements, have been prepared on the basis of International Financial Reporting Standards as adopted by the European Union.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2022 and 2021, and the financial position as of November 1, 2020, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2A to the financial statements, the Company prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, which differs from accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities for Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for at least, but not limited to, twelve months from the period ending October 31, 2022.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

July 7, 2023

Income statement

For the year ended 31 October 2022

	Notes	2022 $'000	2021 $'000
Revenue	3	315,725	204,430
Cost of sales		(274,615)	(179,094)
Gross profit		41,110	25,336
Administrative expenses		(31,696)	(21,044)
Exceptional items	4	(1,453)	(4,904)
Depreciation	10	(869)	(714)
Amortisation		-	(6)
Operating profit/(loss)		7,092	(1,332)
Finance costs	5	(676)	(308)
Profit/(loss) before taxation	6	6,416	(1,640)
Tax on loss	8	(1,386)	(129)
Profit/(loss) for the financial year		5,030	(1,769)

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the profit/(loss) for the financial year shown above. Accordingly, a separate statement of other comprehensive income has not been prepared.

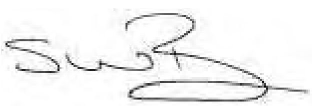
The accompanying notes are an integral part of this income statement.

Balance sheet

As of 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Non-current assets				
Intangibles	9	-	-	6
Property and equipment	10	3,426	2,203	2,142
Deferred tax asset	15	1,384	1,241	1,278
		4,810	3,444	3,426
Current assets				
Trade and other receivables	11	150,347	128,533	98,766
Cash and bank balances	11	-	129	2,440
Current tax asset		-	627	401
		150,347	129,289	101,607
Total assets		155,157	132,733	105,033
Current liabilities				
Trade and other payables	12	(93,697)	(86,836)	(81,799)
Current tax liabilities		(600)	-	-
Borrowings	13	(27,904)	(19,672)	-
		(122,201)	(106,508)	(81,799)
Net current assets		28,146	22,781	(81,799)
Non-current liabilities				
Other non-current liabilities	18	(2,465)	(1,716)	(1,336)
Provisions	19	(5,332)	(4,380)	-
		(7,797)	(6,096)	(1,336)
Total liabilities		(129,998)	(112,604)	(83,135)
Net assets		25,159	20,129	21,898
Equity				
Retained earnings		25,159	20,129	21,898

The accompanying notes are an integral part of this balance sheet. The financial statements of NES Global LLC were approved by the board of directors and authorised for issue on 7 July 2023. They were signed on its behalf by:



S.W. Buckley
Director

Cash flow statement

For the year ended 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000
Cash inflow/(outflow) from operating activities	15	11,557	(18,725)
Investing activities			
Purchases of property and equipment	9	(433)	(31)
Net cash outflow from investing activities		(433)	(31)
Financing activities			
Interest paid		(3,690)	(2,556)
Lease payments made on leases recognised IFRS16	16	(849)	(672)
Net cash used in financing activities		(4,539)	(3,228)
Net increase/(decrease) in cash and cash equivalents		6,585	(21,984)
Cash and cash equivalents at beginning of the year		(34,489)	(12,505)
Cash and cash equivalents at end of the year		(27,904)	(34,489)

The accompanying notes are an integral part of this cash flow statement.

Statement of changes in equity

For the year ended 31 October 2022

	Retained earnings $'000
At 1 November 2020	21,898
Loss for the year and total comprehensive expense	(1,769)
At 31 October 2021	20,129
Profit for the year and total comprehensive income	5,030
At 31 October 2022	25,159

The accompanying notes are an integral part of this statement of changes in equity.

1 General information

NES Global LLC is a private company limited by members interests, registered in the USA. The address of the registered office is given on page 1.

NES Global LLC ("the 'company'") is a leading specialist workforce solutions provider supplying, on a contract and permanent basis, highly qualified engineers, project management, project engineering and other related technical disciplines to the oil and gas, power, life sciences, chemicals, manufacturing, infrastructure and mining markets.

NES Global LLC is preparing these non-statutory financial statements of the company for the purpose to satisfy the requirements of Annex 21, Section 3 of the Financial Conduct Authority Prospectus Regulation Rules which, in turn, enables its parent company (NES Fircroft Bondco AS) to make an application for its bonds to be listed on the Oslo Stock Exchange as required by the Bond Terms.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the company operates.

2 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) General information and basis of accounting
The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements have been prepared on the historical cost basis unless otherwise specified under the accounting policies listed in note 2. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

b) Going concern
The company's business activities are described in note 1. The company is a subsidiary of NES Global Talent Limited, which manages its working capital on a pooled basis across the group. The NES Global Talent group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 14 September 2022, NES Fircroft Bondco AS a member of the wider NES Global Talent group, secured committed funding via a senior secured bond which was used for the repayment of the senior term loan held within the group. The bond is due for repayment in 2026 and attracts interest at 11.75%. The group also secured committed funding via a $72m revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026.

The combined group facilities in place as of 31 October 2022 consist of a $72 million revolving credit facility and $157 million of invoice discounting facilities. Subsequent to year end, the revolving credit facility was increased by $12 million to $84 million. Despite the continued increase in trade since year end, the group had undrawn committed facilities of $102m as of 31 May 2023, showing the group continues to have significant unutilised financing facilities in place.

2 Accounting policies (continued)

b) Going concern (continued)
The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex earnings before interest tax, depreciation and amortisation ("EBITDA") by 10%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to the end of July 2024.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to rise or fall by more than double the above sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote.

The directors therefore have a reasonable expectation that the NES Global Talent group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company as adopted the going concern basis in preparing the financial statements.

c) *First-time adoption of IFRS*
These financial statements, for the year ended 31 October 2022 and 31 October 2021, are the first the company has prepared, and therefore the first prepared in accordance with IFRS. Accordingly, the company has prepared financial statements that comply with IFRS applicable as of 31 October 2022, together with comparative period data for the year ended 31 October 2021, as described in the summary of accounting policies. In preparing the financial statements, the company's opening statement of financial position at 1 November 2020 is included. The company is part of the NES Fircroft Limited group which prepares consolidated financial statements in accordance with IFRS. The company has historically prepared financial information in accordance with IFRS therefore there are no transition adjustments.

New and revised IFRSs in issue but not yet effective
At the date of authorisation of these financial statements, the below standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. It is not practical to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Amendments to IFRS 17	*Insurance Contracts and initial application*
Amendments to IAS 1	*Classification of liabilities as Current or Non-Current and Disclosure of accounting policies*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of accounting policies*
Amendments to IAS 8	*Definition of accounting estimates*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IFRS 4	*Extension of Temporary Exemption from Applying IFRS 9*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a single transaction*
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to IAS 37	*Onerous contracts – Costs of fulfilling a contract*
Annual Improvements to IFRS Standards 2018-2020 Cycle	*Amendments to IFRS 9 Financial Instruments and IFRS 16 Leases*

2 Accounting policies (continued)

d) Revenue recognition
Revenue is recognised on the basis of hours worked for contractors hired out, on the start date for permanent placements, and on the basis of work performed for project management services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes. All revenue is recorded in accordance with IFRS15. Revenue is generated from contractual agreements with customers. These agreements allocate the consideration payable to the performance obligations defined in the contract. Revenue is recognised once the performance obligations defined by the contract are achieved.

e) Operating profit
Operating profit is stated after charging exceptional items, but before finance costs and tax.

f) Borrowing costs
Borrowing costs are recognised in profit or loss in the year in which they are incurred.

g) Interest income
Interest income on balances with related parties is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

h) Exceptional items
Exceptional items are those that the directors consider need to be disclosed separately in the financial statements to provide a true and fair view by virtue of their size or incidence, including the frequency and predictability of occurrence; all exceptional items are charged in arriving at operating profit in the financial statements.

i) Intangible assets
Computer software is amortised on a straight-line basis over its useful economic life, which is estimated at three to five years. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

j) Impairment of tangible and intangible assets
At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible 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 the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of each cash generating unit to which the asset belongs. 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 risk specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised as income immediately, 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.

2 Accounting policies (continued)

k) Leasing
Lease contracts entered into by the company are recognised as a right of use asset and corresponding liability at the date of which the leased asset is available for use by the company. A right of use asset and lease liability in respect of each lease is recognised in the company balance sheet at the present value of the lease payments that are unpaid at the commencement date. The lease payments are discounted to their present value using the company's incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities during the year is 8.9% (2021: 8.9%). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The company applies the cost model to subsequently measure right of use assets, applying the depreciation requirements in IAS 16 Property, Plant and Equipment by depreciating right of use assets on a straight-line basis over the lease term. Right of use assets are assessed annually for impairment on a lease-by-lease basis and any impairment charge recognised is taken to the income statement. Right of use assets are adjusted for any remeasurement of the lease liability, which is undertaken if there is a change in the lease term or there is an option to purchase the underlying asset.

Lease liabilities are subsequently measured after initial recognition by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect lease payments made. The carrying amount of lease liabilities is also adjusted to reflect any reassessment or lease modifications. In the event that lease incentives are received to enter into any leases, such incentives are incorporated on initial measurement of the lease liability.

When applying IFRS 16, the company has used the following practical expedients permitted by the standard:

- use of a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- an election to exclude leases of low value from the requirements of lease accounting under IFRS 16, with the rentals payable under this company of leases charged to the income statement on a straight-line basis over the term of the lease term.

l) Retirement benefit costs
The company operates defined contribution pension plans for a number of its staff and directors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The pension balance owing at year end for staff and contractors held on the balance sheet is $10,000 (2021: $114,000).

m) Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, unless otherwise indicated, on the following bases:

Leasehold improvements	over the shorter of the lease term or five years
Computer equipment	over three years
Fixtures, fittings and equipment	over five years
Right of use assets	over the lease term

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit/loss.

2 Accounting policies (continued)

n) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

o) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

p) Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Financial assets subsequently measured either at amortised cost.

2 Accounting policies (continued)

p) Financial instruments (continued)
Trade receivables, loans and other receivables
Trade receivables, 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 initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Trade receivables, loans and other receivables are assessed for indicators of impairment at each balance sheet date. They 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 of the investment have been impacted.

Objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. For trade receivables and other assets not impaired individually, the company applies a simplified approach in calculating expected credit losses. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Cash and bank balances
Cash and bank balances comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets
The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into.

2 Accounting policies (continued)

p) Financial instruments (continued)
Loans and borrowings
Loans and borrowings are initially measured at fair value, net of transaction costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

q) Critical accounting judgements and key sources of estimation uncertainty
In applying the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider there to be no critical judgements or key sources of estimation uncertainty in applying the company's accounting policies in the current year.

3 Segmental reporting

All revenue arises from the provision of services via contractual agreements with customers. On the basis that the company has no publicly traded equity or debt securities, the directors have taken the exemption available under IFRS 8 'Operating Segments' not to disclose reporting data for business segments or geographical segments. Turnover, profit before taxation, assets and liabilities are attributable to the activity of hiring out and permanent placement of personnel to provide engineering services, and additionally for the provision of project management and project engineering services.

4 Exceptional expenditure

	2022 $'000	2021 $'000
Deal cost	-	99
Restructuring	76	6
Legal matters	1,377	4,799
	1,453	4,904

The tax benefits of the above exceptional administrative expenses is approximately $305,000 credit (2021: $1,845,000 credit).

Deal costs – fees and other costs directly attributable to completed or proposed transactions.

Restructuring – relate to various restructuring activities within the company.

Legal matters – relate to charges and credits for one-off matters or significant ongoing legal matters.

5 Finance income

	2022 $'000	2021 $'000
Interest payable on bank overdrafts	(1,171)	(347)
Interest payable to related parties (note 20)	(3,519)	(2,389)
Interest receivable from related parties (note 20)	4,267	2,626
Interest on lease liabilities (note 18)	(253)	(198)
	(676)	(308)

6 Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging:

	2022 $'000	2021 $'000
Depreciation of right of use assets (note 10)	696	534
Depreciation of other property and equipment (note 10)	173	180
	869	714
Amortisation of intangible assets (note 11)	-	6
Staff costs (note 7)	16,285	11,458
Auditor's remuneration for audit and non-audit services	224	231
Rental of low value assets	25	24

7 Staff costs

The average monthly number of employees (including executive directors) from was:

	2022 Number	2021 Number
Sales and administration	103	84

Their aggregate remuneration (including executive directors) comprised:

	2022 $'000	2021 $'000
Wages and salaries	15,333	10,751
Social security costs	952	707
	16,285	11,458

No remuneration has been paid to the directors (2021: $nil), their costs being borne by other group companies and not recharged to the company. This is because fair apportionment is not possible.

8 Tax on profit

For US federal income tax purposes, the Company files as a member of a consolidated tax group. The tax charges the Company has recorded represent an allocation of the US consolidated tax group's combined tax provision. Thus, the tax charges are not representative of the tax charges the Company would have reported on separate return basis and they are not indicative of tax charges the Company may incur in the future.

The tax charge comprises:

	2022 $'000	2021 $'000
Current tax		
Current tax on profits for the year	1,428	106
Current tax – prior period adjustments	4	(200)
Withholding tax current year charge	97	185
Total current tax charge	1,529	91
Deferred tax		
Origination and reversal of timing differences	(375)	(945)
Adjustments in respect of prior years	232	983
Total deferred tax charge	(143)	38
Total tax charge	1,386	129

8 Tax on profit (continued)

The differences between the total tax shown and the amount calculated by applying the standard rate of United States corporate income tax to the profit before tax are as follows:

	2022 $'000	2021 $'000
Profit/(loss) before tax	6,416	(1,640)
Profit/(loss) before tax multiplied by the standard rate of corporation income tax in the United States of 21% (2021: 21%)	1,347	(344)
Effects of:		
Expenses not deductible for tax purposes	(166)	914
Fixed asset timing differences	(7)	(5)
Adjustment in respect of BEAT Tax	928	-
Current tax prior year adjustments	(27)	(284)
Deferred tax prior year adjustments	232	982
Adjustment in respect of withholding taxes	97	185
Adjustments in respect of other taxes	96	106
Utilisation of tax losses incurred by other members of consolidated tax group	(1,114)	(1,425)
Total tax charge	1,386	129

United States corporate income tax is calculated at 21% (2021: 21%) of the estimated taxable profit or loss for the year.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their net book value. Deferred tax is determined using the tax rate that is expected to apply when the related tax asset is realised or the deferred income tax liability is settled.

9 Intangibles

	Computer software $'000	Total $'000
Cost		
At 1 November 2020, 31 October 2021 and 31 October 2022	44	44
Amortisation		
At 1 November 2020	(38)	(38)
Charge for the year	(6)	(6)
At 31 October 2021 and 31 October 2022	(44)	(44)
Net book value		
At 1 November 2020	6	6
At 31 October 2021 and 31 October 2022	-	-

Computer software is amortised over its useful economic life, which is estimated at three to five years.

10 Property and equipment

	Leasehold improvements $'000	Computer equipment $'000	Fixtures and fittings $'000	Right of use asset $'000	Total $'000
Cost					
At 1 November 2020	463	289	210	2,587	3,549
Additions	3	28	-	744	775
Disposals	-	-	-	(98)	(98)
At 31 October 2021	466	317	210	3,233	4,226
Additions	250	120	63	1,659	2,092
Disposals	-	-	-	(482)	(482)
At 31 October 2022	716	437	273	4,410	5,836
Depreciation					
At 1 November 2020	(195)	(185)	(146)	(881)	(1,407)
Charge for the year	(93)	(64)	(23)	(534)	(714)
Disposals	-	-	-	98	98
At 31 October 2021	(288)	(249)	(169)	(1,317)	(2,023)
Charge for the year	(89)	(66)	(18)	(696)	(869)
Disposals	-	-	-	482	482
At 31 October 2022	(377)	(315)	(187)	(1,531)	(2,410)
Net book value					
At 1 November 2020	268	104	64	1,706	2,142
At 31 October 2021	178	68	41	1,916	2,203
At 31 October 2022	339	122	86	2,879	3,426

11 Other current assets

Trade and other receivables

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Amounts receivable for the sale of services	51,552	39,431	26,698
Allowance for doubtful debts	(492)	(461)	(1,333)
	51,060	38,970	25,365
Other debtors	1,993	856	1,156
Amounts receivable from related parties (note 20)	84,722	73,369	68,227
Prepayments	56	269	212
Accrued income	12,516	15,069	3,807
	150,347	128,533	98,767

11 Other current assets (continued)

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. Amounts owed by related parties are unsecured, interest bearing and repayable on demand.

The ageing of trade receivables net of the allowance for doubtful debts and the expected credit loss percentage used for each ageing bucket (see further details below) at the reporting date was:

	Net trade receivables			Expected credit loss %		
	31 October 2022	31 October 2021	1 November 2020	31 October 2022	31 October 2021	1 November 2020
	$'000	$'000	$'000			
Not past due	44,495	34,977	20,019	1%	1%	1%
Past due 0 – 30 days	4,658	2,939	1,798	1%	1%	1%
Past due 31 – 60 days	892	333	1,002	2%	2%	2%
Past due 61 – 90 days	346	256	352	2%	5%	5%
More than 90 days	669	465	2,194	2%	6%	5%
	51,060	38,970	25,365			

Trade receivables

The company carries a provision for doubtful debts of $492,000 (2021: $461,000) against trade receivables of $51,552,000 (2021: $39,431,000). Management maintains a policy of periodically reviewing all debtor balances for recoverability. The company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. There has been no change in the estimation techniques during the current reporting period. Other classes within trade and other receivables do not contain impaired assets.

The carrying amount of financial assets represents the maximum credit exposure. No interest is charged on the receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of services, determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Doubtful debts written off which have been previously provided for were immaterial in the current and prior year.

Before accepting any new customer, the company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly.

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The company does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the company to the counterparty.

The maximum exposure to credit risk for gross trade receivables at the reporting date by geographic region was:

	31 October 2022	31 October 2021	1 November 2020
	$'000	$'000	$'000
Americas	51,552	39,431	26,698

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

11 Other current assets (continued)

Cash and bank balances

Cash and bank balances comprise cash held by the company and short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximates their fair value.

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Cash and bank balances	-	129	2,440

12 Creditors: Amounts falling due within one year

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Trade payables	14,495	12,286	8,134
Sales and payroll taxes and social security	2,675	4,643	4,066
Lease liabilities (note 17)	699	386	493
Amounts owing to related parties (note 20)	70,158	64,751	64,737
Accruals and deferred income	5,670	4,770	4,369
	93,697	86,836	81,799

Trade payables and accruals principally comprise amounts outstanding for trade purchases, contractor payroll and ongoing costs. The current financial liabilities shown above arise from the normal trading activities of the company and are payable in line with normal terms of trade which, on average, are 30 days.

The directors consider that the carrying amount of trade payables approximates their fair value.

Allowance for the restructuring and deal costs included within exceptional items disclosed in note 4, when not settled during the year, are included in the accruals and deferred income balance.

13 Borrowings

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Bank overdrafts	(27,904)	(19,672)	-
Amount due for settlement within 12 months	(27,904)	(19,672)	-

Bank overdrafts

There is access to various local overdraft and invoice discounting facilities, secured against trade debtors. As of 31 October 2022, $27,904,000 (2021: $19,672,000) was drawn down on these facilities. The company has access to combined overdraft and invoice discounting facilities with Bedrock LLC. The combined undrawn committed facilities as of 31 October 2022 is $13,674,000 (2021: $7,689,000).

14 Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

Categories of financial instruments

	31 October 2022	31 October 2021	1 November 2020
Financial assets	$'000	$'000	$'000
Cash	-	129	2,440
Debtors	135,782	112,339	93,592
Financial liabilities			
Overdrafts	(27,904)	(19,672)	-
Liabilities measured at amortised cost	(84,653)	(77,037)	(72,871)

The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Financial assets – Cash and cash equivalents

These comprise cash held by the company and short-term bank deposits with an original maturity of three months or less.

Financial assets – Trade receivables

These comprise trade and other receivables and details are given in note 11.

Financial liabilities – Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. The carrying amount of trade payables approximates to their fair value.

Financial liabilities – Borrowings

Details of bank overdrafts and invoice discounting facilities are given in note 13.

Financial risk management objectives

The company's board and treasury function monitor and manage the financial risks relating to the operations. These risks include currency exposure, credit risk, liquidity risk and cash flow interest risk. The company's activities primarily expose it to risks of changes in interest rates and to changes in foreign currency rates. The principal risks are detailed below together with details of how these are mitigated.

14 Financial instruments (continued)

Capital and liquidity risk management

The company is part of the NES Fircroft group which manages its capital to ensure that all entities within the group continue as a going concern. The capital structure of the company consists of debt, which includes the borrowings disclosed in note 13, cash and cash equivalents and equity attributable to the equity holders of the company comprising retained earnings disclosed in the Statement of changes in equity. The company manages liquidity risks by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. The available undrawn committed facilities of the company as of 31 October 2022 are set out in note 13.

Interest rate risk management

The company is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the company maintaining an appropriate level of floating rate borrowings. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit (2021: loss) before tax for the year ended 31 October 2022 would decrease by $109,000/increase by $75,000 (2021: increase by $64,000/decrease by $19,000). This is attributable to the company's exposure to interest rates on its variable rate borrowings.

The company is exposed to risks arising from interest rate benchmark reform in relation to invoice discounting facilities held across various jurisdictions as LIBOR continues to be replaced with alternative benchmark interest rates. Agreements have been refreshed in line with the timing cessation of LIBOR rates to include the relevant presiding rate. The company does not consider that the changes will have a material impact on the interest rates it is exposed to.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company conducts credit checks on all potential customers and suppliers before entering into any contracts using independent rating agencies and other publicly available information. The company's exposure is constantly monitored and forms part of the monthly reporting to management.

Trade receivables consist of balances owed from many customers across the company's segments and geographies. The majority of customers by value are blue chip companies within the oil and gas sector. The company's exposure to individuals and credit risk is detailed in note 11.

Foreign currency exchange risk

Due to the nature of the NES Fircroft group, the company engages in foreign currency denominated transactions. The company does not use derivative instruments to protect against the volatility associated with foreign currency transactions and investments and other financial assets and liabilities created in the ordinary course of business. Revenues and expenses are transacted in the same foreign currency as far as possible to achieve a natural hedge.

14 Financial instruments (continued)

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate		
	31 October 2022	31 October 2021	31 October 2022	31 October 2021	1 November 2020
Euro	0.927	0.836	1.005	0.856	0.856
Canadian dollar	1.282	1.259	1.361	1.235	1.333
Australian dollar	1.413	1.328	1.558	1.325	1.422
Trinidad and Tobago dollar	6.786	6.790	6.770	6.775	6.799
UK sterling	0.786	0.728	0.861	0.724	0.773

The company's exposure to foreign currency risk based on currency balances held as of 31 October 2022 are as follows:

	Monetary assets			Monetary liabilities		
	31 October 2022	31 October 2021	1 November 2020	31 October 2022	31 October 2021	1 November 2020
Euro	-	-	-	(21)	(18)	(74)
Canadian dollar	20	-	-	-	(7)	(45)
Australian dollar	13	-	-	-	(2)	(2)
Trinidad and Tobago dollar	821	-	787	-	(157)	-
UK sterling	-		-	(44)	(36)	(177)

15 Deferred tax

As of 31 October 2022, there is a deferred tax asset recognised in respect of short term timing differences.

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Deferred tax recognised on tax losses	-	33	823
Short term timing differences	1,384	1,208	455
	1,384	1,241	1,278
Beginning of the year	1,241	1,278	421
Prior year adjustments - (charge)	(232)	(982)	(38)
Credit for the year	375	945	895
End of the year	1,384	1,241	1,278

There are no unrecognised deferred tax balances (2021: $nil).

16 Notes to the cashflow statement

	31 October 2022 $'000	31 October 2021 $'000
Profit/(loss) for the year	3,802	(1,769)
Adjustments for:		
Income tax charge	1,386	129
Finance costs	676	308
Depreciation of property and equipment	869	714
Amortisation of intangibles	-	6
Operating cash flows before movements in working capital	6,733	(612)
Increase in receivables	(16,278)	(27,226)
Increase in payables	21,669	9,418
Cash generated from/(used in) operations	12,124	(18,420)
Income taxes receivable	(567)	(305)
Net cash generated from/(used in) operations	11,557	(18,725)

The cash flow impact of operating exceptional administrative expenses was $2,000 (2021: $307,000).

Balances as of 31 October comprise:

	31 October 2022 $'000	31 October 2021 $'000
Cash and bank balances	-	129
Bank overdrafts	(27,904)	(19,672)
Total cash and cash equivalents	(27,904)	(19,543)

Analysis of changes in net debt

	1 November 2021 $'000	Cash flow $'000	31 October 2022 $'000
Cash and bank balances	129	(129)	-
Overdrafts	(19,672)	(8,232)	(27,904)
Net debt	(19,543)	(8,361)	(27,904)

Changes in liabilities arising from financing activities

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the company's cash flow statement as cash flows from financing activities.

	1 November 2021	Cash flows	Interest rolled up $'000	Net lease additions $'000	31 October 2022 $'000
Lease liabilities (note 17)	(2,102)	850	(253)	(1,659)	(3,164)
Borrowings	(19,672)	(8,232)	-	-	(27,904)
Total	(21,774)	(7,382)	(253)	(1,659)	(31,068)

17 Lease liabilities

Lease assets and liabilities recognised represent contracts entered into by the company for its office properties. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Further detail on the lease accounting policy is included in note 2. The balance sheet and the income statement show the following amounts in respect of leases during the year ended 31 October 2022:

	Leasehold offices $'000
Right of use assets	
At 1 November 2021	1,916
Additions	1,659
Cost disposals	(482)
Depreciation charge	(696)
Depreciation disposals	482
At 31 October 2022	2,879

	Leasehold offices $'000
Lease liabilities	
At 1 November 2021	(2,102)
Recognised during the year to 31 October 2022	(1,659)
Interest expense on lease liabilities	(253)
Lease payments	850
At 31 October 2022	(3,164)

Income statement

	2022 $'000	2021 $'000
Interest expense (note 5)	253	198
Expense relating to leases of low-value assets – Other operating lease rent figures	25	24
At 31 October	278	222

17 Lease liabilities *(continued)*

At the balance sheet date, the company recognised lease liabilities in respect of outstanding commitments for future minimum lease payments under non-cancellable lease contracts, which fall due as follows:

	Leasehold offices $'000
Maturity analysis of lease liabilities:	
Current	699
Within one to five years	2,465
At 31 October 2022	3,164
Current	386
Within one to five years	1,716
At 31 October 2021	2,102

The total cash outflow in the year paid in respect of leases was $850,000 (2021: $669,000).

18 Other non-current liabilities

	2022 $'000	2021 $'000
Lease liabilities (note 17)	2,465	1,716
	2,465	1,716

19 Provisions

	Legal provision $'000	Total $'000
At 1 November 2021	4,380	4,380
Additions	952	952
At 31 October 2022	5,332	5,332

Legal provisions relate to potential exposures arising as a result of one-off matters or significant ongoing legal matters. The directors consider it appropriate to recognise the provisions on the basis that the likelihood of an economic outflow is probable, although significant uncertainty exists over the timing and the amount. The amount provided for is considered appropriate given the past experience of similar items and known facts as of 31 October 2022. Due to the complex nature of these matters and the significant uncertainties that exist, it is not practicable to quantify the possible effects of changes to the key sources of estimation uncertainty in the calculation of the provisions nor determine a reasonable expectation of the timing of payments against the provisions.

19 Provisions (continued)

The directors have challenged and debated the process, key judgements and assumptions associated with the provision and are satisfied that it is appropriate, recognising the estimation uncertainty and degree of estimation involved in its calculation. It is however reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from the assumptions used in the calculation of the provisions could require a material adjustment to the amounts provided.

Allowance for the legal claims included within exceptional items disclosed in note 4, when not settled during the year, are included in the provisions balance.

20 Related party transactions

Related party transactions occurred in the normal course of business and have been recorded at their exchange amount, which is the amount agreed upon by the related parties.
The following are revenue and cost of sales generated from related parties.

	Revenue		Cost of Sales	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
NES Global Limited (Canada)	3	10	(293)	(314)
Bedrock Petroleum Consultants, LLC	621	-	(12,945)	(9,821)
NES Global Specialist Engineering Services Private Limited	-	-	(32)	(109)
NES Global Korea Yuhan Hoesa	-	-	-	(631)
NES Global Pty Ltd	167	359	-	-
NES Global Arabia Company Limited	-	7	-	-
NES Global Limited	121	337	(333)	(331)
NES Managed Services Limited	2,117	576	-	-
NES UK Limited	-	4	(224)	-
NES Global Talent Guyana Inc.	-	20	-	-
Fircroft, Inc.	-	-	(5,288)	(3,073)
NES Global Limited (Hong Kong)	-	-	-	(2)
NES Global Thailand North ENG	-	-	(104)	(94)
NES Global Abu Dhabi Recruit	51	4	-	-
Fircroft Engineering Services Limited	806	316	-	-
Fircroft Guyana Inc.	77	-	-	-
Fircroft Trinidad Limited	125	-	(191)	-
NES Fircroft Australia Pty Ltd	249	-	(88)	-
	4,337	1,633	(19,498)	(14,375)

20 Related party transactions (continued)

The following are the interest (paid)/received on loans with related parties.

	2022 Interest paid $'000	Interest received $'000	2021 Interest paid $'000	Interest received $'000
NES Group Limited	-	1,555	-	1,116
NES Global Construction, LLC (Texas)	-	12	-	9
NES Global Limited Canada	(2)	-	-	1
Fircroft Trinidad Limited	-	-	(17)	-
Fircroft Engineering Services Limited	-	73	-	-
NES Advantage Solutions Inc	(37)	-	(36)	-
NES Global Talent US, Inc	-	2,627	-	1,500
NES Global Limited	(1,690)	-	(1,724)	-
Fircroft, Inc.	(183)	-	(32)	-
Bedrock Petroleum Consultants, LLC	(72)	-	(49)	-
PT NES Global Teknik	-	-	(9)	-
Redbock LLC	(179)	-	(101)	-
NES Holdings Limited	(1,356)	-	(421)	-
	(3,519)	4,267	(2,389)	2,626

The following are the amounts owed from the companies.

	2022 $'000	2021 $'000
NES Group Limited	18,405	22,341
NES Global Talent US, Inc.	57,208	46,005
Bedrock Petroleum Consultants, LLC	4,448	1,918
NES Global Construction, LLC	234	253
Fircroft Trinidad Limited	821	864
NES Global Talent S. de R.L.de C.V.	886	897
Fircroft Engineering Services Limited	2,046	640
Fircroft Trinidad Limited	152	-
Fircroft Guyana Inc.	26	26
NES Managed Services Limited	175	90
NES Global Ltda	93	61
NES Global Limited (Hong Kong)	-	9
NES Global Talent Recruitment Services – Sole Proprietorship LLC	-	3
NES Global Limited Canada	-	34
NES Global Talent Finance US, LLC	228	228
	84,722	73,369

20 Related party transactions (continued)

The following are the amounts owed to the companies.

	2022 $'000	2021 $'000
NES UK Limited	(8)	(8)
Redbock LLC	(4,459)	(2,228)
NES Global South Africa (Pty) Ltd	(1)	(1)
NES Global Talent Guyana Inc.	(6)	(6)
Fircroft, Inc.	(4,083)	(2,272)
Fircroft Trinidad Limited	-	(17)
NES Global Limited	(33,410)	(47,479)
PT NES Global Teknik	-	(116)
NES Global Pte. Ltd.	(116)	-
NES Advantage Solutions, Inc.	(628)	(957)
NES Advantage Solutions Limited	(2)	(1)
NES Overseas Limited	(42)	(41)
NES Global Limited Canada	(37)	-
NES Holdings Limited	(27,334)	(11,625)
NES Global Specialist Engineering Services Private Limited	(32)	-
	(70,158)	(64,751)

21 Ultimate parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited and NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

NES Global LLC

Financial statements for the years ended 31 October 2022, 31 October 2021 and independent auditor’s report

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Independent Auditor's Report

NES Global Talent US, Inc.
800 Gessner Road
Houston, TX 77024

Opinion

We have audited the financial statements of NES Global LLC (the "Company"), which comprise the balance sheets as of October 31, 2022 and 2021, the balance sheet as of November 1, 2020, and the related statements of income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements"), which, as described in Note 2a to the financial statements, have been prepared on the basis of International Financial Reporting Standards as adopted by the European Union.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2022 and 2021, and the financial position as of November 1, 2020, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2A to the financial statements, the Company prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, which differs from accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities for Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for at least, but not limited to, twelve months from the period ending October 31, 2022.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

July 7, 2023

Income statement
For the year ended 31 October 2022

	Notes	2022 $'000	2021 $'000
Revenue	3	315,725	204,430
Cost of sales		(274,615)	(179,094)
Gross profit		41,110	25,336
Administrative expenses		(31,696)	(21,044)
Exceptional items	4	(1,453)	(4,904)
Depreciation	10	(869)	(714)
Amortisation		-	(6)
Operating profit/(loss)		7,092	(1,332)
Finance costs	5	(676)	(308)
Profit/(loss) before taxation	6	6,416	(1,640)
Tax on loss	8	(1,386)	(129)
Profit/(loss) for the financial year		5,030	(1,769)

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the profit/(loss) for the financial year shown above. Accordingly, a separate statement of other comprehensive income has not been prepared.

The accompanying notes are an integral part of this income statement.

Balance sheet

As of 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Non-current assets				
Intangibles	9	-	-	6
Property and equipment	10	3,426	2,203	2,142
Deferred tax asset	15	1,384	1,241	1,278
		4,810	3,444	3,426
Current assets				
Trade and other receivables	11	150,347	128,533	98,766
Cash and bank balances	11	-	129	2,440
Current tax asset		-	627	401
		150,347	129,289	101,607
Total assets		155,157	132,733	105,033
Current liabilities				
Trade and other payables	12	(93,697)	(86,836)	(81,799)
Current tax liabilities		(600)	-	-
Borrowings	13	(27,904)	(19,672)	-
		(122,201)	(106,508)	(81,799)
Net current assets		28,146	22,781	(81,799)
Non-current liabilities				
Other non-current liabilities	18	(2,465)	(1,716)	(1,336)
Provisions	19	(5,332)	(4,380)	-
		(7,797)	(6,096)	(1,336)
Total liabilities		(129,998)	(112,604)	(83,135)
Net assets		25,159	20,129	21,898
Equity				
Retained earnings		25,159	20,129	21,898

The accompanying notes are an integral part of this balance sheet. The financial statements of NES Global LLC were approved by the board of directors and authorised for issue on 7 July 2023. They were signed on its behalf by:

S.W. Buckley
Director

Cash flow statement

For the year ended 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000
Cash inflow/(outflow) from operating activities	15	11,557	(18,725)
Investing activities			
Purchases of property and equipment	9	(433)	(31)
Net cash outflow from investing activities		(433)	(31)
Financing activities			
Interest paid		(3,690)	(2,556)
Lease payments made on leases recognised IFRS16	16	(849)	(672)
Net cash used in financing activities		(4,539)	(3,228)
Net increase/(decrease) in cash and cash equivalents		6,585	(21,984)
Cash and cash equivalents at beginning of the year		(34,489)	(12,505)
Cash and cash equivalents at end of the year		(27,904)	(34,489)

The accompanying notes are an integral part of this cash flow statement.

Statement of changes in equity
For the year ended 31 October 2022

	Retained earnings $'000
At 1 November 2020	21,898
Loss for the year and total comprehensive expense	(1,769)
At 31 October 2021	20,129
Profit for the year and total comprehensive income	5,030
At 31 October 2022	25,159

The accompanying notes are an integral part of this statement of changes in equity.

1 General information

NES Global LLC is a private company limited by members interests, registered in the USA. The address of the registered office is given on page 1.

NES Global LLC (‘‘the ‘company’’’) is a leading specialist workforce solutions provider supplying, on a contract and permanent basis, highly qualified engineers, project management, project engineering and other related technical disciplines to the oil and gas, power, life sciences, chemicals, manufacturing, infrastructure and mining markets.

NES Global LLC is preparing these non-statutory financial statements of the company for the purpose to satisfy the requirements of Annex 21, Section 3 of the Financial Conduct Authority Prospectus Regulation Rules which, in turn, enables its parent company (NES Fircroft Bondco AS) to make an application for its bonds to be listed on the Oslo Stock Exchange as required by the Bond Terms.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the company operates.

2 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) General information and basis of accounting
The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements have been prepared on the historical cost basis unless otherwise specified under the accounting policies listed in note 2. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

b) Going concern
The company's business activities are described in note 1. The company is a subsidiary of NES Global Talent Limited, which manages its working capital on a pooled basis across the group. The NES Global Talent group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 14 September 2022, NES Fircroft Bondco AS a member of the wider NES Global Talent group, secured committed funding via a senior secured bond which was used for the repayment of the senior term loan held within the group. The bond is due for repayment in 2026 and attracts interest at 11.75%. The group also secured committed funding via a $72m revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026.

The combined group facilities in place as of 31 October 2022 consist of a $72 million revolving credit facility and $157 million of invoice discounting facilities. Subsequent to year end, the revolving credit facility was increased by $12 million to $84 million. Despite the continued increase in trade since year end, the group had undrawn committed facilities of $102m as of 31 May 2023, showing the group continues to have significant unutilised financing facilities in place.

2 Accounting policies (continued)

b) Going concern (continued)
The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex earnings before interest tax, depreciation and amortisation ("EBITDA") by 10%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to the end of July 2024.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to rise or fall by more than double the above sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote.

The directors therefore have a reasonable expectation that the NES Global Talent group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company as adopted the going concern basis in preparing the financial statements.

c) *First-time adoption of IFRS*
These financial statements, for the year ended 31 October 2022 and 31 October 2021, are the first the company has prepared, and therefore the first prepared in accordance with IFRS. Accordingly, the company has prepared financial statements that comply with IFRS applicable as of 31 October 2022, together with comparative period data for the year ended 31 October 2021, as described in the summary of accounting policies. In preparing the financial statements, the company's opening statement of financial position at 1 November 2020 is included. The company is part of the NES Fircroft Limited group which prepares consolidated financial statements in accordance with IFRS. The company has historically prepared financial information in accordance with IFRS therefore there are no transition adjustments.

New and revised IFRSs in issue but not yet effective
At the date of authorisation of these financial statements, the below standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. It is not practical to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Amendments to IFRS 17	*Insurance Contracts and initial application*
Amendments to IAS 1	*Classification of liabilities as Current or Non-Current and Disclosure of accounting policies*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of accounting policies*
Amendments to IAS 8	*Definition of accounting estimates*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IFRS 4	*Extension of Temporary Exemption from Applying IFRS 9*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a single transaction*
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to IAS 37	*Onerous contracts – Costs of fulfilling a contract*
Annual Improvements to IFRS Standards 2018-2020 Cycle	*Amendments to IFRS 9 Financial Instruments and IFRS 16 Leases*

2 Accounting policies (continued)

d) Revenue recognition
Revenue is recognised on the basis of hours worked for contractors hired out, on the start date for permanent placements, and on the basis of work performed for project management services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes. All revenue is recorded in accordance with IFRS15. Revenue is generated from contractual agreements with customers. These agreements allocate the consideration payable to the performance obligations defined in the contract. Revenue is recognised once the performance obligations defined by the contract are achieved.

e) Operating profit
Operating profit is stated after charging exceptional items, but before finance costs and tax.

f) Borrowing costs
Borrowing costs are recognised in profit or loss in the year in which they are incurred.

g) Interest income
Interest income on balances with related parties is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

h) Exceptional items
Exceptional items are those that the directors consider need to be disclosed separately in the financial statements to provide a true and fair view by virtue of their size or incidence, including the frequency and predictability of occurrence; all exceptional items are charged in arriving at operating profit in the financial statements.

i) Intangible assets
Computer software is amortised on a straight-line basis over its useful economic life, which is estimated at three to five years. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

j) Impairment of tangible and intangible assets
At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible 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 the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of each cash generating unit to which the asset belongs. 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 risk specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised as income immediately, 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.

2 Accounting policies (continued)

k) Leasing
Lease contracts entered into by the company are recognised as a right of use asset and corresponding liability at the date of which the leased asset is available for use by the company. A right of use asset and lease liability in respect of each lease is recognised in the company balance sheet at the present value of the lease payments that are unpaid at the commencement date. The lease payments are discounted to their present value using the company's incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities during the year is 8.9% (2021: 8.9%). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The company applies the cost model to subsequently measure right of use assets, applying the depreciation requirements in IAS 16 Property, Plant and Equipment by depreciating right of use assets on a straight-line basis over the lease term. Right of use assets are assessed annually for impairment on a lease-by-lease basis and any impairment charge recognised is taken to the income statement. Right of use assets are adjusted for any remeasurement of the lease liability, which is undertaken if there is a change in the lease term or there is an option to purchase the underlying asset.

Lease liabilities are subsequently measured after initial recognition by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect lease payments made. The carrying amount of lease liabilities is also adjusted to reflect any reassessment or lease modifications. In the event that lease incentives are received to enter into any leases, such incentives are incorporated on initial measurement of the lease liability.

When applying IFRS 16, the company has used the following practical expedients permitted by the standard:

- use of a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- an election to exclude leases of low value from the requirements of lease accounting under IFRS 16, with the rentals payable under this company of leases charged to the income statement on a straight-line basis over the term of the lease term.

l) Retirement benefit costs
The company operates defined contribution pension plans for a number of its staff and directors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The pension balance owing at year end for staff and contractors held on the balance sheet is $10,000 (2021: $114,000).

m) Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, unless otherwise indicated, on the following bases:

Leasehold improvements	over the shorter of the lease term or five years
Computer equipment	over three years
Fixtures, fittings and equipment	over five years
Right of use assets	over the lease term

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit/loss.

2 Accounting policies (continued)

n) Taxation
The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

o) Provisions
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

p) Financial instruments
Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Financial assets subsequently measured either at amortised cost.

2 Accounting policies (continued)

p) Financial instruments (continued)
Trade receivables, loans and other receivables
Trade receivables, 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 initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Trade receivables, loans and other receivables are assessed for indicators of impairment at each balance sheet date. They 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 of the investment have been impacted.

Objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. For trade receivables and other assets not impaired individually, the company applies a simplified approach in calculating expected credit losses. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Cash and bank balances
Cash and bank balances comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets
The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into.

2 Accounting policies (continued)

p) Financial instruments (continued)
Loans and borrowings
Loans and borrowings are initially measured at fair value, net of transaction costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

q) Critical accounting judgements and key sources of estimation uncertainty
In applying the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider there to be no critical judgements or key sources of estimation uncertainty in applying the company's accounting policies in the current year.

3 Segmental reporting

All revenue arises from the provision of services via contractual agreements with customers. On the basis that the company has no publicly traded equity or debt securities, the directors have taken the exemption available under IFRS 8 'Operating Segments' not to disclose reporting data for business segments or geographical segments. Turnover, profit before taxation, assets and liabilities are attributable to the activity of hiring out and permanent placement of personnel to provide engineering services, and additionally for the provision of project management and project engineering services.

4 Exceptional expenditure

	2022 $'000	2021 $'000
Deal cost	-	99
Restructuring	76	6
Legal matters	1,377	4,799
	1,453	4,904

The tax benefits of the above exceptional administrative expenses is approximately $305,000 credit (2021: $1,845,000 credit).

Deal costs **–** fees and other costs directly attributable to completed or proposed transactions.

Restructuring **–** relate to various restructuring activities within the company.

Legal matters **–** relate to charges and credits for one-off matters or significant ongoing legal matters.

5 Finance income

	2022 $'000	2021 $'000
Interest payable on bank overdrafts	(1,171)	(347)
Interest payable to related parties (note 20)	(3,519)	(2,389)
Interest receivable from related parties (note 20)	4,267	2,626
Interest on lease liabilities (note 18)	(253)	(198)
	(676)	(308)

6 Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging:

	2022 $'000	2021 $'000
Depreciation of right of use assets (note 10)	696	534
Depreciation of other property and equipment (note 10)	173	180
	869	714
Amortisation of intangible assets (note 11)	-	6
Staff costs (note 7)	16,285	11,458
Auditor's remuneration for audit and non-audit services	224	231
Rental of low value assets	25	24

7 Staff costs

The average monthly number of employees (including executive directors) from was:

	2022 Number	2021 Number
Sales and administration	103	84

Their aggregate remuneration (including executive directors) comprised:

	2022 $'000	2021 $'000
Wages and salaries	15,333	10,751
Social security costs	952	707
	16,285	11,458

No remuneration has been paid to the directors (2021: $nil), their costs being borne by other group companies and not recharged to the company. This is because fair apportionment is not possible.

8 Tax on profit

For US federal income tax purposes, the Company files as a member of a consolidated tax group. The tax charges the Company has recorded represent an allocation of the US consolidated tax group's combined tax provision. Thus, the tax charges are not representative of the tax charges the Company would have reported on separate return basis and they are not indicative of tax charges the Company may incur in the future.

The tax charge comprises:

	2022 $'000	2021 $'000
Current tax		
Current tax on profits for the year	1,428	106
Current tax – prior period adjustments	4	(200)
Withholding tax current year charge	97	185
Total current tax charge	1,529	91
Deferred tax		
Origination and reversal of timing differences	(375)	(945)
Adjustments in respect of prior years	232	983
Total deferred tax charge	(143)	38
Total tax charge	1,386	129

8 Tax on profit (continued)

The differences between the total tax shown and the amount calculated by applying the standard rate of United States corporate income tax to the profit before tax are as follows:

	2022 $'000	2021 $'000
Profit/(loss) before tax	6,416	(1,640)
Profit/(loss) before tax multiplied by the standard rate of corporation income tax in the United States of 21% (2021: 21%)	1,347	(344)
Effects of:		
Expenses not deductible for tax purposes	(166)	914
Fixed asset timing differences	(7)	(5)
Adjustment in respect of BEAT Tax	928	-
Current tax prior year adjustments	(27)	(284)
Deferred tax prior year adjustments	232	982
Adjustment in respect of withholding taxes	97	185
Adjustments in respect of other taxes	96	106
Utilisation of tax losses incurred by other members of consolidated tax group	(1,114)	(1,425)
Total tax charge	1,386	129

United States corporate income tax is calculated at 21% (2021: 21%) of the estimated taxable profit or loss for the year.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their net book value. Deferred tax is determined using the tax rate that is expected to apply when the related tax asset is realised or the deferred income tax liability is settled.

9 Intangibles

	Computer software $'000	Total $'000
Cost		
At 1 November 2020, 31 October 2021 and 31 October 2022	44	44
Amortisation		
At 1 November 2020	(38)	(38)
Charge for the year	(6)	(6)
At 31 October 2021 and 31 October 2022	(44)	(44)
Net book value		
At 1 November 2020	6	6
At 31 October 2021 and 31 October 2022	-	-

Computer software is amortised over its useful economic life, which is estimated at three to five years.

10 Property and equipment

	Leasehold improvements $'000	Computer equipment $'000	Fixtures and fittings $'000	Right of use asset $'000	Total $'000
Cost					
At 1 November 2020	463	289	210	2,587	3,549
Additions	3	28	-	744	775
Disposals	-	-	-	(98)	(98)
At 31 October 2021	466	317	210	3,233	4,226
Additions	250	120	63	1,659	2,092
Disposals	-	-	-	(482)	(482)
At 31 October 2022	716	437	273	4,410	5,836
Depreciation					
At 1 November 2020	(195)	(185)	(146)	(881)	(1,407)
Charge for the year	(93)	(64)	(23)	(534)	(714)
Disposals	-	-	-	98	98
At 31 October 2021	(288)	(249)	(169)	(1,317)	(2,023)
Charge for the year	(89)	(66)	(18)	(696)	(869)
Disposals	-	-	-	482	482
At 31 October 2022	(377)	(315)	(187)	(1,531)	(2,410)
Net book value					
At 1 November 2020	268	104	64	1,706	2,142
At 31 October 2021	178	68	41	1,916	2,203
At 31 October 2022	339	122	86	2,879	3,426

11 Other current assets

Trade and other receivables

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Amounts receivable for the sale of services	51,552	39,431	26,698
Allowance for doubtful debts	(492)	(461)	(1,333)
	51,060	38,970	25,365
Other debtors	1,993	856	1,156
Amounts receivable from related parties (note 20)	84,722	73,369	68,227
Prepayments	56	269	212
Accrued income	12,516	15,069	3,807
	150,347	128,533	98,767

11 Other current assets (continued)

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. Amounts owed by related parties are unsecured, interest bearing and repayable on demand.

The ageing of trade receivables net of the allowance for doubtful debts and the expected credit loss percentage used for each ageing bucket (see further details below) at the reporting date was:

	Net trade receivables			Expected credit loss %		
	31 October 2022	31 October 2021	1 November 2020	31 October 2022	31 October 2021	1 November 2020
	$’000	$’000	$’000			
Not past due	44,495	34,977	20,019	1%	1%	1%
Past due 0 – 30 days	4,658	2,939	1,798	1%	1%	1%
Past due 31 – 60 days	892	333	1,002	2%	2%	2%
Past due 61 – 90 days	346	256	352	2%	5%	5%
More than 90 days	669	465	2,194	2%	6%	5%
	51,060	38,970	25,365			

<u>Trade receivables</u>
The company carries a provision for doubtful debts of $492,000 (2021: $461,000) against trade receivables of $51,552,000 (2021: $39,431,000). Management maintains a policy of periodically reviewing all debtor balances for recoverability. The company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. There has been no change in the estimation techniques during the current reporting period. Other classes within trade and other receivables do not contain impaired assets.

The carrying amount of financial assets represents the maximum credit exposure. No interest is charged on the receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of services, determined by reference to past default experience of the counterparty and an analysis of the counterparty’s current financial position. Doubtful debts written off which have been previously provided for were immaterial in the current and prior year.

Before accepting any new customer, the company uses an external credit scoring system to assess the potential customer’s credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly.

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The company does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the company to the counterparty.

The maximum exposure to credit risk for gross trade receivables at the reporting date by geographic region was:

	31 October 2022	31 October 2021	1 November 2020
	$’000	$’000	$’000
Americas	51,552	39,431	26,698

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

11 Other current assets (continued)

Cash and bank balances

Cash and bank balances comprise cash held by the company and short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximates their fair value.

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Cash and bank balances	-	129	2,440

12 Creditors: Amounts falling due within one year

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Trade payables	14,495	12,286	8,134
Sales and payroll taxes and social security	2,675	4,643	4,066
Lease liabilities (note 17)	699	386	493
Amounts owing to related parties (note 20)	70,158	64,751	64,737
Accruals and deferred income	5,670	4,770	4,369
	93,697	86,836	81,799

Trade payables and accruals principally comprise amounts outstanding for trade purchases, contractor payroll and ongoing costs. The current financial liabilities shown above arise from the normal trading activities of the company and are payable in line with normal terms of trade which, on average, are 30 days.

The directors consider that the carrying amount of trade payables approximates their fair value.

Allowance for the restructuring and deal costs included within exceptional items disclosed in note 4, when not settled during the year, are included in the accruals and deferred income balance.

13 Borrowings

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Bank overdrafts	(27,904)	(19,672)	-
Amount due for settlement within 12 months	(27,904)	(19,672)	-

Bank overdrafts

There is access to various local overdraft and invoice discounting facilities, secured against trade debtors. As of 31 October 2022, $27,904,000 (2021: $19,672,000) was drawn down on these facilities. The company has access to combined overdraft and invoice discounting facilities with Bedrock LLC. The combined undrawn committed facilities as of 31 October 2022 is $13,674,000 (2021: $7,689,000).

14 Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

Categories of financial instruments

	31 October 2022	31 October 2021	1 November 2020
Financial assets	$'000	$'000	$'000
Cash	-	129	2,440
Debtors	135,782	112,339	93,592
Financial liabilities			
Overdrafts	(27,904)	(19,672)	-
Liabilities measured at amortised cost	(84,653)	(77,037)	(72,871)

The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Financial assets – Cash and cash equivalents

These comprise cash held by the company and short-term bank deposits with an original maturity of three months or less.

Financial assets – Trade receivables

These comprise trade and other receivables and details are given in note 11.

Financial liabilities – Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. The carrying amount of trade payables approximates to their fair value.

Financial liabilities – Borrowings

Details of bank overdrafts and invoice discounting facilities are given in note 13.

Financial risk management objectives

The company's board and treasury function monitor and manage the financial risks relating to the operations. These risks include currency exposure, credit risk, liquidity risk and cash flow interest risk. The company's activities primarily expose it to risks of changes in interest rates and to changes in foreign currency rates. The principal risks are detailed below together with details of how these are mitigated.

14 Financial instruments (continued)

Capital and liquidity risk management

The company is part of the NES Fircroft group which manages its capital to ensure that all entities within the group continue as a going concern. The capital structure of the company consists of debt, which includes the borrowings disclosed in note 13, cash and cash equivalents and equity attributable to the equity holders of the company comprising retained earnings disclosed in the Statement of changes in equity. The company manages liquidity risks by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. The available undrawn committed facilities of the company as of 31 October 2022 are set out in note 13.

Interest rate risk management

The company is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the company maintaining an appropriate level of floating rate borrowings. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit (2021: loss) before tax for the year ended 31 October 2022 would decrease by $109,000/increase by $75,000 (2021: increase by $64,000/decrease by $19,000). This is attributable to the company's exposure to interest rates on its variable rate borrowings.

The company is exposed to risks arising from interest rate benchmark reform in relation to invoice discounting facilities held across various jurisdictions as LIBOR continues to be replaced with alternative benchmark interest rates. Agreements have been refreshed in line with the timing cessation of LIBOR rates to include the relevant presiding rate. The company does not consider that the changes will have a material impact on the interest rates it is exposed to.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company conducts credit checks on all potential customers and suppliers before entering into any contracts using independent rating agencies and other publicly available information. The company's exposure is constantly monitored and forms part of the monthly reporting to management.

Trade receivables consist of balances owed from many customers across the company's segments and geographies. The majority of customers by value are blue chip companies within the oil and gas sector. The company's exposure to individuals and credit risk is detailed in note 11.

Foreign currency exchange risk

Due to the nature of the NES Fircroft group, the company engages in foreign currency denominated transactions. The company does not use derivative instruments to protect against the volatility associated with foreign currency transactions and investments and other financial assets and liabilities created in the ordinary course of business. Revenues and expenses are transacted in the same foreign currency as far as possible to achieve a natural hedge.

14 Financial instruments (continued)

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate		
	31 October 2022	31 October 2021	31 October 2022	31 October 2021	1 November 2020
Euro	0.927	0.836	1.005	0.856	0.856
Canadian dollar	1.282	1.259	1.361	1.235	1.333
Australian dollar	1.413	1.328	1.558	1.325	1.422
Trinidad and Tobago dollar	6.786	6.790	6.770	6.775	6.799
UK sterling	0.786	0.728	0.861	0.724	0.773

The company's exposure to foreign currency risk based on currency balances held as of 31 October 2022 are as follows:

	Monetary assets			Monetary liabilities		
	31 October 2022	31 October 2021	1 November 2020	31 October 2022	31 October 2021	1 November 2020
Euro	-	-	-	(21)	(18)	(74)
Canadian dollar	20	-	-	-	(7)	(45)
Australian dollar	13	-	-	-	(2)	(2)
Trinidad and Tobago dollar	821	-	787	-	(157)	-
UK sterling	-		-	(44)	(36)	(177)

15 Deferred tax

As of 31 October 2022, there is a deferred tax asset recognised in respect of short term timing differences.

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Deferred tax recognised on tax losses	-	33	823
Short term timing differences	1,384	1,208	455
	1,384	1,241	1,278
Beginning of the year	1,241	1,278	421
Prior year adjustments - (charge)	(232)	(982)	(38)
Credit for the year	375	945	895
End of the year	1,384	1,241	1,278

There are no unrecognised deferred tax balances (2021: $nil).

16 Notes to the cashflow statement

	31 October 2022 $'000	31 October 2021 $'000
Profit/(loss) for the year	3,802	(1,769)
Adjustments for:		
Income tax charge	1,386	129
Finance costs	676	308
Depreciation of property and equipment	869	714
Amortisation of intangibles	-	6
Operating cash flows before movements in working capital	6,733	(612)
Increase in receivables	(16,278)	(27,226)
Increase in payables	21,669	9,418
Cash generated from/(used in) operations	12,124	(18,420)
Income taxes receivable	(567)	(305)
Net cash generated from/(used in) operations	11,557	(18,725)

The cash flow impact of operating exceptional administrative expenses was $2,000 (2021: $307,000).

Balances as of 31 October comprise:

	31 October 2022 $'000	31 October 2021 $'000
Cash and bank balances	-	129
Bank overdrafts	(27,904)	(19,672)
Total cash and cash equivalents	(27,904)	(19,543)

Analysis of changes in net debt

	1 November 2021 $'000	Cash flow $'000	31 October 2022 $'000
Cash and bank balances	129	(129)	-
Overdrafts	(19,672)	(8,232)	(27,904)
Net debt	(19,543)	(8,361)	(27,904)

Changes in liabilities arising from financing activities

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the company's cash flow statement as cash flows from financing activities.

	1 November 2021	Cash flows	Interest rolled up $'000	Net lease additions $'000	31 October 2022 $'000
Lease liabilities (note 17)	(2,102)	850	(253)	(1,659)	(3,164)
Borrowings	(19,672)	(8,232)	-	-	(27,904)
Total	(21,774)	(7,382)	(253)	(1,659)	(31,068)

17 Lease liabilities

Lease assets and liabilities recognised represent contracts entered into by the company for its office properties. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Further detail on the lease accounting policy is included in note 2. The balance sheet and the income statement show the following amounts in respect of leases during the year ended 31 October 2022:

	Leasehold offices $'000
Right of use assets	
At 1 November 2021	1,916
Additions	1,659
Cost disposals	(482)
Depreciation charge	(696)
Depreciation disposals	482
At 31 October 2022	2,879

	Leasehold offices $'000
Lease liabilities	
At 1 November 2021	(2,102)
Recognised during the year to 31 October 2022	(1,659)
Interest expense on lease liabilities	(253)
Lease payments	850
At 31 October 2022	(3,164)

Income statement

	2022 $'000	2021 $'000
Interest expense (note 5)	253	198
Expense relating to leases of low-value assets – Other operating lease rent figures	25	24
At 31 October	278	222

17 Lease liabilities *(continued)*

At the balance sheet date, the company recognised lease liabilities in respect of outstanding commitments for future minimum lease payments under non-cancellable lease contracts, which fall due as follows:

	Leasehold offices $'000
Maturity analysis of lease liabilities:	
Current	699
Within one to five years	2,465
At 31 October 2022	3,164
Current	386
Within one to five years	1,716
At 31 October 2021	2,102

The total cash outflow in the year paid in respect of leases was $850,000 (2021: $669,000).

18 Other non-current liabilities

	2022 $'000	2021 $'000
Lease liabilities (note 17)	2,465	1,716
	2,465	1,716

19 Provisions

	Legal provision $'000	Total $'000
At 1 November 2021	4,380	4,380
Additions	952	952
At 31 October 2022	5,332	5,332

Legal provisions relate to potential exposures arising as a result of one-off matters or significant ongoing legal matters. The directors consider it appropriate to recognise the provisions on the basis that the likelihood of an economic outflow is probable, although significant uncertainty exists over the timing and the amount. The amount provided for is considered appropriate given the past experience of similar items and known facts as of 31 October 2022. Due to the complex nature of these matters and the significant uncertainties that exist, it is not practicable to quantify the possible effects of changes to the key sources of estimation uncertainty in the calculation of the provisions nor determine a reasonable expectation of the timing of payments against the provisions.

19 Provisions (continued)

The directors have challenged and debated the process, key judgements and assumptions associated with the provision and are satisfied that it is appropriate, recognising the estimation uncertainty and degree of estimation involved in its calculation. It is however reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from the assumptions used in the calculation of the provisions could require a material adjustment to the amounts provided.

Allowance for the legal claims included within exceptional items disclosed in note 4, when not settled during the year, are included in the provisions balance.

20 Related party transactions

Related party transactions occurred in the normal course of business and have been recorded at their exchange amount, which is the amount agreed upon by the related parties.
The following are revenue and cost of sales generated from related parties.

	Revenue		Cost of Sales	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
NES Global Limited (Canada)	3	10	(293)	(314)
Bedrock Petroleum Consultants, LLC	621	-	(12,945)	(9,821)
NES Global Specialist Engineering Services Private Limited	-	-	(32)	(109)
NES Global Korea Yuhan Hoesa	-	-	-	(631)
NES Global Pty Ltd	167	359	-	-
NES Global Arabia Company Limited	-	7	-	-
NES Global Limited	121	337	(333)	(331)
NES Managed Services Limited	2,117	576	-	-
NES UK Limited	-	4	(224)	-
NES Global Talent Guyana Inc.	-	20	-	-
Fircroft, Inc.	-	-	(5,288)	(3,073)
NES Global Limited (Hong Kong)	-	-	-	(2)
NES Global Thailand North ENG	-	-	(104)	(94)
NES Global Abu Dhabi Recruit	51	4	-	-
Fircroft Engineering Services Limited	806	316	-	-
Fircroft Guyana Inc.	77	-	-	-
Fircroft Trinidad Limited	125	-	(191)	-
NES Fircroft Australia Pty Ltd	249	-	(88)	-
	4,337	1,633	(19,498)	(14,375)

20 Related party transactions (continued)

The following are the interest (paid)/received on loans with related parties.

	2022 Interest paid $'000	2022 Interest received $'000	2021 Interest paid $'000	2021 Interest received $'000
NES Group Limited	-	1,555	-	1,116
NES Global Construction, LLC (Texas)	-	12	-	9
NES Global Limited Canada	(2)	-	-	1
Fircroft Trinidad Limited	-	-	(17)	-
Fircroft Engineering Services Limited	-	73	-	-
NES Advantage Solutions Inc	(37)	-	(36)	-
NES Global Talent US, Inc	-	2,627	-	1,500
NES Global Limited	(1,690)	-	(1,724)	-
Fircroft, Inc.	(183)	-	(32)	-
Bedrock Petroleum Consultants, LLC	(72)	-	(49)	-
PT NES Global Teknik	-	-	(9)	-
Redbock LLC	(179)	-	(101)	-
NES Holdings Limited	(1,356)	-	(421)	-
	(3,519)	4,267	(2,389)	2,626

The following are the amounts owed from the companies.

	2022 $'000	2021 $'000
NES Group Limited	18,405	22,341
NES Global Talent US, Inc.	57,208	46,005
Bedrock Petroleum Consultants, LLC	4,448	1,918
NES Global Construction, LLC	234	253
Fircroft Trinidad Limited	821	864
NES Global Talent S. de R.L.de C.V.	886	897
Fircroft Engineering Services Limited	2,046	640
Fircroft Trinidad Limited	152	-
Fircroft Guyana Inc.	26	26
NES Managed Services Limited	175	90
NES Global Ltda	93	61
NES Global Limited (Hong Kong)	-	9
NES Global Talent Recruitment Services – Sole Proprietorship LLC	-	3
NES Global Limited Canada	-	34
NES Global Talent Finance US, LLC	228	228
	84,722	73,369

20 Related party transactions (continued)

The following are the amounts owed to the companies.

	2022 $'000	2021 $'000
NES UK Limited	(8)	(8)
Redbock LLC	(4,459)	(2,228)
NES Global South Africa (Pty) Ltd	(1)	(1)
NES Global Talent Guyana Inc.	(6)	(6)
Fircroft, Inc.	(4,083)	(2,272)
Fircroft Trinidad Limited	-	(17)
NES Global Limited	(33,410)	(47,479)
PT NES Global Teknik	-	(116)
NES Global Pte. Ltd.	(116)	-
NES Advantage Solutions, Inc.	(628)	(957)
NES Advantage Solutions Limited	(2)	(1)
NES Overseas Limited	(42)	(41)
NES Global Limited Canada	(37)	-
NES Holdings Limited	(27,334)	(11,625)
NES Global Specialist Engineering Services Private Limited	(32)	-
	(70,158)	(64,751)

21 Ultimate parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited and NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

Bedrock Petroleum Consultants, LLC

Financial statements for the
years ended 31 October 2022,
31 October 2021 and independent
auditor’s report

Deloitte.

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USA

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Independent Auditor's Report

The Board of Managers
Bedrock Petroleum Consultants, LLC
800 Gessner Road
Houston, TX 77024

Opinion

We have audited the financial statements of Bedrock Petroleum Consultants, LLC (the "Company"), which comprise the balance sheets as of October 31, 2022 and 2021, the balance sheet as of November 1, 2020, and the related statements of income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements"), which, as described in Note 2a to the financial statements, have been prepared on the basis of International Financial Reporting Standards as adopted by the European Union.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2022 and 2021, and the financial position as of November 1, 2020, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2a to the financial statements, the Company prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, which differs from accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for at least, but not limited to, twelve months from the period ending October 31, 2022.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

July 7, 2023

Income statement

For the year ended 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000
Revenue	3	392,053	234,068
Cost of sales		(366,198)	(219,666)
Gross profit		25,855	14,402
Administrative expenses		(19,707)	(10,929)
Exceptional items	4	(223)	(272)
Depreciation	10	(21)	(42)
Amortisation	9	(3)	(3)
Operating profit		5,901	3,156
Finance income	5	1,136	885
Profit before taxation	6	7,037	4,041
Tax (charge)/credit	8	(1,414)	821
Profit for the financial year		5,623	4,862

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the profit for the financial year shown above. Accordingly, a separate statement of other comprehensive income has not been prepared.

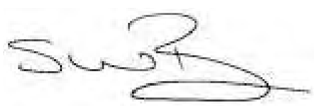
The accompanying notes are an integral part of this income statement.

Balance sheet

As of 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Non-current assets				
Intangibles	9	1	4	7
Property and equipment	10	5	26	56
Deferred tax asset	15	1,732	1,421	887
		1,738	1,451	950
Current assets				
Trade and other receivables	11	95,277	74,539	42,877
Current tax asset		-	717	278
Cash and bank balances	11	128	111	2,013
		95,405	75,367	45,168
Total assets		97,143	76,818	46,118
Current liabilities				
Trade and other payables	12	(29,103)	(21,215)	(8,016)
Current tax liabilities		(713)	-	-
Borrowings	13	(18,740)	(12,639)	-
		(48,556)	(33,854)	(8,016)
Net current assets		46,849	41,513	37,150
Net assets		48,587	42,964	38,102
Equity				
Retained earnings		48,587	42,964	38,102

The accompanying notes are an integral part of this balance sheet. The financial statements of Bedrock Petroleum Consultants LLC were approved by the board of directors and authorised for issue on 7 July 2023. They were signed on its behalf by:



S.W. Buckley
Director

Cash flow statement

For the year ended 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000
Cash outflow from operating activities	16	(5,307)	(15,404)
Financing activities			
Interest (paid)/received		(773)	885
Lease payments made on leases recognised IFRS16	17	(4)	(22)
Net cash (used)/received in financing activities		(777)	863
Net decrease in cash and cash equivalents		(6,084)	(14,541)
Cash and cash equivalents at beginning of the year		(12,528)	2,013
Cash and cash equivalents at end of the year		(18,612)	(12,528)

The accompanying notes are an integral part of this cash flow statement.

Statement of changes in equity

For the year ended 31 October 2022

	Retained earnings $'000
At 1 November 2020	38,102
Profit for the year and total comprehensive income	4,862
At 31 October 2021	42,964
Profit for the year and total comprehensive income	5,623
At 31 October 2022	48,587

The accompanying notes are an integral part of this statement of changes in equity.

1 General information

Bedrock Petroleum Consultants LLC is a private company limited by members interests, registered in the USA. The address of the registered office is given on page 1.

Bedrock Petroleum Consultants LLC ("the 'company'") is a leading specialist provider of outsourced supervisory and operational personnel to the US onshore oil and gas market.

Bedrock Petroleum Consultants LLC is preparing these non-statutory financial statements of the company for the purpose to satisfy the requirements of Annex 21, Section 3 of the Financial Conduct Authority Prospectus Regulation Rules which, in turn, enables its parent company (NES Fircroft Bondco AS) to make an application for its bonds to be listed on the Oslo Stock Exchange as required by the Bond Terms.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the company operates.

2 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) General information and basis of accounting
The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements have been prepared on the historical cost basis unless otherwise specified under the accounting policies listed in note 2. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

b) Going concern
The company's business activities are described in note 1. The company is a subsidiary of NES Global Talent Limited, which manages its working capital on a pooled basis across the group. The NES Global Talent group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 14 September 2022, NES Fircroft Bondco AS a member of the wider NES Global Talent group, secured committed funding via a senior secured bond which was used for the repayment of the senior term loan held within the group. The bond is due for repayment in 2026 and attracts interest at 11.75%. The group also secured committed funding via a $72m revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026.

The combined group facilities in place as of 31 October 2022 consist of a $72 million revolving credit facility and $157 million of invoice discounting facilities. Subsequent to year end, the revolving credit facility was increased by $12 million to $84 million. Despite the continued increase in trade since year end, the group had undrawn committed facilities of $102m as of 31 May 2023, showing the group continues to have significant unutilised financing facilities in place.

2 Accounting policies (continued)

b) Going concern (continued)
The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex earnings before interest tax, depreciation and amortisation ("EBITDA") by 10%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to the end of July 2024.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to rise or fall by more than double the above sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote.

The directors therefore have a reasonable expectation that the NES Global Talent group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company as adopted the going concern basis in preparing the financial statements.

c) *First-time adoption of IFRS*
These financial statements, for the year ended 31 October 2022, are the first the company has prepared, and therefore the first prepared in accordance with IFRS. Accordingly, the company has prepared financial statements that comply with IFRS applicable as of 31 October 2022, together with comparative period data for the year ended 31 October 2021, as described in the summary of accounting policies. In preparing the financial statements, the company's opening statement of financial position at 1 November 2020 is included. The company is part of the NES Fircroft Limited group which prepares consolidated financial statements in accordance with IFRS. The company has historically prepared financial information in accordance with IFRS therefore there are no transition adjustments.

New and revised IFRSs in issue but not yet effective
At the date of authorisation of these financial statements, the below standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. It is not practical to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Amendments to IFRS 17	*Insurance Contracts and initial application*
Amendments to IAS 1	*Classification of liabilities as Current or Non-Current and Disclosure of accounting policies*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of accounting policies*
Amendments to IAS 8	*Definition of accounting estimates*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IFRS 4	*Extension of Temporary Exemption from Applying IFRS9*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a single transaction*
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to IAS 37	*Onerous contracts – Costs of fulfilling a contract*
Annual Improvements to IFRS Standards 2018-2020 Cycle	*Amendments to IFRS 9 Financial Instruments and IFRS 16 Leases*

2 Accounting policies (continued)

d) Revenue recognition
Revenue is recognised on the basis of hours worked for contractors hired out, on the start date for permanent placements, and on the basis of work performed for project management services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes. All revenue is recorded in accordance with IFRS15. Revenue is generated from contractual agreements with customers. These agreements allocate the consideration payable to the performance obligations defined in the contract. Revenue is recognised once the performance obligations defined by the contract are achieved.

e) Operating profit
Operating profit is stated after charging exceptional items, but before finance costs and tax.

f) Borrowing costs
Borrowing costs are recognised in profit or loss in the year in which they are incurred.

g) Interest income
Interest income on balances with related parties is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

h) Exceptional items
Exceptional items are those that the directors consider need to be disclosed separately in the financial statements to provide a true and fair view by virtue of their size or incidence, including the frequency and predictability of occurrence; all exceptional items are charged in arriving at operating profit in the financial statements.

i) Intangible assets
Computer software is amortised on a straight-line basis over its useful economic life, which is estimated at three to five years. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

j) Impairment of tangible and intangible assets
At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible 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 the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of each cash generating unit to which the asset belongs. 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 risk specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised as income immediately, 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.

2 Accounting policies (continued)

k) Leasing
Lease contracts entered into by the company are recognised as a right of use asset and corresponding liability at the date of which the leased asset is available for use by the company. A right of use asset and lease liability in respect of each lease is recognised in the company balance sheet at the present value of the lease payments that are unpaid at the commencement date. The lease payments are discounted to their present value using the company's incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities during the year is 8.9% (2021: 8.9%). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The company applies the cost model to subsequently measure right of use assets, applying the depreciation requirements in IAS 16 Property, Plant and Equipment by depreciating right of use assets on a straight-line basis over the lease term. Right of use assets are assessed annually for impairment on a lease-by-lease basis and any impairment charge recognised is taken to the income statement. Right of use assets are adjusted for any remeasurement of the lease liability, which is undertaken if there is a change in the lease term or there is an option to purchase the underlying asset.

Lease liabilities are subsequently measured after initial recognition by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect lease payments made. The carrying amount of lease liabilities is also adjusted to reflect any reassessment or lease modifications. In the event that lease incentives are received to enter into any leases, such incentives are incorporated on initial measurement of the lease liability.

When applying IFRS 16, the company has used the following practical expedients permitted by the standard:

- use of a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- an election to exclude leases of low value from the requirements of lease accounting under IFRS 16, with the rentals payable under this company of leases charged to the income statement on a straight-line basis over the term of the lease term.

l) Retirement benefit costs
The company operates defined contribution pension schemes for a number of its staff and directors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The pension balance owing at year end for staff and contractors held on the balance sheet is $6,000 (2021: $15,000).

m) Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, unless otherwise indicated, on the following bases:

Leasehold improvements	over the shorter of the lease term or five years
Computer equipment	over three years
Fixtures, fittings and equipment	over five years
Right of use assets	over the lease term

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

2 Accounting policies (continued)

n) Taxation
The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

o) Provisions
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

p) Financial instruments
Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs. Financial assets subsequently measured either at amortised cost,

2 Accounting policies (continued)

p) Financial instruments (continued)
Trade receivables, loans and other receivables
Trade receivables, 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 initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Trade receivables, loans and other receivables are assessed for indicators of impairment at each balance sheet date. They 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 of the investment have been impacted.

Objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The company recognises an allowance for expected credit losses for all debt instruments. For trade receivables and other assets not impaired individually, the company applies a simplified approach in calculating expected credit losses. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Cash and bank balances
Cash and bank balances comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets
The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into.

2 Accounting policies (continued)

p) Financial instruments (continued)
Loans and borrowings
Loans and borrowings are initially measured at fair value, net of transaction costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

q) Critical accounting judgements and key sources of estimation uncertainty
In applying the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider there to be no critical judgements or key sources of estimation uncertainty in applying the company's accounting policies in the current year.

3 Segmental reporting

All revenue arises from the provision of services via contractual agreements with customers. On the basis that the company has no publicly traded equity or debt securities, the directors have taken the exemption available under IFRS 8 'Operating Segments' not to disclose reporting data for business segments or geographical segments. Turnover, profit before taxation, assets and liabilities are attributable to the activity of hiring out and permanent placement of personnel to provide engineering services, and additionally for the provision of project management and project engineering services.

4 Exceptional expenditure

	2022 $'000	2021 $'000
Restructuring	-	40
Legal matters	223	232
	223	272

The tax benefits of the above exceptional administrative expenses is approximately $47,000 credit (2021: $57,000 credit).

Restructuring – relate to various restructuring activities within the company.

Legal matters – relate to charges and credits for one-off matters or significant ongoing legal and tax matters.

5 Finance income

	2022 $'000	2021 $'000
Interest payable on bank overdrafts	(808)	(132)
Interest payable to related parties (note 18)	(410)	(320)
Interest receivable from related parties (note 18)	2,354	1,338
Interest on lease liabilities (note 17)	-	(1)
	1,136	885

6 Profit before taxation

Profit before taxation is stated after charging:

	2022 $'000	2021 $'000
Depreciation of right of use assets (note 10)	4	21
Depreciation of other property and equipment (note 10)	17	21
	21	42
Amortisation of intangible assets (note 9)	3	3
Staff costs (note 7)	6,388	4,332
Auditor's remuneration for audit and non-audit services	129	66

7 Staff costs

The average monthly number of employees (including executive directors) from was:

	2022 Number	2021 Number
Sales and administration	32	23

Their aggregate remuneration (including executive directors) comprised:

	2022 $'000	2021 $'000
Wages and salaries	6,006	4,144
Social security costs	382	188
	6,388	4,332

No remuneration has been paid to the directors (2021: $nil), their costs being borne by other group companies and not recharged to the company. This is because fair apportionment is not possible.

8 Tax on profit

For US federal income tax purposes, the Company files as a member of a consolidated tax group. The tax charges the Company has recorded represent an allocation of the US consolidated tax group's combined tax provision. Thus, the tax charges are not representative of the tax charges the Company would have reported on separate return basis and they are not indicative of tax charges the Company may incur in the future.

The tax charge comprises:

	2022 $'000	2021 $'000
Current tax		
Current tax on profits for the year	1,787	122
Current tax – prior period adjustments	(62)	(409)
Total current tax charge/(credit)	1,725	(287)
Deferred tax		
Origination and reversal of timing differences	(469)	(1,082)
Adjustments in respect of prior years	158	548
Total deferred tax	(311)	(534)
Total tax charge/(credit)	1,414	(821)

The differences between the total tax shown and the amount calculated by applying the standard rate of United States corporation tax to the profit before tax are as follows:

	2022 $'000	2021 $'000
Profit before tax	7,037	4,041
Profit before tax multiplied by the standard rate of corporation tax in the United States of 21% (2021: 21%)	1,478	848
Effects of:		
Expenses not deductible for tax purposes	115	1,074
Fixed asset timing differences	(9)	(6)
Adjustment in respect of BEAT Tax	1,161	-
Current tax prior year adjustments	(34)	(325)
Deferred tax prior year adjustments	158	548
Adjustments in respect of other taxes	120	122
Utilisation of tax losses incurred by other members of consolidated tax group	(1,575)	(3,082)
Total tax charge/(credit)	1,414	(821)

United States corporate income tax is calculated at 21% (2021: 21%) of the estimated taxable profit or loss for the year. Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their net book value. Deferred tax is determined using the tax rate that is expected to apply when the related tax asset is realised or the deferred income tax liability is settled.

9 Intangibles

	Computer software $'000	Total $'000
Cost		
At 1 November 2020, 31 October 2021 and 31 October 2022	10	10
Amortisation		
At 1 November 2020	(3)	(3)
Charge for the year	(3)	(3)
At 31 October 2021	(6)	(6)
Charge for the year	(3)	(3)
At 31 October 2022	(9)	(9)
Net book value		
At 1 November 2020	7	7
At 31 October 2021	4	4
At 31 October 2022	1	1

Computer software is amortised over its useful economic life, which is estimated at three to five years.

10 Property and equipment

	Leasehold improvements $'000	Computer equipment $'000	Fixtures and fittings $'000	Right of use asset $'000	Total $'000
Cost					
At 1 November 2020	40	84	41	211	376
Additions	-	-	-	12	12
Disposals	-	-	-	(211)	(211)
At 31 October 2021	40	84	41	12	177
Disposals	-	-	-	(12)	(12)
At 31 October 2022	40	84	41	-	165
Depreciation					
At 1 November 2020	(21)	(60)	(41)	(198)	(320)
Charge for the year	(11)	(10)	-	(21)	(42)
Disposals	-	-	-	211	211
At 31 October 2021	(32)	(70)	(41)	(8)	(151)
Charge for the year	(8)	(9)	-	(4)	(21)
Disposals	-	-	-	12	12
At 31 October 2022	(40)	(79)	(41)	-	(160)
Net book value					
At 1 November 2020	19	24	-	13	56
At 31 October 2021	8	14	-	4	26
At 31 October 2022	-	5	-	-	5

11 Current assets

Trade and other receivables

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Amounts receivable for the sale of services	53,626	32,333	10,024
Allowance for doubtful debts	(531)	(414)	(119)
	53,095	31,919	9,905
Other debtors	74	74	74
Amounts receivable from related parties (note 18)	38,495	36,627	31,837
Prepayments and accrued income	3,613	5,919	1,061
	95,277	74,539	42,877

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. Amounts owed by related parties are unsecured, interest bearing and repayable on demand.

The ageing of trade receivables net of the allowance for doubtful debts and the expected credit loss percentage used for each ageing bucket (see further details below) at the reporting date was:

	Net trade receivables			Expected credit loss %		
	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000	31 October 2022	31 October 2021	1 November 2020
Not past due	45,447	25,490	8,321	1%	1%	1%
Past due 0 – 30 days	4,655	3,971	1,195	1%	1%	1%
Past due 31 – 60 days	1,738	1,341	217	2%	2%	2%
Past due 61 – 90 days	866	567	71	2%	5%	5%
More than 90 days	389	550	101	2%	6%	5%
	53,095	31,919	9,905			

Trade receivables

The company carries a provision for doubtful debts of $531,000 (2021: $414,000) against trade receivables of $53,626,000 (2021: $32,333,000). Management maintains a policy of periodically reviewing all debtor balances for recoverability. The company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. There has been no change in the estimation techniques during the current reporting period. Other classes within trade and other receivables do not contain impaired assets.

The carrying amount of financial assets represents the maximum credit exposure. No interest is charged on the receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of services, determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Doubtful debts written off which have been previously provided for were immaterial in the current and prior year.

11 Other current assets (continued)

Before accepting any new customer, the company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly.

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The company does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the company to the counterparty.

The maximum exposure to credit risk for gross trade receivables at the reporting date by geographic region was:

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Americas	53,626	32,333	10,024

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Cash and bank balances

Cash and bank balances comprise cash held by the company and short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximates their fair value.

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Cash and bank balances	128	111	2,013

12 Creditors: Amounts falling due within one year

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Trade payables	8,372	3,536	1,210
Sales and payroll taxes and social security	416	384	202
Lease liabilities (note 17)	-	4	14
Amounts owing to related parties (note 18)	14,842	9,581	3,025
Accruals and deferred income	5,473	7,710	3,565
	29,103	21,215	8,016

Trade payables and accruals principally comprise amounts outstanding for trade purchases, contractor payments and ongoing costs. The current financial liabilities shown above arise from the normal trading activities of the company and are payable in line with normal terms of trade which, on average, are 30 days.

The directors consider that the carrying amount of trade payables approximates their fair value.

Allowance for the restructuring costs included within exceptional items disclosed in note 4, when not settled during the year, are included in the accruals and deferred income balance.

13 Borrowings

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Bank overdrafts	18,740	12,639	-
Amount due for settlement within 12 months	18,740	12,639	-

The principal features of the company's borrowings are detailed below:

<u>Bank overdrafts</u>

There is access to various local overdraft and invoice discounting facilities, secured against trade debtors. As of 31 October 2022, $18,740,000 (2021: $12,639,000) was drawn down on these facilities.

The company has access to combined overdraft and invoice discounting facilities with NES Global LLC. The combined undrawn committed facilities as of 31 October 2022 is $13,674,000 (2021: $7,689,000).

14 Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

Categories of financial instruments

	31 October 2022	31 October 2021	1 November 2020
Financial assets	$'000	$'000	$'000
Cash	128	111	2,013
Debtors	91,601	68,546	41,742
Financial liabilities			
Overdrafts	(18,740)	(12,639)	-
Liabilities measured at amortised cost	(23,214)	(13,117)	(4,235)

The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Financial assets – Cash and cash equivalents

These comprise cash held by the company and short-term bank deposits with an original maturity of three months or less.

Financial assets – Trade receivables

These comprise trade and other receivables and details are given in note 11.

Financial liabilities – Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. The carrying amount of trade payables approximates to their fair value.

Financial liabilities – Borrowings

Details of bank overdrafts and invoice discounting facilities are given in note 13.

Financial risk management objectives

The company's board and treasury function monitor and manage the financial risks relating to the operations. These risks include currency exposure, credit risk, liquidity risk and cash flow interest risk. The company's activities primarily expose it to risks of changes in interest rates and to changes in foreign currency rates. The principal risks are detailed below together with details of how these are mitigated.

14 Financial instruments (continued)

Capital and liquidity risk management

The company is part of the NES Fircroft group which manages its capital to ensure that all entities within the group continue as a going concern. The capital structure of the company consists of debt, which includes the borrowings disclosed in note 13, cash and cash equivalents and equity attributable to the equity holders of the company comprising retained earnings disclosed in the Statement of changes in equity. The company manages liquidity risks by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. The available undrawn committed facilities of the company as of 31 October 2022 are set out in note 13.

Interest rate risk management

The company is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the company maintaining an appropriate level of floating rate borrowings. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit before tax for the year ended 31 October 2022 would decrease by $111,000/increase by $87,000 (2021: decrease by $28,000/increase by $7,000). This is attributable to the company's exposure to interest rates on its variable rate borrowings.

The company is exposed to risks arising from interest rate benchmark reform in relation to invoice discounting facilities held across various jurisdictions as LIBOR continues to be replaced with alternative benchmark interest rates. Agreements have been refreshed in line with the timing cessation of LIBOR rates to include the relevant presiding rate. The company does not consider that the changes will have a material impact on the interest rates it is exposed to.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company conducts credit checks on all potential customers and suppliers before entering into any contracts using independent rating agencies and other publicly available information. The company's exposure is constantly monitored and forms part of the monthly reporting to management.

Trade receivables consist of balances owed from many customers across the company's segments and geographies. The majority of customers by value are blue chip companies within the oil and gas sector. The company's exposure to individuals and credit risk is detailed in note 11.

14 Financial instruments (continued)

Foreign currency exchange risk

Due to the nature of the NES Fircroft group, the company engages in foreign currency denominated transactions. The company does not use derivative instruments to protect against the volatility associated with foreign currency transactions and investments and other financial assets and liabilities created in the ordinary course of business. Revenues and expenses are transacted in the same foreign currency as far as possible to achieve a natural hedge. The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate		
	31 October 2022	31 October 2021	31 October 2022	31 October 2021	1 November 2020
UK sterling	0.78595	0.72800	0.86109	0.72434	0.77319

The company's exposure to foreign currency risk based on currency balances held as of 31 October 2022 are as follows:

	Monetary assets			Monetary liabilities		
	31 October 2022	31 October 2021	1 November 2020	31 October 2022	31 October 2021	1 November 2020
UK sterling	-	-	-	(9)	(13)	(6)

15 Deferred tax

As of 31 October 2022, there is a deferred tax asset recognised in respect of short term timing differences.

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Deferred tax recognised on tax losses	-	37	571
Short term timing differences	1,732	1,384	316
	1,732	1,421	887
Beginning of the year	1,421	887	292
Prior year adjustments - (charge)	(158)	(548)	(26)
Credit for the year	469	1,082	621
End of the year	1,732	1,421	887

There are no unrecognised deferred tax balances (2021: $nil).

16 Notes to the cashflow statement

	31 October 2022 $'000	31 October 2021 $'000
Profit for the year	5,623	4,862
Adjustments for:		
Income tax charge/(credit)	1,414	(821)
Finance income	(1,136)	(885)
Depreciation of property and equipment	21	42
Amortisation of intangibles	3	3
Operating cash flows before movements in working capital	5,925	3,201
Increase in receivables	(18,320)	(31,662)
Increase in payables	7,088	13,057
Net cash outflow from operations	(5,307)	(15,404)

The cash flow impact of operating exceptional administrative expenses was $223,000 (2021: $175,000).

Balances as of 31 October comprise:

	31 October 2022 $'000	31 October 2021 $'000
Cash and bank balances	128	111
Bank overdrafts	(18,740)	(12,639)
Total cash and cash equivalents	(18,612)	(12,528)

Analysis of changes in net debt

	1 November 2021 $'000	Cash flow $'000	31 October 2022 $'000
Cash and bank balances	111	17	128
Overdrafts	(12,639)	(6,101)	(18,740)
Net debt	(12,528)	(6,084)	(18,612)

Changes in liabilities arising from financing activities

The table below details changes in the company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the company's cash flow statement as cash flows from financing activities.

	1 November 2021 $'000	Cash flows $'000	31 October 2022 $'000
Lease liabilities (note 17)	4	(4)	-
Total	4	(4)	-

17 Lease liabilities

Lease assets and liabilities recognised represent contracts entered into by the company for its office properties. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Further detail on the lease accounting policy is included in note 2. The balance sheet and the income statement show the following amounts in respect of leases during the year ended 31 October 2022:

	Leasehold offices $'000
Right of use assets	
At 1 November 2021	4
Cost disposals	(12)
Depreciation charge	(4)
Depreciation disposals	12
At 31 October 2022	-

	Leasehold offices $'000
Lease liabilities	
At 1 November 2021	4
Lease payments	(4)
At 31 October 2022	-

Income statement

	2022 $'000	2021 $'000
Interest expense (note 5)	-	1

At the balance sheet date, the company recognised lease liabilities in respect of outstanding commitments for future minimum lease payments under non-cancellable lease contracts, which fall due as follows:

	Leasehold offices $'000
Maturity analysis of lease liabilities:	
Current	-
Within one to five years	-
At 31 October 2022	-
Current	4
Within one to five years	-
At 31 October 2021	4

The total cash outflow in the year paid in respect of leases was $4,000 (2021: $22,000).

18 Related party transactions

Related party transactions occurred in the normal course of business and have been recorded at their exchange amount, which is the amount agreed upon by the related parties.

The following are revenue and cost of sales generated from transactions with related parties.

	Revenue		Cost of Sales	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
NES Global, LLC	12,945	9,820	(621)	-
Fircroft, Inc	-	-	(63)	(203)
	12,945	9,820	(684)	(203)

The following are the interest (paid)/received on loans with related parties.

	2022		2021	
	Interest paid	Interest received	Interest paid	Interest received
	$'000	$'000	$'000	$'000
NES Group Limited	-	1,851	(131)	983
NES Holdings Limited	-	431	-	306
NES Global, LLC	-	72	-	49
Fircroft, Inc	(25)	-	-	-
NES Advantage Solutions, Inc.	(9)	-	-	-
Redbock LLC	(376)	-	(189)	-
	(410)	2,354	(320)	1,338

The following are the amounts owed from related parties.

	2022	2021
	$'000	$'000
NES Group Limited	30,366	27,222
NES Holdings Limited	8,129	7,697
NES Global Talent Finance US, LLC	-	1,708
	38,495	36,627

18 Related party transactions (continued)

The following are the amounts owed to related parties.

	2022	2021
	$'000	$'000
Redbock LLC	(8,521)	(5,413)
Fircroft, Inc	(516)	(203)
NES Global Limited	(99)	(937)
NES Global, LLC	(5,206)	(3,028)
NES Advantage Solutions, Inc.	(500)	-
	(14,842)	(9,581)

19 Ultimate parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited and NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

Bedrock Petroleum Consultants, LLC

Financial statements for the
years ended 31 October 2022,
31 October 2021 and independent
auditor's report

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Independent Auditor's Report

The Board of Managers
Bedrock Petroleum Consultants, LLC
800 Gessner Road
Houston, TX 77024

Opinion

We have audited the financial statements of Bedrock Petroleum Consultants, LLC (the "Company"), which comprise the balance sheets as of October 31, 2022 and 2021, the balance sheet as of November 1, 2020, and the related statements of income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements"), which, as described in Note 2a to the financial statements, have been prepared on the basis of International Financial Reporting Standards as adopted by the European Union.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2022 and 2021, and the financial position as of November 1, 2020, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2a to the financial statements, the Company prepares its financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, which differs from accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for at least, but not limited to, twelve months from the period ending October 31, 2022.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

July 7, 2023

Income statement

For the year ended 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000
Revenue	3	392,053	234,068
Cost of sales		(366,198)	(219,666)
Gross profit		25,855	14,402
Administrative expenses		(19,707)	(10,929)
Exceptional items	4	(223)	(272)
Depreciation	10	(21)	(42)
Amortisation	9	(3)	(3)
Operating profit		5,901	3,156
Finance income	5	1,136	885
Profit before taxation	6	7,037	4,041
Tax (charge)/credit	8	(1,414)	821
Profit for the financial year		5,623	4,862

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the profit for the financial year shown above. Accordingly, a separate statement of other comprehensive income has not been prepared.

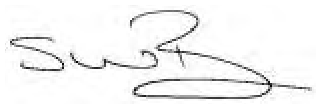
The accompanying notes are an integral part of this income statement.

Balance sheet

As of 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Non-current assets				
Intangibles	9	1	4	7
Property and equipment	10	5	26	56
Deferred tax asset	15	1,732	1,421	887
		1,738	1,451	950
Current assets				
Trade and other receivables	11	95,277	74,539	42,877
Current tax asset		-	717	278
Cash and bank balances	11	128	111	2,013
		95,405	75,367	45,168
Total assets		97,143	76,818	46,118
Current liabilities				
Trade and other payables	12	(29,103)	(21,215)	(8,016)
Current tax liabilities		(713)	-	-
Borrowings	13	(18,740)	(12,639)	-
		(48,556)	(33,854)	(8,016)
Net current assets		46,849	41,513	37,150
Net assets		48,587	42,964	38,102
Equity				
Retained earnings		48,587	42,964	38,102

The accompanying notes are an integral part of this balance sheet. The financial statements of Bedrock Petroleum Consultants LLC were approved by the board of directors and authorised for issue on 7 July 2023. They were signed on its behalf by:



S.W. Buckley
Director

Cash flow statement

For the year ended 31 October 2022

	Notes	31 October 2022 $'000	31 October 2021 $'000
Cash outflow from operating activities	16	(5,307)	(15,404)
Financing activities			
Interest (paid)/received		(773)	885
Lease payments made on leases recognised IFRS16	17	(4)	(22)
Net cash (used)/received in financing activities		(777)	863
Net decrease in cash and cash equivalents		(6,084)	(14,541)
Cash and cash equivalents at beginning of the year		(12,528)	2,013
Cash and cash equivalents at end of the year		(18,612)	(12,528)

The accompanying notes are an integral part of this cash flow statement.

Statement of changes in equity

For the year ended 31 October 2022

	Retained earnings $'000
At 1 November 2020	38,102
Profit for the year and total comprehensive income	4,862
At 31 October 2021	42,964
Profit for the year and total comprehensive income	5,623
At 31 October 2022	48,587

The accompanying notes are an integral part of this statement of changes in equity.

1 General information

Bedrock Petroleum Consultants LLC is a private company limited by members interests, registered in the USA. The address of the registered office is given on page 1.

Bedrock Petroleum Consultants LLC (“the ‘company’”) is a leading specialist provider of outsourced supervisory and operational personnel to the US onshore oil and gas market.

Bedrock Petroleum Consultants LLC is preparing these non-statutory financial statements of the company for the purpose to satisfy the requirements of Annex 21, Section 3 of the Financial Conduct Authority Prospectus Regulation Rules which, in turn, enables its parent company (NES Fircroft Bondco AS) to make an application for its bonds to be listed on the Oslo Stock Exchange as required by the Bond Terms.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the company operates.

2 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a) General information and basis of accounting
The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements have been prepared on the historical cost basis unless otherwise specified under the accounting policies listed in note 2. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

b) Going concern
The company’s business activities are described in note 1. The company is a subsidiary of NES Global Talent Limited, which manages its working capital on a pooled basis across the group. The NES Global Talent group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 14 September 2022, NES Fircroft Bondco AS a member of the wider NES Global Talent group, secured committed funding via a senior secured bond which was used for the repayment of the senior term loan held within the group. The bond is due for repayment in 2026 and attracts interest at 11.75%. The group also secured committed funding via a $72m revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026.

The combined group facilities in place as of 31 October 2022 consist of a $72 million revolving credit facility and $157 million of invoice discounting facilities. Subsequent to year end, the revolving credit facility was increased by $12 million to $84 million. Despite the continued increase in trade since year end, the group had undrawn committed facilities of $102m as of 31 May 2023, showing the group continues to have significant unutilised financing facilities in place.

2 Accounting policies (continued)

b) Going concern (continued)
The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex earnings before interest tax, depreciation and amortisation ("EBITDA") by 10%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to the end of July 2024.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to rise or fall by more than double the above sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote.

The directors therefore have a reasonable expectation that the NES Global Talent group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company as adopted the going concern basis in preparing the financial statements.

c) *First-time adoption of IFRS*
These financial statements, for the year ended 31 October 2022, are the first the company has prepared, and therefore the first prepared in accordance with IFRS. Accordingly, the company has prepared financial statements that comply with IFRS applicable as of 31 October 2022, together with comparative period data for the year ended 31 October 2021, as described in the summary of accounting policies. In preparing the financial statements, the company's opening statement of financial position at 1 November 2020 is included. The company is part of the NES Fircroft Limited group which prepares consolidated financial statements in accordance with IFRS. The company has historically prepared financial information in accordance with IFRS therefore there are no transition adjustments.

New and revised IFRSs in issue but not yet effective
At the date of authorisation of these financial statements, the below standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective. It is not practical to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Amendments to IFRS 17	*Insurance Contracts and initial application*
Amendments to IAS 1	*Classification of liabilities as Current or Non-Current and Disclosure of accounting policies*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of accounting policies*
Amendments to IAS 8	*Definition of accounting estimates*
Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IFRS 4	*Extension of Temporary Exemption from Applying IFRS9*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a single transaction*
Amendments to IAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to IAS 37	*Onerous contracts – Costs of fulfilling a contract*
Annual Improvements to IFRS Standards 2018-2020 Cycle	*Amendments to IFRS 9 Financial Instruments and IFRS 16 Leases*

2 Accounting policies (continued)

d) Revenue recognition
Revenue is recognised on the basis of hours worked for contractors hired out, on the start date for permanent placements, and on the basis of work performed for project management services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, rebates, VAT and other sales-related taxes. All revenue is recorded in accordance with IFRS15. Revenue is generated from contractual agreements with customers. These agreements allocate the consideration payable to the performance obligations defined in the contract. Revenue is recognised once the performance obligations defined by the contract are achieved.

e) Operating profit
Operating profit is stated after charging exceptional items, but before finance costs and tax.

f) Borrowing costs
Borrowing costs are recognised in profit or loss in the year in which they are incurred.

g) Interest income
Interest income on balances with related parties is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

h) Exceptional items
Exceptional items are those that the directors consider need to be disclosed separately in the financial statements to provide a true and fair view by virtue of their size or incidence, including the frequency and predictability of occurrence; all exceptional items are charged in arriving at operating profit in the financial statements.

i) Intangible assets
Computer software is amortised on a straight-line basis over its useful economic life, which is estimated at three to five years. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

j) Impairment of tangible and intangible assets
At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible 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 the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of each cash generating unit to which the asset belongs. 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 risk specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised as income immediately, 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.

2 Accounting policies (continued)

k) Leasing
Lease contracts entered into by the company are recognised as a right of use asset and corresponding liability at the date of which the leased asset is available for use by the company. A right of use asset and lease liability in respect of each lease is recognised in the company balance sheet at the present value of the lease payments that are unpaid at the commencement date. The lease payments are discounted to their present value using the company's incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities during the year is 8.9% (2021: 8.9%). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The company applies the cost model to subsequently measure right of use assets, applying the depreciation requirements in IAS 16 Property, Plant and Equipment by depreciating right of use assets on a straight-line basis over the lease term. Right of use assets are assessed annually for impairment on a lease-by-lease basis and any impairment charge recognised is taken to the income statement. Right of use assets are adjusted for any remeasurement of the lease liability, which is undertaken if there is a change in the lease term or there is an option to purchase the underlying asset.

Lease liabilities are subsequently measured after initial recognition by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect lease payments made. The carrying amount of lease liabilities is also adjusted to reflect any reassessment or lease modifications. In the event that lease incentives are received to enter into any leases, such incentives are incorporated on initial measurement of the lease liability.

When applying IFRS 16, the company has used the following practical expedients permitted by the standard:

- use of a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- an election to exclude leases of low value from the requirements of lease accounting under IFRS 16, with the rentals payable under this company of leases charged to the income statement on a straight-line basis over the term of the lease term.

l) Retirement benefit costs
The company operates defined contribution pension schemes for a number of its staff and directors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The pension balance owing at year end for staff and contractors held on the balance sheet is $6,000 (2021: $15,000).

m) Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, unless otherwise indicated, on the following bases:

Leasehold improvements	over the shorter of the lease term or five years
Computer equipment	over three years
Fixtures, fittings and equipment	over five years
Right of use assets	over the lease term

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

2 Accounting policies (continued)

n) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

o) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

p) Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs. Financial assets subsequently measured either at amortised cost,

2 Accounting policies (continued)

p) Financial instruments (continued)
Trade receivables, loans and other receivables
Trade receivables, 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 initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
Trade receivables, loans and other receivables are assessed for indicators of impairment at each balance sheet date. They 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 of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The company recognises an allowance for expected credit losses for all debt instruments. For trade receivables and other assets not impaired individually, the company applies a simplified approach in calculating expected credit losses. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Cash and bank balances
Cash and bank balances comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Derecognition of financial assets
The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into.

2 Accounting policies (continued)

p) Financial instruments (continued)
Loans and borrowings
Loans and borrowings are initially measured at fair value, net of transaction costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

q) Critical accounting judgements and key sources of estimation uncertainty
In applying the company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider there to be no critical judgements or key sources of estimation uncertainty in applying the company's accounting policies in the current year.

3 Segmental reporting

All revenue arises from the provision of services via contractual agreements with customers. On the basis that the company has no publicly traded equity or debt securities, the directors have taken the exemption available under IFRS 8 'Operating Segments' not to disclose reporting data for business segments or geographical segments. Turnover, profit before taxation, assets and liabilities are attributable to the activity of hiring out and permanent placement of personnel to provide engineering services, and additionally for the provision of project management and project engineering services.

4 Exceptional expenditure

	2022 $'000	2021 $'000
Restructuring	-	40
Legal matters	223	232
	223	272

The tax benefits of the above exceptional administrative expenses is approximately $47,000 credit (2021: $57,000 credit).

Restructuring – relate to various restructuring activities within the company.

Legal matters – relate to charges and credits for one-off matters or significant ongoing legal and tax matters.

5 Finance income

	2022 $'000	2021 $'000
Interest payable on bank overdrafts	(808)	(132)
Interest payable to related parties (note 18)	(410)	(320)
Interest receivable from related parties (note 18)	2,354	1,338
Interest on lease liabilities (note 17)	-	(1)
	1,136	885

6 Profit before taxation

Profit before taxation is stated after charging:

	2022 $'000	2021 $'000
Depreciation of right of use assets (note 10)	4	21
Depreciation of other property and equipment (note 10)	17	21
	21	42
Amortisation of intangible assets (note 9)	3	3
Staff costs (note 7)	6,388	4,332
Auditor's remuneration for audit and non-audit services	129	66

7 Staff costs

The average monthly number of employees (including executive directors) from was:

	2022 Number	2021 Number
Sales and administration	32	23

Their aggregate remuneration (including executive directors) comprised:

	2022 $'000	2021 $'000
Wages and salaries	6,006	4,144
Social security costs	382	188
	6,388	4,332

No remuneration has been paid to the directors (2021: $nil), their costs being borne by other group companies and not recharged to the company. This is because fair apportionment is not possible.

8 Tax on profit

For US federal income tax purposes, the Company files as a member of a consolidated tax group. The tax charges the Company has recorded represent an allocation of the US consolidated tax group's combined tax provision. Thus, the tax charges are not representative of the tax charges the Company would have reported on separate return basis and they are not indicative of tax charges the Company may incur in the future.

The tax charge comprises:

	2022 $'000	2021 $'000
Current tax		
Current tax on profits for the year	1,787	122
Current tax – prior period adjustments	(62)	(409)
Total current tax charge/(credit)	1,725	(287)
Deferred tax		
Origination and reversal of timing differences	(469)	(1,082)
Adjustments in respect of prior years	158	548
Total deferred tax	(311)	(534)
Total tax charge/(credit)	1,414	(821)

The differences between the total tax shown and the amount calculated by applying the standard rate of United States corporation tax to the profit before tax are as follows:

	2022 $'000	2021 $'000
Profit before tax	7,037	4,041
Profit before tax multiplied by the standard rate of corporation tax in the United States of 21% (2021: 21%)	1,478	848
Effects of:		
Expenses not deductible for tax purposes	115	1,074
Fixed asset timing differences	(9)	(6)
Adjustment in respect of BEAT Tax	1,161	-
Current tax prior year adjustments	(34)	(325)
Deferred tax prior year adjustments	158	548
Adjustments in respect of other taxes	120	122
Utilisation of tax losses incurred by other members of consolidated tax group	(1,575)	(3,082)
Total tax charge/(credit)	1,414	(821)

United States corporate income tax is calculated at 21% (2021: 21%) of the estimated taxable profit or loss for the year. Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their net book value. Deferred tax is determined using the tax rate that is expected to apply when the related tax asset is realised or the deferred income tax liability is settled.

9 Intangibles

	Computer software $'000	Total $'000
Cost		
At 1 November 2020, 31 October 2021 and 31 October 2022	10	10
Amortisation		
At 1 November 2020	(3)	(3)
Charge for the year	(3)	(3)
At 31 October 2021	(6)	(6)
Charge for the year	(3)	(3)
At 31 October 2022	(9)	(9)
Net book value		
At 1 November 2020	7	7
At 31 October 2021	4	4
At 31 October 2022	1	1

Computer software is amortised over its useful economic life, which is estimated at three to five years.

10 Property and equipment

	Leasehold improvements $'000	Computer equipment $'000	Fixtures and fittings $'000	Right of use asset $'000	Total $'000
Cost					
At 1 November 2020	40	84	41	211	376
Additions	-	-	-	12	12
Disposals	-	-	-	(211)	(211)
At 31 October 2021	40	84	41	12	177
Disposals	-	-	-	(12)	(12)
At 31 October 2022	40	84	41	-	165
Depreciation					
At 1 November 2020	(21)	(60)	(41)	(198)	(320)
Charge for the year	(11)	(10)	-	(21)	(42)
Disposals	-	-	-	211	211
At 31 October 2021	(32)	(70)	(41)	(8)	(151)
Charge for the year	(8)	(9)	-	(4)	(21)
Disposals	-	-	-	12	12
At 31 October 2022	(40)	(79)	(41)	-	(160)
Net book value					
At 1 November 2020	19	24	-	13	56
At 31 October 2021	8	14	-	4	26
At 31 October 2022	-	5	-	-	5

11 Current assets

Trade and other receivables

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Amounts receivable for the sale of services	53,626	32,333	10,024
Allowance for doubtful debts	(531)	(414)	(119)
	53,095	31,919	9,905
Other debtors	74	74	74
Amounts receivable from related parties (note 18)	38,495	36,627	31,837
Prepayments and accrued income	3,613	5,919	1,061
	95,277	74,539	42,877

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. Amounts owed by related parties are unsecured, interest bearing and repayable on demand.

The ageing of trade receivables net of the allowance for doubtful debts and the expected credit loss percentage used for each ageing bucket (see further details below) at the reporting date was:

	Net trade receivables			Expected credit loss %		
	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000	31 October 2022	31 October 2021	1 November 2020
Not past due	45,447	25,490	8,321	1%	1%	1%
Past due 0 – 30 days	4,655	3,971	1,195	1%	1%	1%
Past due 31 – 60 days	1,738	1,341	217	2%	2%	2%
Past due 61 – 90 days	866	567	71	2%	5%	5%
More than 90 days	389	550	101	2%	6%	5%
	53,095	31,919	9,905			

Trade receivables

The company carries a provision for doubtful debts of $531,000 (2021: $414,000) against trade receivables of $53,626,000 (2021: $32,333,000). Management maintains a policy of periodically reviewing all debtor balances for recoverability. The company always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. There has been no change in the estimation techniques during the current reporting period. Other classes within trade and other receivables do not contain impaired assets.

The carrying amount of financial assets represents the maximum credit exposure. No interest is charged on the receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of services, determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Doubtful debts written off which have been previously provided for were immaterial in the current and prior year.

11 Other current assets (continued)

Before accepting any new customer, the company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly.

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The company does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the company to the counterparty.

The maximum exposure to credit risk for gross trade receivables at the reporting date by geographic region was:

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Americas	53,626	32,333	10,024

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Cash and bank balances

Cash and bank balances comprise cash held by the company and short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximates their fair value.

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Cash and bank balances	128	111	2,013

12 Creditors: Amounts falling due within one year

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Trade payables	8,372	3,536	1,210
Sales and payroll taxes and social security	416	384	202
Lease liabilities (note 17)	-	4	14
Amounts owing to related parties (note 18)	14,842	9,581	3,025
Accruals and deferred income	5,473	7,710	3,565
	29,103	21,215	8,016

Trade payables and accruals principally comprise amounts outstanding for trade purchases, contractor payments and ongoing costs. The current financial liabilities shown above arise from the normal trading activities of the company and are payable in line with normal terms of trade which, on average, are 30 days.

The directors consider that the carrying amount of trade payables approximates their fair value.

Allowance for the restructuring costs included within exceptional items disclosed in note 4, when not settled during the year, are included in the accruals and deferred income balance.

13 Borrowings

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Bank overdrafts	18,740	12,639	-
Amount due for settlement within 12 months	18,740	12,639	-

The principal features of the company's borrowings are detailed below:

<u>Bank overdrafts</u>

There is access to various local overdraft and invoice discounting facilities, secured against trade debtors. As of 31 October 2022, $18,740,000 (2021: $12,639,000) was drawn down on these facilities.

The company has access to combined overdraft and invoice discounting facilities with NES Global LLC. The combined undrawn committed facilities as of 31 October 2022 is $13,674,000 (2021: $7,689,000).

14 Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised in respect of each class of financial asset and financial liability are disclosed in note 2 to the financial statements.

Categories of financial instruments

	31 October 2022	31 October 2021	1 November 2020
Financial assets	$'000	$'000	$'000
Cash	128	111	2,013
Debtors	91,601	68,546	41,742
Financial liabilities			
Overdrafts	(18,740)	(12,639)	-
Liabilities measured at amortised cost	(23,214)	(13,117)	(4,235)

The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Financial assets – Cash and cash equivalents

These comprise cash held by the company and short-term bank deposits with an original maturity of three months or less.

Financial assets – Trade receivables

These comprise trade and other receivables and details are given in note 11.

Financial liabilities – Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. The carrying amount of trade payables approximates to their fair value.

Financial liabilities – Borrowings

Details of bank overdrafts and invoice discounting facilities are given in note 13.

Financial risk management objectives

The company's board and treasury function monitor and manage the financial risks relating to the operations. These risks include currency exposure, credit risk, liquidity risk and cash flow interest risk. The company's activities primarily expose it to risks of changes in interest rates and to changes in foreign currency rates. The principal risks are detailed below together with details of how these are mitigated.

14 Financial instruments (continued)

Capital and liquidity risk management

The company is part of the NES Fircroft group which manages its capital to ensure that all entities within the group continue as a going concern. The capital structure of the company consists of debt, which includes the borrowings disclosed in note 13, cash and cash equivalents and equity attributable to the equity holders of the company comprising retained earnings disclosed in the Statement of changes in equity. The company manages liquidity risks by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. The available undrawn committed facilities of the company as of 31 October 2022 are set out in note 13.

Interest rate risk management

The company is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the company maintaining an appropriate level of floating rate borrowings. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit before tax for the year ended 31 October 2022 would decrease by $111,000/increase by $87,000 (2021: decrease by $28,000/increase by $7,000). This is attributable to the company's exposure to interest rates on its variable rate borrowings.

The company is exposed to risks arising from interest rate benchmark reform in relation to invoice discounting facilities held across various jurisdictions as LIBOR continues to be replaced with alternative benchmark interest rates. Agreements have been refreshed in line with the timing cessation of LIBOR rates to include the relevant presiding rate. The company does not consider that the changes will have a material impact on the interest rates it is exposed to.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company conducts credit checks on all potential customers and suppliers before entering into any contracts using independent rating agencies and other publicly available information. The company's exposure is constantly monitored and forms part of the monthly reporting to management.

Trade receivables consist of balances owed from many customers across the company's segments and geographies. The majority of customers by value are blue chip companies within the oil and gas sector. The company's exposure to individuals and credit risk is detailed in note 11.

14 Financial instruments (continued)

Foreign currency exchange risk

Due to the nature of the NES Fircroft group, the company engages in foreign currency denominated transactions. The company does not use derivative instruments to protect against the volatility associated with foreign currency transactions and investments and other financial assets and liabilities created in the ordinary course of business. Revenues and expenses are transacted in the same foreign currency as far as possible to achieve a natural hedge. The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate		
	31 October 2022	31 October 2021	31 October 2022	31 October 2021	1 November 2020
UK sterling	0.78595	0.72800	0.86109	0.72434	0.77319

The company's exposure to foreign currency risk based on currency balances held as of 31 October 2022 are as follows:

	Monetary assets			Monetary liabilities		
	31 October 2022	31 October 2021	1 November 2020	31 October 2022	31 October 2021	1 November 2020
UK sterling	-	-	-	(9)	(13)	(6)

15 Deferred tax

As of 31 October 2022, there is a deferred tax asset recognised in respect of short term timing differences.

	31 October 2022 $'000	31 October 2021 $'000	1 November 2020 $'000
Deferred tax recognised on tax losses	-	37	571
Short term timing differences	1,732	1,384	316
	1,732	1,421	887
Beginning of the year	1,421	887	292
Prior year adjustments - (charge)	(158)	(548)	(26)
Credit for the year	469	1,082	621
End of the year	1,732	1,421	887

There are no unrecognised deferred tax balances (2021: $nil).

16 Notes to the cashflow statement

	31 October 2022 $'000	31 October 2021 $'000
Profit for the year	5,623	4,862
Adjustments for:		
Income tax charge/(credit)	1,414	(821)
Finance income	(1,136)	(885)
Depreciation of property and equipment	21	42
Amortisation of intangibles	3	3
Operating cash flows before movements in working capital	5,925	3,201
Increase in receivables	(18,320)	(31,662)
Increase in payables	7,088	13,057
Net cash outflow from operations	(5,307)	(15,404)

The cash flow impact of operating exceptional administrative expenses was $223,000 (2021: $175,000).

Balances as of 31 October comprise:

	31 October 2022 $'000	31 October 2021 $'000
Cash and bank balances	128	111
Bank overdrafts	(18,740)	(12,639)
Total cash and cash equivalents	(18,612)	(12,528)

Analysis of changes in net debt

	1 November 2021 $'000	Cash flow $'000	31 October 2022 $'000
Cash and bank balances	111	17	128
Overdrafts	(12,639)	(6,101)	(18,740)
Net debt	(12,528)	(6,084)	(18,612)

Changes in liabilities arising from financing activities

The table below details changes in the company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the company's cash flow statement as cash flows from financing activities.

	1 November 2021 $'000	Cash flows $'000	31 October 2022 $'000
Lease liabilities (note 17)	4	(4)	-
Total	4	(4)	-

17 Lease liabilities

Lease assets and liabilities recognised represent contracts entered into by the company for its office properties. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Further detail on the lease accounting policy is included in note 2. The balance sheet and the income statement show the following amounts in respect of leases during the year ended 31 October 2022:

	Leasehold offices $'000
Right of use assets	
At 1 November 2021	4
Cost disposals	(12)
Depreciation charge	(4)
Depreciation disposals	12
At 31 October 2022	-

	Leasehold offices $'000
Lease liabilities	
At 1 November 2021	4
Lease payments	(4)
At 31 October 2022	-

Income statement

	2022 $'000	2021 $'000
Interest expense (note 5)	-	1

At the balance sheet date, the company recognised lease liabilities in respect of outstanding commitments for future minimum lease payments under non-cancellable lease contracts, which fall due as follows:

	Leasehold offices $'000
Maturity analysis of lease liabilities:	
Current	-
Within one to five years	-
At 31 October 2022	-
Current	4
Within one to five years	-
At 31 October 2021	4

The total cash outflow in the year paid in respect of leases was $4,000 (2021: $22,000).

18 Related party transactions

Related party transactions occurred in the normal course of business and have been recorded at their exchange amount, which is the amount agreed upon by the related parties.

The following are revenue and cost of sales generated from transactions with related parties.

	Revenue		Cost of Sales	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
NES Global, LLC	12,945	9,820	(621)	-
Fircroft, Inc	-	-	(63)	(203)
	12,945	9,820	(684)	(203)

The following are the interest (paid)/received on loans with related parties.

	2022		2021	
	Interest paid	Interest received	Interest paid	Interest received
	$'000	$'000	$'000	$'000
NES Group Limited	-	1,851	(131)	983
NES Holdings Limited	-	431	-	306
NES Global, LLC	-	72	-	49
Fircroft, Inc	(25)	-	-	-
NES Advantage Solutions, Inc.	(9)	-	-	-
Redbock LLC	(376)	-	(189)	-
	(410)	2,354	(320)	1,338

The following are the amounts owed from related parties.

	2022	2021
	$'000	$'000
NES Group Limited	30,366	27,222
NES Holdings Limited	8,129	7,697
NES Global Talent Finance US, LLC	-	1,708
	38,495	36,627

18 Related party transactions (continued)

The following are the amounts owed to related parties.

	2022 $'000	2021 $'000
Redbock LLC	(8,521)	(5,413)
Fircroft, Inc	(516)	(203)
NES Global Limited	(99)	(937)
NES Global, LLC	(5,206)	(3,028)
NES Advantage Solutions, Inc.	(500)	-
	(14,842)	(9,581)

19 Ultimate parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited and NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

NES Global Limited

Annual report and financial statements
for the year ended 31 October 2021

Registered number: 02690805

Officers and Professional Advisers

DIRECTORS

S.W. Buckley
S.F. Coton

REGISTERED OFFICE

Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP

AUDITOR

Deloitte LLP
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M4 4AH
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BANKERS

The Royal Bank of Scotland plc
1 Hardman Boulevard
Manchester
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United Kingdom

Deutsche Bank
345 Park Avenue
New York 10154
USA

HSBC Bank PLC
4 Hardman Square
Spinningfields
Manchester
M3 3EB
United Kingdom

Strategic report

For the year ended 31 October 2021

The directors present the strategic report on the company for the year ended 31 October 2021.

Principal activity and business model
The principal activity of the company is the hiring out and permanent placement of technical consultants globally. The company provides engineering services to the oil and gas, petrochemical, renewables, power and infrastructure industries. A number of branches of the company exist outside the United Kingdom.

Strategy and objectives
The company's main strategy focuses on the objective to continue operating profitably year on year. This will be achieved by maintaining existing and establishing new client relationships.

Business review and key performance indicators
The directors consider the company's key performance indicator to be operating profit. Operating loss increased by 139% to a £1.6 million loss (2020: loss £0.6 million) from an increase in administrative expenses. Strategies continue to be developed and implemented to build the business and increase shareholder value.

The company has net assets of £169,394,000 at 31 October 2021 (2020: £167,942,000). The financial position is shown in the balance sheet on page 14.

Principal risks and uncertainties
Financial risk
As part of its ordinary activities, the company is exposed to a number of financial risks, including liquidity risk, credit risk, interest rate risk and exchange rate risk. The company has policies and procedures in place to monitor and manage these risks.

Liquidity risk relates to the company's ability to meet the cash flow requirements of the operations, while avoiding excessive levels of debt and/or breach of debt covenants. The company's borrowings are principally in the form of intercompany balances and short and medium term credit facilities which can be drawn upon on demand when needed. The directors closely monitor the amount of facilities drawn, particularly with respect to complying with all covenant restrictions.

Credit risk relates principally to trade receivables from customers. The company assesses all customers and sets appropriate credit limits before trading commences and has detailed policies and procedures to monitor each situation. The nature of the customer base is such that there is limited exposure to bad debts. The company is a party to a group credit insurance policy, which further mitigates the risk of bad debt.

Management continuously assess the acknowledged interest rate and exchange rate risk that the company is subject to at the present time. The level of interest is well covered by operating earnings and, given the potential level of interest rates the company might face, it has adequate earnings. The company has a number of overseas operations resulting in foreign currency denominated receivables and payables. The company's exposure to exchange rate risk is continuously monitored by management with appropriate steps taken to minimise the risk of adverse currency movements.

Competitor risk
There are a number of other companies that provide services that are similar to those of the company and therefore could compete in the company's chosen markets, resulting in loss of revenue and pressure on operating margins. In order to assess this risk we undertake a regular review of all of our markets and the activities of competitors are closely monitored. The development of innovative services and building close relationships with customers are key to maintain the company's competitive advantage.

Principal risks and uncertainties (continued)

Coronavirus

The global economic recovery lost momentum in the second half of 2021 with COVID-19 driven disruptions leading to many countries re-imposing lockdown measures. Despite this, the NES Fircroft group has delivered a strong performance in 2021 and the further outbreaks did not have a material impact the activity of the group. The group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short and medium term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk. The group has a strong funding position and there have not been nor are there forecast to be any covenant breaches in the Going Concern review period. See note 1 for more details.

These risks are kept under constant review.

Environmental reporting

The NES Fircroft group fully supports the goals of the Paris Agreement as well as the target set by the UK Government of net zero emissions by 2050. The Renewables and Alternative Energies markets have developed at pace in recent years, a market in which we have continued to support our clients efforts to increase their focus on developing sustainable low carbon solutions by providing the engineers and technical workforce needed to support this.

In support of carbon neutral growth, the group monitor and offset 100% of our business travel, making our entire corporate air travel footprint carbon neutral. We seek to do business responsibly and continually strive to improve our environmental behaviours and footprint. We report our UK energy consumption in line with the Greenhouse Gas Protocol. Over the course of the reported year, we were able to reduce our emissions by 9% overall, consistent with our target for a year-on-year reduction in energy consumption.

Energy and carbon reporting

The company has taken advantage of the exemption in Part 7A of schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the carbon reporting disclosure as it is a subsidiary undertaking and is included in the consolidated financial statements of NES Fircroft Limited, a company incorporated in England & Wales. The consolidated financial statements of NES Fircroft Limited are available from Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The directors of the company must act in accordance with a set of general duties. These duties are detailed in section 172(1) (a) to (f), described below.

During the period, the directors have focused attention on how to deliver the best outcomes in order to promote the success of the NES Fircroft group ("the group") and company for the benefit of the shareholders by taking a proactive approach to the management of all stakeholders including employees, customers, suppliers and the broader community. The proactive approach can be evidenced as follows:

- Directors meet monthly as part of the corporate board to discuss the market and trading updates, customer relationships, employee matters and other factors affecting the group and company, and to take any decisions around communications to key stakeholders including employees. Further information on the focus on diversity of employees is included in the financial statements of NES Fircroft Limited.
- Directors are regularly provided with updates on key customer relationships and are actively engaged in new and changing customer contract activity including emerging trends and incorporating feedback from customers and contractors when setting and reviewing the group and company strategy. Support is given to customers to develop new low carbon solutions by providing the technical workforce and skilled engineers.
- Regular forecasting, planning and cash updates are provided, to ensure that decisions taken focus on both the short and long term liquidity of the company.

Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006 (continued)

- The directors take reasonable steps to ensure the culture of the group and company is being approached with an appropriate mindset. This is aligned to the strategy of the group and company outlined above.
- The directors place particular importance on the impact of the group and company on the local community and actively encourage local teams to take advantage of the free days provided to staff to spend on local charitable work. In 2022, the directors launched the "KindNES Wins" foundation to bring together individual volunteer efforts into a co-ordinated global program.
- The directors ensure the group acts fairly to all members of the group, including holders of all classes of shares and minority shareholding groups, by working together to ensure the long term sustainable success of the group and company.
- The directors are committed year on year improvements in operational energy efficiency by continually reviewing its energy consumption with the aim of delivering on-going reductions in emissions. See the Streamlined Energy and Carbon Reporting section in the financial statements of NES Fircroft Limited for further detail regarding the impact of the group on the environment.
- As part of the director induction process, a newly appointed director is briefed on their duties and they can access professional advice on these from the company secretary. The corporate governance statement on the group website details how the group maintains a high standard of business conduct.

The directors are satisfied that S172 requirements have been performed to a high standard and in line with the code of conduct of all employees.

Future outlook

Management believe that the company will continue with hiring out and permanent placement of technical consultants globally, with a view to expand into new markets and new acquisitions.

The strategic report of NES Global Limited was approved by the board of directors and signed on its behalf on 25 October 2022 by:

S.W. Buckley
Director

Directors' report

For the year ended 31 October 2021

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 31 October 2021.

Results and dividends

The audited financial statements for the year ended 31 October 2021 are set out on pages 12 to 30. The directors do not recommend the payment of a dividend (2020: no dividend). No dividends were paid in respect of prior periods during the year.

Existence of branches outside the UK

The company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK in Chad, Mauritania, Angola and Kazakhstan.

Going concern

After making enquiries, and based on the assumptions outlined in note 1 to the financial statements, the directors have concluded that the company has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. These enquiries include specific consideration of the potential impact of COVID-19 on the financial performance of the wider group.

Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and received a commitment in writing from NES Fircroft Limited that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Matters included in the strategic report

In accordance with s414(C) (11) of the Companies Act, included in the strategic report is information relating to the future development and financial risk management policies (as part of principal risk and uncertainties) of the business which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a directors' report.

Directors

The directors who served during the year and thereafter are as follows:

S.W. Buckley
S.F. Coton

Directors indemnities

The group has indemnity insurance in place on behalf of all of its directors during the year which remains in force at the date of this report.

Employees
The average number of staff during the year was 20 (2020: 23). Details of the number of employees and related costs can be found in note 7 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and the company intranet. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Post balance sheet events
Post year end the NES Fircroft group secured committed funding via senior secured bond, totalling $300,000,000, which was listed in Frankfurt in 2022. The bond is due for repayment in 2026 and attracts interest at 11.75%. Proceeds from the bond issue will be used for repayment of the term loan held within the NES Fircroft group which matures in May 2023.

Auditor
In the case of each of the persons who are directors of the company at the date when this annual report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the next directors meeting.

Approved by the board of directors and signed on behalf of the board by;

S.W. Buckley
Director
25 October 2022

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NES Global Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19

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).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Andrew Halls FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
25 October 2022

Profit and loss account
For the year ended 31 October 2021

	Notes	2021 £'000	2020 £'000
Turnover	2	17,302	34,018
Cost of sales		(15,919)	(32,522)
Gross profit		1,383	1,496
Administrative expenses		(2,934)	(2,144)
Operating loss		(1,551)	(648)
Dividends receivable	3	5,346	2,999
Net interest (payable)/receivable	4	(2,107)	3,215
Exceptional items	5	-	(138)
Profit before taxation	6	1,688	5,428
Tax on profit	8	(203)	(776)
Profit for the financial year		1,485	4,652

All activity has arisen from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

Statement of comprehensive income

For the year ended 31 October 2021

	2021 £'000	2020 £'000
Profit for the financial year	1,485	4,652
Exchange (loss)/gain on retranslation of foreign operations	(33)	778
Total other comprehensive income	1,452	5,430

The accompanying notes are an integral part of this statement of comprehensive income.

Balance sheet

As at 31 October 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	9	11	5
Investments	10	50,913	50,913
		50,924	50,918
Current assets			
Debtors	11	293,308	248,546
Cash at bank and in hand		845	8,116
		294,153	256,662
Creditors: Amounts falling due within one year	12	(175,683)	(139,638)
Net current assets		118,470	117,024
Net assets		169,394	167,942
Capital and reserves			
Called-up share capital	14	-	-
Share premium account	14	43,044	43,044
Profit and loss account		122,354	120,869
Translation reserve		3,996	4,029
Shareholder's funds		169,394	167,942

The financial statements of NES Global Limited, registered company number 02690805, were approved by the Board of directors and authorised for issue on 25 October 2022 and signed on its behalf by:

S.W. Buckley
Director

The accompanying notes are an integral part of this balance sheet.

Statement of changes in equity

For the year ended 31 October 2021

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Translation reserve £'000	Total £'000
Balance at 1 November 2019	-	43,044	116,217	3,251	162,512
Profit for the year	-	-	4,652	-	4,652
Exchange gain on retranslation of foreign operations	-	-	-	778	778
Total comprehensive income	-	-	4,652	778	5,430
Balance at 31 October 2020	-	43,044	120,869	4,029	167,942
Profit for the year	-	-	1,485	-	1,485
Exchange loss on retranslation of foreign operations	-	-	-	(33)	(33)
Total comprehensive income/(expense)	-	-	1,485	(33)	1,452
Balance at 31 October 2021	-	43,044	122,354	3,996	169,394

The accompanying notes are an integral part of this statement of changes in equity.

Notes to the financial statements

For the year ended 31 October 2021

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report.

a) General information
NES Global Limited (the company) is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The functional currency of the company is pounds sterling, being the currency of the primary economic environment in which the company operates. Foreign operations are included in accordance with the policies set out below.

The company has taken advantage of section 400 of the Companies Act 2006 in not producing consolidated financial statements, as it is a subsidiary of NES Fircroft Limited which itself produces consolidated financial statements. Copies of these financial statements are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

b) Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

c) Going concern
The performance, financial position and the key risks impacting the company are detailed in the strategic report and directors' report on pages 2 to 6. The company is a subsidiary of NES Fircroft Limited, which manages its working capital on a pooled basis across the NES Fircroft Limited group. Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and received a confirmation in writing from the parent company that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements. In relying on this parent company support, the directors of this company are cognisant of the following going concern disclosure which appears in the financial statements of NES Fircroft Limited for the year ended 31 October 2021, issued on 1 March 2022.

"The group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 18 September 2020, the group entered into a business combination with Fircroft Engineering Services Limited and its subsidiaries ('Fircroft group'). An amendment of the existing credit agreement was signed to support the new combined group. The combined group facilities in place at 31 October 2021 consist of a $72 million revolving credit facility, $165 million of invoice discounting facilities and a $263 million senior term loan.

The group had undrawn committed facilities at 31 October 2021 of $155,349,000 (2020: $225,309,000). Despite the continued increase in trade since the year end, the group had undrawn committed facilities at 31 January 2022 of $153,106,000, showing the group continues to have significant unutilised financing facilities in place.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex EBITDA by 5%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

1 Accounting policies (continued)

c) Going concern (continued)
The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to March 2023.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to fall in excess of these sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote."

Post year end, the parent company of NES Fircroft Limited, NES Fircroft Bondco AS secured committed funding via a senior secured bond which will be used for repayment of the senior term loan. The bond is due for repayment in 2026 and attracts interest at 11.75%. Secured committed funding was also secured via a revolving credit facility which replaced the existing $72m revolving credit facility. The new facility matures in 2026. The group continues to have access to $165m of invoice discounting facilities which are committed for over 12 months from the date of approval of the financial statements. At 31 August 2022, the group had undrawn committed facilities of $105m, showing the group continues to have significant unutilised financing facilities in place. Latest forecasts continue to show ongoing compliance with financial covenants and no liquidity issues for the period to October 2023.

The directors have a reasonable expectation that the NES Fircroft group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company has adopted the going concern basis in preparing the financial statements.

d) Turnover
Turnover represents the net invoiced sales of services provided in the normal course of business, exclusive of VAT. Revenue is recognised on a basis of hours, days or months worked for contractors hired out and on the start date for permanent placement.

e) Government grants
Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grant will be received. Government grants are then recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. All government grants are recorded as a deduction in reporting the related expense. During the year, the company utilised £nil (2020: £38,457) of government grants in respect of the UK Government furlough scheme.

f) Interest receivable and interest payable
Interest income is recognised as interest accrues using the effective interest method.

Interest payable are recognized in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

Dividend income is recognized in the profit and loss account on the date the company's right to receive payments is established.

g) Exceptional items
Exceptional items are those that the directors consider need to be disclosed separately in the financial statements to provide a true and fair view by virtue of their size or incidence; all exceptional items are charged in arriving at profit before taxation in the financial statements.

h) Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	-	over three years
Fixtures and fittings	-	over five years

Residual value is calculated on prices prevailing at the date of acquisition.

1 Accounting policies (continued)

i) Investments
Fixed asset investments are stated at cost, less provision for any impairment.

j) Taxation
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and law that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

k) Foreign currency translation
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

Foreign operations are translated using closing rate for assets and liabilities, average rate for income and expenses to approximate the exchange rate at the date of the transaction, and historic rate for equity. All resulting exchange differences are recognised in the translation reserves included in the statement of changes in equity.

l) Pensions
The group operates defined contribution pension schemes for a number of its staff, directors and contractors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The pension balance owing at the year-end held on the balance sheet is £14,890 (2020: £2,986).

m) Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

n) Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity, certain disclosure exemptions. The company has taken advantage of the available exemptions to not disclose:

a) A statement of cash flows;
b) Certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated; and
c) Key management personnel compensation in total.

o) Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

1 Accounting policies (continued)

o) Impairment of assets (continued)
Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

p) Financial instruments
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments
Equity instruments issued by the company are recorded at a fair value of cash or other resources received or receivable, net of direct issue costs.

1 Accounting policies (continued)

q) Critical accounting judgements
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 directors do not consider there to be any critical accounting judgements that must be applied.

r) Key sources of estimation uncertainty
The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

2 Turnover
Turnover is attributable to the principal activity of the company performed globally. The analysis of turnover by geographical market has been omitted as the directors believe that publication of such information would be prejudicial to the company's interests.

3 Dividends receivable

	2021	2020
	£'000	£'000
Dividends receivable from subsidiary undertakings	5,346	2,999

4 Net interest (payable)/receivable

	2021	2020
	£'000	£'000
Bank interest payable	(40)	(186)
Intercompany interest receivable	8,630	9,924
Intercompany interest payable	(5,038)	(5,006)
Foreign exchange loss	(5,659)	(1,517)
	(2,107)	3,215

5 Exceptional expenditure

	2021	2020
	£'000	£'000
Restructuring costs	-	138

Restructuring costs – relate to various restructuring activities, contractor and other legal claims in line with reduced business activity.

6 Profit before taxation

Profit before taxation is stated after charging:

	2021 £'000	2020 £'000
Depreciation of owned tangible fixed assets	5	7
Auditor's remuneration		
- fees payable to the company's auditor for the audit of the company's annual financial statements	63	54

7 Staff costs

Particulars of employees (including executive directors) are as shown below:

	2021 £'000	2020 £'000
Employee costs during the year amounted to:		
Wages and salaries	1,132	953
Social security costs	72	68
Pension costs	12	13
	1,216	1,034

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

	2021 Number	2020 Number
Sales and administration	20	23

No remuneration has been paid to the directors (2020: £nil), their costs being borne by other group companies and not recharged to the company. This is because fair apportionment is not possible.

8 Tax on profit

The tax charge comprises:

	2021 £'000	2020 £'000
Current tax		
Foreign tax	185	768
Total current tax	185	768
Deferred tax		
Origination and reversal of timing differences	24	2
Adjustment in respect of prior years	(6)	6
Total deferred tax	18	8
Total tax charge	203	776

The differences between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2021 £'000	2020 £'000
Profit before tax	1,688	5,428
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	321	1,031
Effects of:		
Income not taxable for tax purposes	(1,016)	(570)
Expenses not deductible for tax purposes	-	19
Group relief claimed for nil consideration	695	(480)
Adjustment in respect of overseas taxes	185	768
Deferred tax on short-term timing differences not previously recognised	33	2
Deferred tax rate change adjustment	(9)	-
Adjustments in respect of prior year	(6)	6
Total tax charge on profit	203	776

UK corporation tax is calculated at 19% (2020: 19%) of the estimated taxable profit or loss for the year. The UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020 reversing the previously enacted reduction in rate from 19% to 17%. An increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 was included in Finance Act 2021 and substantively enacted on 24 May 2021.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their net book value. Deferred tax is determined using the tax rate that has been substantively enacted at the balance sheet date, and that is expected to apply when the related tax asset is realised or the deferred income tax liability is settled.

9 Tangible fixed assets

The movement in the year was as follows:

	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
Beginning of the year	317	38	355
Additions	11	-	11
End of the year	328	38	366
Depreciation			
Beginning of the year	312	38	350
Charge for the year	5	-	5
End of the year	317	38	355
Net book value			
End of the year	11	-	11
Beginning of the year	5	-	5

10 Investments

	2021 £'000	2020 £'000
Subsidiary undertakings – cost and net book value		
Beginning of the year	50,913	45,856
Additions	-	5,057
End of the year	50,913	50,913

The additions during 2020 relate to the purchase of the remaining shares in NES Global Talent Norge.

A list of all subsidiary undertakings including the name, principal activity, registered office address and country of incorporation is shown in note 19.

11 Debtors

Amounts falling due within one year:	2021 £'000	2020 £'000
Trade debtors	2,720	3,394
Amounts owed by group undertakings	289,610	244,339
Deferred tax asset (see note 13)	11	29
Other debtors	117	109
Value added tax	9	82
Prepayment and accrued income	841	593
	293,308	248,546

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is charged at a rate of between 2%-8% (2020: 3%-10%).

12 Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
Bank overdraft	-	10
Trade creditors	73	866
Other taxation and social security creditors	134	204
Other creditors	2,622	2,252
Amounts owed to group undertakings	171,365	135,561
Accruals and deferred income	1,489	745
	175,683	139,638

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged at a rate of between 2%-10% (2020: 3%-8%).

13 Deferred taxation

The deferred taxation asset recognised is in respect of depreciation in excess of capital allowances and other short-term timing differences.

	£'000
Beginning of the year	29
Charge for prior year	6
Charge for the year	(24)
End of the year	11

There are no unrecognised deferred tax balances (2020: £nil).

14 Called-up share capital

	2021	2020
	£	£
Allotted, called-up and fully-paid		
101 ordinary shares of £1 each (2020: 101 ordinary shares of £1 each)	101	101

Share premium account:	£'000
Beginning and end of the year	43,044

15 Guarantees and other financial commitments

The company has entered into a joint guarantee and indemnity in respect of bank facilities granted to subsidiaries amounting to £1,467,830 at 31 October 2021 (2020: £8,419,417).

On 3 October 2013, the company entered into a joint guarantee to a credit agreement. During the year ended 31 October 2018, these banking facilities were refinanced and extended up to a value of $335 million (equivalent of GBP: £262 million). On 18 September 2020, the group entered into a business combination with the Fircroft group. As part of the transaction, the banking facilities were extended up to a value of $347 million (equivalent £271 million). £190 million of these facilities are drawn down at the year-end (2020: £205 million).

16 Related party transactions

FRS102 section 33.1A does not require disclosure of transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is a wholly owned member. These transactions were therefore not disclosed in these financial statements.

There were no material related party transactions entered into during the year that have not been concluded under normal market conditions.

17 Post balance sheet events

Post year end the NES Fircroft group secured committed funding via senior secured bond, totalling $300,000,000, which was listed in Frankfurt in 2022. The bond is due for repayment in 2026 and attracts interest at 11.75%. Proceeds from the bond issue will be used for repayment of the term loan held within the NES Fircroft group which matures in May 2023.

18 Ultimate parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited and NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

19 Subsidiaries

A list of all related undertakings including the name, principal activity (footnoted below), country of incorporation and the registered office address of the related undertaking is shown below. Where percentage ownership is below 50%, an entity is considered a subsidiary after an assessment of power held over the investee and the right to return. All investments are in ordinary shares.

Investments held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Algérie SARL (1)	No. 01, Mazareq Warkaly, Hydreh, Algiers State, Algeria	Algeria	49%
NES Global Pty Ltd (1)	Level 29, 66 Goulburn Street, Sydney NSW 2000, Australia	Australia	100%
NES Global Talent Services Pty Ltd (1)	William Buck Level 29, 66 Goulburn Street, Sydney, NSW 2000, Australia	Australia	100%
NES Bahrain WLL (1)	Office 49d, 49th Floor, Harbour Towers – West Tower, Bahrain Financial Harbour, Road 4626, Manama 346, PO Box 11782, Kingdom of Bahrain	Bahrain	49%
NES Global Limitada (1)	Avenida Presidente Vargas, 309, 21 ° andar, parte, Centro, Rio de Janeiro, CEP 20040-010, Brazil	Brazil	100%
NES Global Talent Sdn Bhd (1)	8th Floor, PGGMB Building, Jalan Kinanggeh, BS8111 Bandar Seri Begawan, Brunei	Brunei	100%
NES Global Limited (1)	333 11th Avenue SW, Suite 1602, Calgary, Alberta, T2R 1L9, Canada	Canada	100%
NES Global Talent Chile, S.A. (1)	Providencia 1760 603, Providencia, Santiago, Chile	Chile	100%
NES Global Talent Services (Shanghai) Co. Limited (1)	Room 1607 Plaza 336, No. 336, Middle Xizang Road, Shanghai 200001, People's Republic of China	China	100%
NES Global Technical Consultants (Shanghai) Co., Limited (1)	Room 1607, Plaza 336, No. 336, Middle Xizang Road, Shanghai, 200001, China	China	100%
NES Global Talent Egypt (1)	3 Oraby Street, Ground Floor, Maadi, Cairo, Egypt	Egypt	100%
NES Global France (1)	Le Bélvédère, 1-7 Cours Valmy, 92 800, Puteaux, France	France	100%
NES Global Talent Ltd SARL (1)	366 Rue Alfred Marche, PO Box 2164, Libreville, Gabon	Gabon	100%
NES Global Deutschland GmbH (1)	Mannheim, Theodor, Heuss, Anlage 12 Mannheim, Germany 68165	Germany	100%
NES Global Talent (Ghana) Limited (1)	No. 5, 1st Ridge Link, North Ridge, Accra, Ghana	Ghana	100%
North Eagle Star Limited (1)	1st Floor, Earlbeam Plaza, George Walker Bush Highway, Dzorwulu, Accra, Ghana	Ghana	49%

Investments held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Guyana Inc (1)	Lot 62 Hadfield & Cross Street, Werk-en-Rust, Georgetown, Guyana	Guyana	100%
NES Global Limited (1)	608, 6th Floor Laford Centre, 838 Lai Chi Kok Road, Kowloon, Hong Kong	Hong Kong	100%
NES Global Specialist Engineering Services Private Limited (1)	CB-15, A Wing 8th Floor, Reliable Tech Park, Behind Reliable Plaza, Thane - Belapur Road, Airoli, Navi Mumbai, Thane, Maharashtra, India, 400708	India	100%
NES Global Technical Consultants Limited (1)	9 Mohakhali C/A (11th & 12th Floor), Dhaka-1212, Bangladesh	India	99%
PT NES Global Technical Consultants (1)	Cyber 2 Tower, 18th Floor, Jl. H.R. Rasuna Said Blok X-5 Kav, 13 Jakarta 12950, Indonesia	Indonesia	95%
PT NES Global Teknik (1)	Cyber 2 Tower, 18th Floor, Jl. H.R. Rasuna Said Blok X-5 Kav, 13 Jakarta 12950, Indonesia	Indonesia	100%
Al Mazaya General Services LLC (1)	Flat 21, Al Rubaie Street, Al Zayytouna Building, Baghdad, Iraq	Iraq	100%
NES Global for Recruitment of Foreign Manpower Limited (1)	Villa 404 Italian City Compound, Kurdistan, Iraq	Iraq	100%
North Eagle Star General Services & Manpower Recruitment for Foreigners Arabs & Iraqis LLC (1)	Al Rubaie Street, Al Zaytouna Building, Second Floor, Flat No 24, Baghdad, Iraq	Iraq	100%
NES Global Talent Ltd (1)	The Black Church, St. Mary's Place, Dublin, D07 P4AX, Ireland	Ireland	100%
NES Global Talent KK (1)	Level 6, Fukumatsu Bldg, 7-1 Sumiyoshicho, Shinjuku-ku, Tokyo, Japan	Japan	100%
NES Global Talent LLP (1)	Office 703 Atyrau Plaza Business Centre, Building 19, Satpayev Street, Atyrau Oblast 060000, Kazakhstan	Kazakhstan	100%
NES Global Talent for Project Management WLL (1)	Office Number 5112, 2nd Floor, Dar Al Awadi Center, Kuwait	Kuwait	49%
Agensi Pekerjaan NES Global Talent SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avemue II 12 Jalan Yap. Kwan Seng, 50450 Kuala Lumpur, Malaysia	Malaysia	49%
NES Global SDN BHD (1)	Unit C-12-4, Level 12, Block C Megan Avenue II, 12 Jalan Yap Kwan Seng 50450 Kuala Lumpur	Malaysia	90%
NES Global Talent SDN BHD (2)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	100%
NES Global Technical Consultants SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	70%
NMEXSTAFF S. DE R.L. DE C.V.(1)	Andres Bellow 10, P 10 Col Chapultepec Polanco Del Miguel Hidalgo Mexico D.F. 11560, Mexico	Mexico	100%

Investments held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent S. de R. L. de C.V.	Andres Bellow 10, P 10 Col Chapultepec Polanco Del Miguel Hidalgo Mexico D.F. 11560, Mexico	Mexico	100%
NES Global Talent Mozambique Limitada (1)	Avenida Vladimir Lenine, 179, 6th Floor, Maputo, Mozambique	Mozambique	100%
North Eagle Star Limitada (1)	Bairro Central, Avenida Vladimir Lenine, no. 174, 1o andar, Edificio Millenium Park, Maputo, Mozambique	Mozambique	100%
NES Global (Myanmar) Private Limited (1)	No. 18/G/F, Tha Pyay Nyo Street, Shin Saw Pu Quarter, Sanchaung Township, Yangon, Myanmar	Myanmar	100%
NES Global Limited (1)	Vero House, 2nd Floor,12-14 Devon Street East, New Plymouth, 4310, New Zealand	New Zealand	100%
NES Africa Limited (1)	4th Floor, Coscharis Building, 68A Adeola Odeku Street, Victoria Island, Lagos, Nigeria	Nigeria	100%
NES Global Talent Nigeria Limited (1)	4th Floor, Coscharis Building, 68A Adeola Odeku Street, Victoria Island, Lagos, Nigeria	Nigeria	49%
NES Advantage Solutions AS (1)	Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Advantage Solutions Group AS (2)	Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Management AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Offshore AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Holdco AS (2)	Haakon VII's gate 10, 0161 Oslo, Norway	Norway	100%
NES Global Talent Norge AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Norway Holdings AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global LLC (1)	Office A410, Al Assalah Towers, South Ghubrah, PO Box 199, Muscat, Oman	Oman	70%
New Eagle Services (1)	1st Floor Office No. BAZ-104 Al-Baz Commercial Centre Salalah, Oman	Oman	100%
New East Services Distinctive LLC (1)	Office A410, Al Assalah Towers South Ghubrah PO Box 199 Al Khuwair Muscat, Oman	Oman	100%
NES Global Limited (1)	Pacific Palms, Level 1, Harbourside West Building, Stanley Esplanade, PO Box 1140, Port Moresby, NCD, Papua New Guinea	Papua New Guinea	100%
NES Global Talent Sp. z.o.o.(1)	ul. Prosta 20, 00-850 Warsaw, Poland	Poland	75%

Investments held	Address of registered office	Country of incorporation	Percentage ownership
NES Overseas Qatar WLL (1)	Office 8, First Floor, Al Qamra Building, Al Difaaf St., Al Sadd, Doha, Qatar	Qatar	49%
NES Global Talent LLC (1)	44, Bolshaya Sepuhovskaya St., Bld 1, Office 19, 115093, Moscow	Russia	50%
NES Global Arabia Company Limited (1)	Global Suhaimi Compound, King Abdul Aziz Road (Dammam Seaport Road), Dammam, Saudi Arabia	Saudi Arabia	55%
NES Global Private Limited (1)	#50-01 AXA Tower, 8 Shenton Way, Singapore 068811	Singapore	100%
NES Global South Africa Pty Ltd (1)	C/o Deloitte & Touche, Deloitte Place, Building 4, The Woodlands, 20 Woodlands Drive, Woodmead, 2052, South Africa	South Africa	100%
NES Global Korea Yuhan Hoesa (1)	16th Floor, Posco P&S Tower, Teheran-ro, Gangnam-gu, Seoul, 06235, South Korea	South Korea	100%
NES Global Talent Suisse AG (1)	Seefeldstrasse 69 Zurich 8008 Switzerland	Switzerland	100%
NES Global Talent Taiwan Co. Ltd (1)	10F, No. 156, Section 3, Minsheng East Road, Songshan District, Taipei City 105, Taiwan	Taiwan	100%
NES Global (East Africa) Limited (1)	Plot no 211 Chabruma street, Kinondoni District, P.O. BOX 4524, Dar es Salaam, Tanzania	Tanzania	100%
NES Global Engineering Services Company Limited (1)	No.94 Shinnawat M Thai Building, 3d Floor, Soi Sukhumvit 23, Sukhumvit Road, Klongt Toei Nua Sub District, Wattana District, Bangkok, Thailand	Thailand	100%
Northern Engineering Services (Thailand) Company Limited (1)	Interchange 21, 399 Sukhumvit Road, Klongtoei Nua Sub-district, Wattana, Bangkok, 10110, Thailand	Thailand	100%
NES Global B.V. (1)	Haagsche Hof, Parkstraat 83, The Hague, 2514 JG, Netherlands	The Netherlands	100%
NES Global Limited (1)	Plot 1B Kira Road, Kalamu House, PO Box 24544, Kampala, Uganda	Uganda	99%
NES Advantage Solutions Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Energy Services DMCC (1)	Unit No. 409, Indigo Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates	United Arab Emirates	100%
NES Global Human Resources Consultancy LLC (1)	Office Unit 26-D2, Marina Square, Tamouh Tower, Al Reem Island, PO Box 63107, Abu Dhabi, United Arab Emirates	United Arab Emirates	49%
NES Global Talent Recruitment Services LLC (1)	Office Unit 26-D2, Marina Square, Tamouh Tower, Al Reem Island, PO Box 63107, Abu Dhabi, United Arab Emirates	United Arab Emirates	100%
NES Advantage Solutions Inc. (1)	800 Gesner Road, Suite 310, Houston, Texas, 77204, USA	USA	100%
NES Global Technical Consultants Vietnam Ltd (1)	Level 16, Regus Saigon Tower, 29 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	Vietnam	100%

Principal activities of related undertakings:

1. Provision of technical recruitment agency services
2. Intermediate holding company
3. Provision of services to the group

NES Global Limited

Annual report and financial statements
for the year ended 31 October 2022

Registered number: 02690805

Officers and Professional Advisers

DIRECTORS
S.W. Buckley
S.F. Coton

REGISTERED OFFICE
Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP

AUDITOR
Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH
United Kingdom

BANKERS

The Royal Bank of Scotland plc
1 Hardman Boulevard
Manchester
M3 3AQ
United Kingdom

Deutsche Bank
345 Park Avenue
New York 10154
USA

HSBC Bank PLC
4 Hardman Square
Spinningfields
Manchester
M3 3EB
United Kingdom

Strategic report

For the year ended 31 October 2022

The directors present the strategic report on the company for the year ended 31 October 2022.

Principal activity and business model
The principal activity of the company is the hiring out and permanent placement of technical consultants globally. The company provides engineering services to the oil and gas, petrochemical, renewables, power and infrastructure industries. A number of branches of the company exist outside the United Kingdom.

Strategy and objectives
The company's main strategy focuses on the objective to continue operating profitably year on year. This will be achieved by maintaining existing and establishing new client relationships.

Business review and key performance indicators
The directors consider the company's key performance indicator to be operating profit. Operating profit increased to a £3.0 million profit (2021: loss £1.6 million) from an increase in administrative expenses. Strategies continue to be developed and implemented to build the business and increase shareholder value.

The company has net assets of £137,492,000 at 31 October 2022 (2021: £169,394,000). The financial position is shown in the balance sheet on page 14.

Principal risks and uncertainties
Financial risk
As part of its ordinary activities, the company is exposed to a number of financial risks, including liquidity risk, credit risk, interest rate risk and exchange rate risk. The company has policies and procedures in place to monitor and manage these risks.

Liquidity risk relates to the company's ability to meet the cash flow requirements of the operations, while avoiding excessive levels of debt and/or breach of debt covenants. The company's borrowings are principally in the form of intercompany balances and short and medium term credit facilities which can be drawn upon on demand when needed. The directors closely monitor the amount of facilities drawn, particularly with respect to complying with all covenant restrictions.

Credit risk relates principally to trade receivables from customers. The company assesses all customers and sets appropriate credit limits before trading commences and has detailed policies and procedures to monitor each situation. The nature of the customer base is such that there is limited exposure to bad debts. The company is a party to a group credit insurance policy, which further mitigates the risk of bad debt.

Management continuously assess the acknowledged interest rate and exchange rate risk that the company is subject to at the present time. The level of interest is well covered by operating earnings and, given the potential level of interest rates the company might face, it has adequate earnings. The company has a number of overseas operations resulting in foreign currency denominated receivables and payables. The company's exposure to exchange rate risk is continuously monitored by management with appropriate steps taken to minimise the risk of adverse currency movements.

Competitor risk
There are a number of other companies that provide services that are similar to those of the company and therefore could compete in the company's chosen markets, resulting in loss of revenue and pressure on operating margins. In order to assess this risk we undertake a regular review of all of our markets and the activities of competitors are closely monitored. The development of innovative services and building close relationships with customers are key to maintain the company's competitive advantage.

These risks are kept under constant review.

Environmental reporting
The NES Fircroft group fully supports the goals of the Paris Agreement as well as the target set by the UK Government of net zero emissions by 2050. The Renewables and Alternative Energies markets have developed at pace in recent years, a market in which we have continued to support our clients' efforts to increase their focus on developing sustainable low carbon solutions by providing the engineers and technical workforce needed to support this.

In support of carbon neutral growth, the group monitor and offset 100% of our business travel, making our entire corporate air travel footprint carbon neutral. We seek to do business responsibly and continually strive to improve our environmental behaviours and footprint. We report our UK energy consumption in line with the Greenhouse Gas Protocol. Over the course of the reported year, we were able to reduce our emissions by 16% (2021: 9%) overall, consistent with our target for a year-on-year reduction in energy consumption.

Energy and carbon reporting
The company has taken advantage of the exemption in Part 7A of schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the carbon reporting disclosure as it is a subsidiary undertaking and is included in the consolidated financial statements of NES Fircroft Limited, a company incorporated in England & Wales. The disclosure is included within the consolidated financial statements of NES Fircroft Limited which are available from Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006
The directors of the company must act in accordance with a set of general duties. These duties are detailed in section 172(1) (a) to (f), described below.

During the period, the directors have focused attention on how to deliver the best outcomes in order to promote the success of the NES Fircroft group ("the group") and company for the benefit of the shareholders by taking a proactive approach to the management of all stakeholders including employees, customers, suppliers and the broader community. The proactive approach can be evidenced as follows:

- Directors meet monthly as part of the corporate board to discuss the market and trading updates, customer relationships, employee matters and other factors affecting the group and company, and to take any decisions around communications to key stakeholders including employees. Further information on the focus on diversity of employees is included in the financial statements of NES Fircroft Limited.
- Directors are regularly provided with updates on key customer relationships and are actively engaged in new and changing customer contract activity including emerging trends and incorporating feedback from customers and contractors when setting and reviewing the group and company strategy. Support is given to customers to develop new low carbon solutions by providing the technical workforce and skilled engineers.
- Regular forecasting, planning and cash updates are provided, to ensure that decisions taken focus on both the short and long term liquidity of the company.
- The directors take reasonable steps to ensure the culture of the group and company is being approached with an appropriate mindset. This is aligned to the strategy of the group and company outlined above.
- The directors place particular importance on the impact of the group and company on the local community and actively encourage local teams to take advantage of the free days provided to staff to spend on local charitable work. In 2022, the directors launched the "KindNES Wins" foundation to bring together individual volunteer efforts into a co-ordinated global program.
- The directors ensure the group acts fairly to all members of the group, including holders of all classes of shares and minority shareholding groups, by working together to ensure the long term sustainable success of the group and company.
- The directors are committed year on year improvements in operational energy efficiency by continually reviewing its energy consumption with the aim of delivering on-going reductions in emissions. See the Streamlined Energy and Carbon Reporting section in the financial statements of NES Fircroft Limited for further detail regarding the impact of the group on the environment.

Statement by the directors of their statutory duties in accordance with Section 172(1) of the Companies Act 2006 (continued)

- As part of the director induction process, a newly appointed director is briefed on their duties and they can access professional advice on these from the company secretary. The corporate governance statement on the group website details how the group maintains a high standard of business conduct.

The directors are satisfied that S172 requirements have been performed to a high standard and in line with the code of conduct of all employees.

Future outlook
Management believe that the company will continue with hiring out and permanent placement of technical consultants globally, with a view to expand into new markets and new acquisitions.

The strategic report of NES Global Limited was approved by the board of directors and signed on its behalf on 30 June 2023 by:

S.W. Buckley
Director

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 31 October 2022.

Results and dividends
The audited financial statements for the year ended 31 October 2022 are set out on pages 12 to 28. The directors do not recommend the payment of a dividend (2021: no dividend). No dividends were paid in respect of prior periods during the year.

Existence of branches outside the UK
The company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK in Chad, Mauritania, Angola and Kazakhstan.

Going concern
After making enquiries, and based on the assumptions outlined in note 1 to the financial statements, the directors have concluded that the company has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and received a commitment in writing from NES Global Talent Limited that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Matters included in the strategic report
In accordance with s414(C) (11) of the Companies Act, included in the strategic report is information relating to the future development and financial risk management policies (as part of principal risk and uncertainties) of the business which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a directors' report.

Directors
The directors who served during the year and thereafter are as follows:

S.W. Buckley
S.F. Coton

Directors indemnities
The group has indemnity insurance in place on behalf of all of its directors during the year which remains in force at the date of this report.

Employees

The average number of staff during the year was 24 (2021: 20). Details of the number of employees and related costs can be found in note 6 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and the company intranet. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Auditor

In the case of each of the persons who are directors of the company at the date when this annual report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the next directors meeting.

Approved by the board of directors and signed on behalf of the board by;

S.W. Buckley
Director
30 June 2023

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NES Global Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18

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).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Andrew Halls FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
30 June 2023

Profit and loss account

For the year ended 31 October 2022

	Notes	2022 £'000	2021 £'000
Turnover	2	14,750	17,302
Cost of sales		(12,267)	(15,919)
Gross profit		2,483	1,383
Administrative items		497	(2,934)
Operating profit/(loss)		2,980	(1,551)
Dividends receivable	3	40,495	5,346
Net interest receivable/(payable)	4	7,710	(2,107)
Profit before taxation	5	51,185	1,688
Tax on profit	7	(147)	(203)
Profit for the financial year		51,037	1,485

All activity has arisen from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

Statement of comprehensive income

For the year ended 31 October 2022

	2022	2021
	£'000	£'000
Profit for the financial year	51,037	1,485
Exchange loss on retranslation of foreign operations	(855)	(33)
Total other comprehensive income	50,182	1,452

The accompanying notes are an integral part of this statement of comprehensive income.

Balance sheet

As at 31 October 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	8	22	11
Investments	9	50,967	50,913
Non-current other receivables	10	263,697	-
		314,686	50,924
Current assets			
Debtors	11	4,637	293,308
Cash at bank and in hand		3,237	845
		7,874	294,153
Creditors: Amounts falling due within one year	12	(185,068)	(175,683)
Net current (liabilities)/assets		(177,194)	118,470
Net assets		137,492	169,394
Capital and reserves			
Called-up share capital	14	-	-
Share premium account	14	43,044	43,044
Profit and loss account		91,307	122,354
Translation reserve		3,141	3,996
Shareholder's funds		137,492	169,394

The financial statements of NES Global Limited, registered company number 02690805, were approved by the Board of directors and authorised for issue on 30 June 2023 and signed on its behalf by:

S.W. Buckley
Director

The accompanying notes are an integral part of this balance sheet.

Statement of changes in equity

For the year ended 31 October 2022

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Translation reserve £'000	Total £'000
Balance at 31 October 2020	-	43,044	120,869	4,029	167,942
Profit for the year	-	-	1,485	-	1,485
Exchange loss on retranslation of foreign operations	-	-	-	(33)	(33)
Total comprehensive income/(expense)	-	-	1,485	(33)	1,452
Balance at 31 October 2021	-	43,044	122,354	3,996	169,394
Profit for the year	-	-	51,037	-	51,037
Exchange loss on retranslation of foreign operations	-	-	-	(855)	(855)
Total comprehensive income/(expense)	-	-	51,037	(855)	50,182
Distributions made following intercompany loans forgiven	-	-	(82,084)	-	(82,084)
Balance at 31 October 2022	-	43,044	91,307	3,141	137,492

The accompanying notes are an integral part of this statement of changes in equity.

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report.

a) General information
NES Global Limited (the company) is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The functional currency of the company is pounds sterling, being the currency of the primary economic environment in which the company operates. Foreign operations are included in accordance with the policies set out below.

The company has taken advantage of section 400 of the Companies Act 2006 in not producing consolidated financial statements, as it is a subsidiary of NES Fircroft Limited which itself produces consolidated financial statements. Copies of these financial statements are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

b) Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

c) Going concern
The performance, financial position and the key risks impacting the company are detailed in the strategic report and directors' report on pages 2 to 6. The company is a subsidiary of NES Global Talent Limited, which manages its working capital on a pooled basis across the group. Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and received a confirmation from the parent company that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements.

The NES Global Talent group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 14 September 2022, NES Fircroft Bondco AS a member of the wider NES Global Talent group, secured committed funding via a senior secured bond which was used for the repayment of the senior term loan held within the group. The bond is due for repayment in 2026 and attracts interest at 11.75%. The group also secured committed funding via a $72m revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026.

The combined group facilities in place at 31 October 2022 consist of a $72 million revolving credit facility and $157 million of invoice discounting facilities. Subsequent to year end, the revolving credit facility was increased by $12 million to $84 million. Despite the continued increase in trade since year end, the group had undrawn committed facilities of $102m at 31 May 2023, showing the group continues to have significant unutilised financing facilities in place.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex EBITDA by 10%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

1 Accounting policies (continued)

c) Going concern (continued)
The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to the end of July 2024.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to rise or fall by more than double the above sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote.

The directors therefore have a reasonable expectation that the NES Global Talent group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company as adopted the going concern basis in preparing the financial statements.

d) Turnover
Turnover represents the net invoiced sales of services provided in the normal course of business, exclusive of VAT. Revenue is recognised on a basis of hours, days or months worked for contractors hired out and on the start date for permanent placement.

e) Interest receivable and interest payable
Interest income is recognised as interest accrues using the effective interest method. Interest payable is recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

f) Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	-	over three years
Fixtures and fittings	-	over five years

Residual value is calculated on prices prevailing at the date of acquisition.

g) Investments
Fixed asset investments are stated at cost, less provision for any impairment.

h) Taxation
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and law that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1 Accounting policies (continued)

i) Foreign currency translation
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

Foreign operations are translated using closing rate for assets and liabilities, average rate for income and expenses to approximate the exchange rate at the date of the transaction, and historic rate for equity. All resulting exchange differences are recognised in the translation reserves included in the statement of changes in equity.

j) Pensions
The group operates defined contribution pension schemes for a number of its staff, directors and contractors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The pension balance owing at the year-end held on the balance sheet is £10,000 (2021: £15,000).

k) Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

l) Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity, certain disclosure exemptions. The company has taken advantage of the available exemptions to not disclose:

a) A statement of cash flows;
b) Certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated; and
c) Key management personnel compensation in total.

m) Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1 Accounting policies (continued)

o) Financial instruments
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments
Equity instruments issued by the company are recorded at a fair value of cash or other resources received or receivable, net of direct issue costs.

p) Critical accounting judgements
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 directors do not consider there to be any critical accounting judgements that must be applied.

q) Key sources of estimation uncertainty
The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

2 Turnover

Turnover is attributable to the principal activity of the company performed globally. The analysis of turnover by geographical market has been omitted as the directors believe that publication of such information would be prejudicial to the company's interests.

3 Dividends receivable

	2022	2021
	£'000	£'000
Dividends receivable from subsidiary undertakings	40,495	5,346

4 Net interest receivable/(payable)

	2022	2021
	£'000	£'000
Bank interest payable	(73)	(40)
Intercompany interest receivable	11,179	8,630
Intercompany interest payable	(8,817)	(5,038)
Foreign exchange loss	5,421	(5,659)
	7,710	(2,107)

5 Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£'000	£'000
Depreciation of owned tangible fixed assets	7	5
Auditor's remuneration		
- fees payable to the company's auditor for the audit of the company's annual financial statements	73	63

6 Staff costs

Particulars of employees (including executive directors) are as shown below:

	2022	2021
	£'000	£'000
Employee costs during the year amounted to:		
Wages and salaries	1,424	1,132
Social security costs	62	72
Pension costs	13	12
	1,499	1,216

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

	2022	2021
	Number	Number
Sales and administration	24	20

No remuneration has been paid to the directors (2021: £nil), their costs being borne by other group companies and not recharged to the company. This is because fair apportionment is not possible.

7 Tax on profit

The tax charge comprises:

	2022 £'000	2021 £'000
Current tax		
Foreign tax	110	185
Total current tax	110	185
Deferred tax		
Origination and reversal of timing differences	16	24
Adjustment in respect of prior periods	21	(6)
Total deferred tax	37	18
Total tax charge	147	203

The differences between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2022 £'000	2021 £'000
Profit before tax	51,185	1,688
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	9,725	321
Effects of:		
Income not taxable for tax purposes	(7,667)	(1,016)
Group relief (claimed)/surrendered for nil consideration	(2,058)	695
Adjustment in respect of overseas taxes	110	185
Deferred tax on short-term timing differences not previously recognised	16	33
Deferred tax rate change adjustment	-	(9)
Adjustments in respect of prior periods	21	(6)
Total tax charge on profit	147	203

UK corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit or loss for the year. An increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 was included in Finance Act 2021 and substantively enacted on 24 May 2021.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their net book value. Deferred tax is determined using the tax rate that has been substantively enacted at the balance sheet date, and that is expected to apply when the related tax asset is realised or the deferred income tax liability is settled.

8 Tangible fixed assets

The movement in the year was as follows:

	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
Beginning of the year	328	38	366
Additions	18	-	18
End of the year	346	38	384
Depreciation			
Beginning of the year	317	38	355
Charge for the year	7	-	7
End of the year	324	38	362
Net book value			
End of the year	22	-	22
Beginning of the year	11	-	11

9 Investments

	2022 £'000	2021 £'000
Subsidiary undertakings – cost and net book value		
Beginning of the year	50,913	50,913
Additions	127	-
Disposals	(53)	-
Impairment	(20)	-
End of the year	50,967	50,913

A list of all subsidiary undertakings including the name, principal activity, registered office address and country of incorporation is shown in note 18.

On 1 November 2021, NES Global Limited purchased NES Global Talent Taiwan Co. Limited for consideration of £127,000.

On 15 February 2022, the 100% shareholding in NES Global Engineering Services Co. Limited with a current carrying value of £53,000 was disposed of, resulting in a £53,000 loss on disposal included within exceptional items in the profit & loss account.

10 Non-current other receivables

	2022 £'000	2021 £'000
Amounts falling due after one year:		
Amounts owed by group undertakings	263,697	-

Amounts owed by group undertakings are unsecured and there is no intention to recall within the next 12 months.. Interest is charged at a rate of between 2%-10%.

11 Debtors

	2022	2021
Amounts falling due within one year:	£'000	£'000
Trade debtors	3,033	2,720
Amounts owed by group undertakings	-	289,610
Deferred tax asset (note 13)	-	11
Other debtors	301	117
Value added tax	178	9
Prepayment and accrued income	1,125	841
	4,637	293,308

Amounts owed by group undertakings in the prior year are unsecured and repayable on demand. Interest is charged at a rate of between 2%-8%.

12 Creditors: Amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	254	73
Other taxation and social security creditors	120	134
Deferred tax liability (note 13)	26	-
Other creditors	2,185	2,622
Amounts owed to group undertakings	181,128	171,365
Accruals and deferred income	1,355	1,489
	185,068	175,683

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged at a rate of between 2%-8% (2021: 2%-10%).

13 Deferred taxation

The deferred taxation liability recognised is in respect of capital allowances in excess of depreciation and other short-term timing differences.

	2022 £'000	2021 £'000
Beginning of the year	11	29
(Charge)/credit for prior year	(21)	6
Charge for the current year	(16)	(24)
End of the year	(26)	11

It is not possible to reliably estimate when the deferred tax liability will reverse.

There are no unrecognised deferred tax balances (2021: £nil).

14 Called-up share capital

	2022 £	2021 £
Allotted, called-up and fully-paid		
101 ordinary shares of £1 each (2021: 101 ordinary shares of £1 each)	101	101

Share premium account:	2022 £'000	2021 £'000
Beginning and end of the year	43,044	43,044

15 Guarantees and other financial commitments

The company has entered into a joint guarantee and indemnity in respect of bank facilities granted to subsidiaries amounting to £6,724,000 at 31 October 2022 (2021: £1,468,000).

On 3 October 2013, the company entered into a joint guarantee to a credit agreement. During the year ended 31 October 2018, these banking facilities were refinanced and extended up to a value of $335 million (equivalent of GBP: £259 million). On 18 September 2020, the group entered into a business combination with the Fircroft group. As part of the transaction, the banking facilities were extended up to a value of $347 million (equivalent £271 million). £190 million of the facilities were drawn down at 31 October 2021. On 14 September 2022, NES Fircroft Bondco AS, a member of the wider NES Fircroft Group, secured committed funding via a senior secured bond which was used to fully repay these facilities. The bond totaling $300 million, (equivalent to £258 million), was listed on Borse Frankfurt on 11 October 2022, and is due for repayment in 2026. The company is part of a new joint guarantee of the bond and new RCF of $72 million, (equivalent to £62 million). Subsequent to year end, the new revolving credit facility was increased by $12 million to $84 million, (equivalent to £72 million).

16 Related party transactions

FRS102 section 33.1A does not require disclosure of transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is a wholly owned member. These transactions were therefore not disclosed in these financial statements.

There were no material related party transactions entered into during the year that have not been concluded under normal market conditions.

17 Ultimate parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited and NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

18 Subsidiaries

A list of all related undertakings including the name, principal activity (footnoted below), country of incorporation and the registered office address of the related undertaking is shown below. Where percentage ownership is below 50%, an entity is considered a subsidiary after an assessment of power held over the investee and the right to return. All investments are in ordinary shares.

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Algérie SARL (1)	No. 01, Mazareq Warkaly, Hydreh, Algiers State, Algeria	Algeria	49%
NES Global Pty Ltd (1)	Level 29, 66 Goulburn Street, Sydney NSW 2000, Australia	Australia	100%
NES Bahrain WLL (1)	Office 49d, 49th Floor, Harbour Towers – West Tower, Bahrain Financial Harbour, Road 4626, Manama 346, PO Box 11782, Kingdom of Bahrain	Bahrain	49%
NES Global Technical Consultants Ltd (1)	9 Mohakhali C/A (11th & 12th Floor), Dhaka-1212, Bangladesh	Bangladesh	99%
NES Global Limitada (1)	Avenida Presidente Vargas, 309, 21 ° andar, parte, Centro, Rio de Janeiro, CEP 20040-010, Brazil	Brazil	100%
NES Global Limited (1)	333 11th Avenue SW, Suite 1602, Calgary, Alberta, T2R 1L9, Canada	Canada	100%
NES Advantage Solutions Canada Limited (1)	450, 855 - 2nd Street SW Calgary, Alberta, T2P 4K7, Canada	Canada	100%
NES Global Talent Chile, S.A. (1)	Providencia 1760 603, Providencia, Santiago, Chile	Chile	100%
NES Global Talent Services (Shanghai) Co. Limited (1)	Room 804-805, Shui On Plaza, No.333 Middle HuaiHai Road, HuangPu District, Shanghai, 200021, China	China	100%
NES Global Technical Consultants (Shanghai) Co., Limited (1)	Room 804-805, Shui On Plaza, No.333 Middle HuaiHai Road, HuangPu District, Shanghai, 200021, China	China	100%
NES Global Technical Services (Shenzhen) Co. Ltd	Room 332, 3/F, New Times Plaza, No.1 TaiZi Road NanShan District, ShenZhen, China	China	100%
NES Global France SASU (1)	Le Bélvédère, 1-7 Cours Valmy, 92 800, Puteaux, France	France	100%
NES Global Talent Ltd SARL (1)	366 Rue Alfred Marche, PO Box 2164, Libreville, Gabon	Gabon	100%
NES Global Deutschland GmbH (1)	Glücksteinallee 45, D-68163 Manneheim, Germany	Germany	100%
North Eagle Star Limited (1)	PO Box CT 3466, 1st Floor, Earlbeam Plaza, George Walker Bush Highway, Dzorwulu, Accra, Ghana	Ghana	49%
NES Global Talent (Ghana) Limited (1)	No. 5, 1st Ridge Link, North Ridge, Accra, Ghana	Ghana	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Guyana Inc (1)	Lot 62 Hadfield & Cross Street, Werk-en-Rust, Georgetown, Guyana	Guyana	100%
NES Global Limited (1)	608, 6th Floor Laford Centre, 838 Lai Chi Kok Road, Kowloon, Hong Kong	Hong Kong	100%
NES Global Specialist Engineering Services Private Limited (1)	CB-15, A Wing 8th Floor, Reliable Tech Park, Behind Reliable Plaza, Thane - Belapur Road, Airoli, Navi Mumbai, Thane, Maharashtra, India, 400708	India	100%
PT NES Global Technical Consultant (1)	Cyber 2 Tower, 18th Floor, Jl. H.R. Rasuna Said Blok X-5 Kav, 13 Jakarta 12950, Indonesia	Indonesia	95%
North Eagle Star for General Services LLC (1)	Al Rubaie Street, Al Zaytouna Building, Second Floor, Flat No 24, Baghdad, Iraq	Iraq	100%
NES Global Talent Ltd (1)	The Black Church, St. Mary's Place, Dublin, D07 P4AX, Ireland	Ireland	100%
NES Global Talent KK (1)	Level 6, Fukumatsu Bldg, 7-1 Sumiyoshicho, Shinjuku-ku, Tokyo, Japan	Japan	100%
NES Global Talent LLP (1)	Office 703, Atyrau Plaza Business Centre, Building 19, Satpayev Street, Atyrau Oblast 060000, Kazakhstan	Kazakhstan	100%
NES Global Talent for Project Management WLL (1)	Office Number 5112, 2nd Floor, Dar Al Awadi Center, Kuwait	Kuwait	49%
Agensi Pekerjaan NES Global Talent SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avenue II 12 Jalan Yap. Kwan Seng, 50450 Kuala Lumpur, Malaysia	Malaysia	49%
NES Global SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	30%
NES Global Technical Consultants SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	70%
NES Global Talent SDN BHD (2)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	100%
NES Global Talent S. DE R.L. de C.V. (1)	Bosque de Ciruelos No.180 Piso 4, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de Mexico, 11700	Mexico	100%
NMEXSTAFF S. DE R.L. DE C.V.(1)	Bosque de Ciruelos No.180 Piso 4, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de Mexico, 11700	Mexico	100%
North Eagle Star Limitada (1)	Bairro Central, Avenida Vladimir Lenine, no. 174, 1o andar, Edificio Millenium Park, Maputo, Mozambique	Mozambique	100%
NES Global (Myanmar) Private Limited (1)	No. 18/G/F, Tha Pyay Nyo Street, Shin Saw Pu Quarter, Sanchaung Township, Yangon, Myanmar	Myanmar	100%
NES Global Limited (1)	Vero House, Level 2, 10 Devon Street East, PO Box 8262, New Plymouth Central, 4342, New Zealand	New Zealand	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Nigeria Limited (1)	4th Floor, Coscharis Building, 68A Adeola Odeku Street, Victoria Island, Lagos, Nigeria	Nigeria	49%
NES Advantage Solutions AS (1)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Advantage Solutions Group AS (2)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Global Management AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Offshore AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Holdco AS (2)	Haakon VII's gate 10, 0161 Oslo, Norway	Norway	100%
NES Global Talent Norge AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Norway Holdings AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global LLC (1)	Office A410, Al Assalah Towers, South Ghubrah, PO Box 199, Muscat, Oman	Oman	70%
NES Global Limited (1)	Pacific Palms, Level 1, Harbourside West Building, Stanley Esplanade, PO Box 1140, Port Moresby, NCD, Papua New Guinea	Papua New Guinea	100%
NES Global Talent Sp. z.o.o.(1)	ul. Grzybowska 5a, 00-132, Warszawa, Polska	Poland	75%
NES Overseas Qatar WLL (1)	Office 8, First Floor, Al Qamra Building, Al Difaaf St., Al Sadd, Doha, Qatar	Qatar	49%
NES Global Arabia Company Limited (1)	Global Suhaimi Compound, King Abdul Aziz Road (Dammam Seaport Road), Dammam, Saudi Arabia	Saudi Arabia	55%
NES Global Private Limited (1)	20-02, 61 Robinson Road, Singapore, 068893, Singapore	Singapore	100%
NES Global South Africa Pty Ltd (1)	C/o Deloitte & Touche, Deloitte Place, Building 4, The Woodlands, 20 Woodlands Drive, Woodmead, 2052, South Africa	South Africa	100%
NES Global Korea Yuhan Hoesa (1)	16th Floor, Posco P&S Tower, Teheran-ro, Gangnam-gu, Seoul, 06235, South Korea	South Korea	100%
NES Global Talent Suisse AG (1)	Seefeldstrasse 69 Zurich 8008 Switzerland	Switzerland	100%
NES Global Talent Taiwan Co. Ltd	10F, No. 156, Section 3, Minsheng East Road, Songshan District, Taipei City 105, Taiwan	Taiwan	100%

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Engineering Services Company Limited (1)	No.94 Shinnawat M Thai Building, 3d Floor, Soi Sukhumvit 23, Sukhumvit Road, Klongt Toei Nua Sub District, Wattana District, Bangkok, Thailand	Thailand	100%
Northern Engineering Services (Thailand) Company Limited (1)	No. 399 Interchange Tower, 35th Floorm Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	100%
NES Global B.V. (1)	Verlengede Poolseweg 16, Unit 318, Breda, 4818 CL, Netherlands	The Netherlands	100%
NES Global Talent Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad & Tobago	Trinidad & Tobago	100%
NES Advantage Solutions Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Human Resources Consultancy LLC (1)	Office Unit 26-D2, Marina Square, Tamouh Tower, Al Reem Island, PO Box 63107, Abu Dhabi, United Arab Emirates	United Arab Emirates	49%
NES Global Energy Services DMCC (1)	Unit No. 409, Indigo Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates	United Arab Emirates	100%
NES Advantage Solutions Inc.(1)	800 Gesner Road, Suite 310, Houston, Texas, 77204, USA	USA	100%
NES Global Technical Consultants Vietnam Ltd (1)	Level 16, Regus Saigon Tower, 29 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	Vietnam	100%

Principal activities of related undertakings:

1. Provision of technical recruitment agency services
2. Intermediate holding company
3. Provision of services to the group

NES Group Limited

Annual report and financial statements
for the year ended 31 October 2021

Registered number: 03685787

Officers and professional advisers

DIRECTORS

S.W. Buckley
S.F. Coton

REGISTERED OFFICE

Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP

AUDITOR

Deloitte LLP
The Hanover Building
Corporation Street
Manchester
M4 4AH
United Kingdom

BANKERS

The Royal Bank of Scotland plc
1 Hardman Boulevard
Manchester
M3 3AQ
United Kingdom

Deutsche Bank
345 Park Avenue
New York 10154
USA

HSBC Bank PLC
4 Hardman Square
Spinningfields
Manchester
M3 3EB
United Kingdom

Strategic report

For the year ended 31 October 2021

The directors present the strategic report on the company for the year ended 31 October 2021.

Principal activity and business model
The principal activity of the company is that of a holding company and providing support to other members of the NES Fircroft group.

Strategy and objectives
The main strategy and objective of the company is to continue to act as a support function and to assist fellow group undertakings in achieving their strategic objectives and long-term vision.

Business review and key performance indicators
The company does not trade externally. The only costs incurred are support costs for the group operations. As such, the directors consider the administrative expenses of the company as key performance indicators. The administrative expenses incurred in the current year are £14,802,000 (2020: £10,427,000).

The company has net assets of £142,926,000 at 31 October 2021 (2020: £136,366,000). The financial position is shown in the balance sheet on page 12.

Principal risks and uncertainties
Financial risks
As part of its ordinary activities, the company is exposed to a number of financial risks, including liquidity risk, exchange rate risk and credit risk. The company has policies and procedures in place to monitor and manage these risks.

Liquidity risk relates to the company's ability to meet the cash flow requirements of the operations, while avoiding excessive levels of debt and breach of debt covenants. The company's borrowings are principally in the form of balances with other group companies.

Management continuously assesses the acknowledged exchange rate risk that the company is subject to at the present time. The company's exposure to exchange rate risk is continually monitored by management with appropriate steps taken to minimise the risk of adverse currency movements.

The company's credit risk is primarily attributable to its intercompany receivables, with the amounts presented in the balance sheet being net of allowances for doubtful receivables. The directors continuously review the ongoing value for any doubt and make any adjustments as necessary.

Principal risks and uncertainties (continued)

Coronavirus

The global economic recovery lost momentum in the second half of 2021 with COVID-19 driven disruptions leading to many countries re-imposing lockdown measures. Despite this, the NES Fircroft group has delivered a strong performance in 2021 and the further outbreaks did not have a material impact on the activity of the group. The group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short and medium term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk. The group has a strong funding position and there have not been nor are there forecast to be any covenant breaches in the Going Concern review period. See note 1 for more details.

These risks are kept under constant review.

Environmental reporting

The NES Fircroft group fully supports the goals of the Paris Agreement as well as the target set by the UK Government of net zero emissions by 2050. The Renewables and Alternative Energies markets have developed at pace in recent years, a market in which we have continued to support our clients efforts to increase their focus on developing sustainable low carbon solutions by providing the engineers and technical workforce needed to support this.

In support of carbon neutral growth, the group monitor and offset 100% of our business travel, making our entire corporate air travel footprint carbon neutral. We seek to do business responsibly and continually strive to improve our environmental behaviours and footprint. We report our UK energy consumption in line with the Greenhouse Gas Protocol. Over the course of the reported year, we were able to reduce our emissions by 9% overall, consistent with our target for a year-on-year reduction in energy consumption.

Future outlook

Management expect the business to continue to act as a holding and support company.

The strategic report of NES Group Limited was approved by the board of directors and signed on its behalf on 25 October 2022 by:

S.W. Buckley
Director

Directors' report

For the year ended 31 October 2021

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 31 October 2021.

Results and dividends

The audited financial statements for the year ended 31 October 2021 are set out on pages 11 to 25. The directors do not recommend the payment of a dividend (2020: no dividend). No dividends were paid in respect of prior periods during the year.

Going concern

After making enquiries and based on the assumptions outlined in note 1 to the financial statements, the directors have concluded that the company has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. These enquiries include specific consideration of the impact of COVID-19 on the financial performance of the wider group.

Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and réceived a commitment in writing from NES Fircroft Limited that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Matters included in the strategic report

In accordance with s414(C) (11) of the Companies Act, included in the strategic report is information relating to the future development and financial risk management policies (as part of principal risk and uncertainties) of the business which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a directors' report.

Directors

The directors who served during the year and thereafter are as follows:

S.W. Buckley
S.F. Coton

Director indemnities

The group has indemnity insurance in place on behalf of all of its directors during the year, which remains in force at the date of this report.

Employees

The average number of staff during the year was 129 (2020: 97). Details of number of employees and related cost can be found in note 6 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of member of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and the company intranet. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Directors' report (continued)

For the year ended 31 October 2021

Post balance sheet events

Post year end the NES Fircroft group secured committed funding via senior secured bond, totalling $300,000,000, which was listed in Frankfurt in 2022. The bond is due for repayment in 2026 and attracts interest at 11.75%. Proceeds from the bond issue will be used for repayment of the term loan held within the NES Fircroft group which matures in May 2023.

Auditor

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the next directors meeting.

Approved by the board of directors and signed on behalf of the board by,

S.W. Buckley

Director

25 October 2022

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Independent auditor's report to the members of NES Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NES Group Limited ('the company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the company which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

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).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Classification of exceptional items:
  - Obtained an understanding of the management review controls relating to exceptional items;
  - Obtained management's exceptionals paper which details all exceptional items recognised for the year ended 31 October 2021;
  - Evaluated a sample of exceptional items for detailed testing. For each item selected we obtained detailed supporting commentary on the rationale for classifying the particular item as exceptional, assessed the classification against both accounting policy and IAS 1 requirements and agreed to supporting documentation – including but not limited to settlements, legal letters, contracts or invoices.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of NES Group Limited (continued)

Use of our report

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

Andrew Halls FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
25 October 2022

Profit and loss account

For the year ended 31 October 2021

	Notes	2021 £'000	2020 £'000
Administrative expenses		(14,802)	(10,427)
Other operating income	2	22,318	19,458
Operating profit		7,516	9,031
Net finance (charges)/income	3	(102)	1,170
Exceptional items	5	(319)	-
Profit before taxation	4	7,095	10,201
Tax on profit	7	(535)	(799)
Profit for the financial year		6,560	9,402

All activity has arisen from continuing operations.

The company has no recognised gains or losses in either year other than the loss for each financial year shown above. Accordingly, a separate statement of comprehensive income has not been prepared.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

As at 31 October 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	8	-	-
Intangible assets	9	2,304	2,117
Tangible assets	10	329	323
		2,633	2,440
Current assets			
Debtors	11	497,554	407,396
Cash at bank and in hand		11,717	11,424
		509,272	418,820
Creditors: Amounts falling due within one year	12	(366,553)	(282,469)
Net current assets		142,719	136,351
Total assets less current liabilities		145,352	138,791
Creditors: Amounts falling due after more than one year	13	(2,425)	(2,425)
Net assets		142,926	136,366
Capital and reserves			
Called-up share capital	15	3,702	3,702
Share premium account		597	597
Other reserves	16	2,060	2,060
Profit and loss account		136,567	130,007
Shareholder's funds		142,926	136,366

The financial statements of NES Group Limited, registered company number 03685787, were approved by the board of directors and authorised for issue on 25 October 2022 and signed on its behalf by:

S.W. Buckley

Director

The accompanying notes are an integral part of this balance sheet.

Statement of changes in equity

For the year ended 31 October 2021

	Called-up share capital	Share premium account	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 November 2019	3,702	597	2,060	120,605	126,964
Profit for the year and total comprehensive income	-	-	-	9,402	9,402
At 31 October 2020	3,702	597	2,060	130,007	136,366
Profit for the year and total comprehensive income	-	-	-	6,560	6,560
At 31 October 2021	3,702	597	2,060	136,567	142,926

The accompanying notes are an integral part of this statement of changes in equity.

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the preceding year.

The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report.

a) General information and basis of accounting

NES Group Limited (the company) is a private company limited by shares and incorporated in the United Kingdom under the Companies Act and is registered in England and Wales.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company has taken advantage of section 400 of the Companies Act 2006 in not producing consolidated financial statements, as it is a subsidiary of NES Fircroft Limited which itself produces consolidated financial statements. Copies of these financial statements are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

b) Going concern

The performance, financial position and the key risks impacting the company are detailed in the strategic report and directors' report on pages 2 to 5. The company is a subsidiary of NES Fircroft Limited, which manages its working capital on a pooled basis across the NES Fircroft Limited group. Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and received a confirmation in writing from the parent company that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements. In relying on this parent company support, the directors of this company are cognisant of the following going concern disclosure which appears in the financial statements of NES Fircroft Limited for the year ended 31 October 2021, issued on 1 March 2022.

"The group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 18 September 2020, the group entered into a business combination with Fircroft Engineering Services Limited and its subsidiaries ('Fircroft group'). An amendment of the existing credit agreement was signed to support the new combined group. The combined group facilities in place at 31 October 2021 consist of a $72 million revolving credit facility, $165 million of invoice discounting facilities and a $263 million senior term loan.

The group had undrawn committed facilities at 31 October 2021 of $155,349,000 (2020: $225,309,000). Despite the continued increase in trade since the year end, the group had undrawn committed facilities at 31 January 2022 of $153,106,000, showing the group continues to have significant unutilised financing facilities in place.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex EBITDA by 5%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

1 Accounting policies (continued)

b) Going concern (continued)
The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to March 2023.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to fall in excess of these sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote."

Post year end, the parent company of NES Fircroft Limited, NES Fircroft Bondco AS secured committed funding via a senior secured bond which will be used for repayment of the senior term loan. The bond is due for repayment in 2026 and attracts interest at 11.75%. Secured committed funding was also secured via a revolving credit facility which replaced the existing $72m revolving credit facility. The new facility matures in 2026. The group continues to have access to $165m of invoice discounting facilities which are committed for over 12 months from the date of approval of the financial statements. At 31 August 2022, the group had undrawn committed facilities of $105m, showing the group continues to have significant unutilised financing facilities in place. Latest forecasts continue to show ongoing compliance with financial covenants and no liquidity issues for the period to October 2023.

The directors have a reasonable expectation that the NES Fircroft group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company has adopted the going concern basis in preparing the financial statements.

c) Other operating income and interest income
Other income consists of franchise fee income charged to other group entities for the provision of support services and is recognised on an accruals basis. Interest income is recognised as interest accrues using the effective interest method.

d) Finance costs
Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

e) Government grants
Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grant will be received. Government grants are then recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. All government grants are recorded as a deduction in reporting the related expense. During the year, the company utilised £nil (2020: £16,000) of government grants in respect of the UK Government furlough scheme and at the balance sheet date, a total of £nil (2020: £463,000) of UK tax related payments had been deferred into future financial periods.

f) Exceptional items
Exceptional items are those that the directors consider need to be disclosed separately in the financial statements to provide a true and fair view by virtue of their size or incidence; all exceptional items are charged in arriving at profit before taxation in the financial statements.

g) Investments
Fixed asset investments are shown at cost, less provision for any impairment.

1 Accounting policies (continued)

h) Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	-	over five years
Computer equipment	-	over three years

Assets under the course of construction are recognised within intangible fixed assets where a project is ongoing but is not yet complete. Depreciation is not provided until the asset is fully complete and ready for use.

Residual value is calculated on prices prevailing at the date of acquisition.

i) Intangible assets
Intangible assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is recognised in administrative expenses and is provided on all intangible assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer software	-	over five years

Residual value is calculated on prices prevailing at the date of acquisition.

Assets under the course of construction are recognised within intangible fixed assets where a project is ongoing but is not yet complete. Amortisation is not provided until the asset is fully complete and ready for use.

j) Pension costs
The company makes contributions to the personal defined contribution pension schemes of certain employees. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. The pension balance owing at the year-end held on the balance sheet is £17,000 (2020: £14,000).

k) Taxation
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

l) Foreign currency translation
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

1 Accounting policies (continued)

m) Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the available exemptions to not disclose:

a) A statement of cash flows;
b) Certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated; and
c) Key management personnel compensation in total.

n) Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

o) Other reserves
Other reserves arose as a result of a waiver of accrued preference share dividends and on the redemption of preference shares.

p) Financial instruments
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

1 Accounting policies (continued)

p) Financial instruments (continued)

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

q) *Critical accounting judgements*

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 directors do not consider structure there to be any critical accounting judgements that must be applied.

r) *Key sources of estimation uncertainty*

The company makes estimates and assumption concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actuals results. The director do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to carry value of assets and liabilities within the next financial year.

2 Other operating income

	2021 £'000	2020 £'000
Franchise fees	22,318	19,458

3 Net finance (charges)/income

	2021 £'000	2020 £'000
Bank interest	(946)	(972)
Foreign exchange loss	(1,717)	(779)
Interest payable to group undertakings	(10,707)	(9,317)
Interest receivable from group undertakings	13,268	12,238
	(102)	1,170

4 Profit before taxation

Profit before taxation is stated after charging:

	2021	2020
	£'000	£'000
Depreciation of tangible fixed assets	141	106
Amortisation of intangible assets	715	645
Auditor's remuneration:	344	269
- fees payable to the company's auditor for the audit of the company's financial statements	53	57
- fees payable to the company's auditor for tax advisory services to the company	3	3

5 Exceptional expenditure

	2021	2020
	£'000	£'000
Restructuring costs	319	-

Restructuring costs – relate to various restructuring activities.

6 Staff costs

Particulars of employees, are as shown below:

	2021	2020
	£'000	£'000
Employee costs during the year amounted to:		
Wages and salaries	8,362	5,000
Social security costs	650	485
Other pension costs	124	89
	9,136	5,574

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

	2021	2020
	Number	Number
Administration	129	97

The total amounts for directors' remuneration were as follows:

	2021	2020
	£'000	£'000
Emoluments	1,198	699

During the year no (2020: none) directors accrued benefits under money purchase pension schemes. The above amounts for remuneration include the following in respect of the highest paid director:

	2021	2020
	£'000	£'000
Emoluments	628	366

7 Tax on profit

The tax charge comprises:

	2021 £'000	2020 £'000
Current tax		
Total current tax charge	521	743
Deferred tax		
Origination and reversal of timing differences	13	51
Adjustments in respect of prior years	1	5
Total deferred tax charge (see note 14)	14	56
Total tax charge	535	799

The differences between the total tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2021 £'000	2020 £'000
Profit before tax	7,095	10,201
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	1,348	1,938
Effects of:		
Expenses not deductible for tax purposes	8	48
Adjustments in respect of other taxes	521	743
Group relief claimed for nil consideration	(970)	(1,647)
Deferred tax on short-term timing differences not previously recognised	(11)	48
Deferred tax rate change adjustment	24	3
Impact of overseas subsidiaries being taxed locally and in the UK	(386)	(339)
Adjustments in respect of prior years	1	5
Tax charge for the year	535	799

UK corporation tax is calculated at 19% (2020: 19%) of the estimated taxable profit or loss for the year. The UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020 reversing the previously enacted reduction in rate from 19% to 17%. An increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 was included in Finance Act 2021 and substantively enacted on 24 May 2021.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their net book value. Deferred tax is determined using the tax rate that has been substantively enacted at the balance sheet date, and that is expected to apply when the related tax asset is realised or the deferred income tax liability is settled.

8 Investments

The company has investments in the following subsidiary undertakings. All subsidiary undertakings are incorporated in the United Kingdom and registered in England and Wales.

Company name	Principal activity	Holding	%
NESCO Holdings Limited	Holding company	Ordinary	100
NES Trustees Limited	Trustee company	Ordinary	100
NES IT Limited	Provision of technical recruitment agency services	Ordinary	100
Aim Academy Limited	Provision of services to the group	Ordinary	100
North Eagle Star Limited	Provision of services to the group	Ordinary	100

The registered address of all of the company's subsidiary undertakings is Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

	Subsidiary undertakings £'000
Cost and net book value	
At 1 November 2020 and 31 October 2021	-

9 Intangible assets

The movement in the year was as follows:

	Assets under construction	Computer software	Total
	£'000	£'000	£'000
Cost			
At 1 November 2020	109	5,665	5,774
Transfers	(79)	79	-
Additions	519	383	902
Disposals	-	(5)	(5)
At 31 October 2021	549	6,122	6,671
Amortisation			
At 1 November 2020	-	3,657	3,657
Charge for the year	-	715	715
Disposals	-	(5)	(5)
At 31 October 2021	-	4,367	4,367
Net book value			
At 31 October 2021	549	1,755	2,304
At 31 October 2020	109	2,008	2,117

Amortisation of intangible assets is included within administrative expenses in the profit and loss account.

10 Tangible fixed assets

The movement in the year was as follows:

	Leasehold improvements £'000	Computer equipment £'000	Total £'000
Cost			
At 1 November 2020	113	651	764
Additions	2	145	147
Disposals	(2)	-	(2)
At 31 October 2021	113	796	909
Depreciation			
At 1 November 2020	16	425	441
Charge for the year	21	120	141
Disposals	(2)	-	(2)
At 31 October 2021	35	545	580
Net book value			
At 31 October 2021	78	251	329
At 31 October 2020	97	226	323

11 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	495,459	405,828
Other debtors	1,018	1,086
Prepayments and accrued income	934	482
Value added tax	143	-
	497,554	407,396

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is charged at a rate of between 2%-8% (2020: 3%-8%).

12 Creditors: Amounts falling due within one year

	2021	2020
	£'000	£'000
Bank overdraft	7,182	14,546
Trade creditors	1,751	1,586
Amounts owed to group undertakings	354,482	264,144
Other taxation and social security creditors	191	364
Value added tax	-	118
Deferred tax liability (see note 14)	92	78
Accruals and deferred income	2,855	1,633
	366,553	282,469

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged at a rate of 2%-8% (2020: 3%).

13 Creditors: Amounts falling due after more than one year

	2021	2020
	£'000	£'000
Preference shares	2,425	2,425

This balance consists of 556,700 'A' redeemable preference shares of £1 each and 1,868,450 'B' redeemable preference shares of £1 each. The shares carry no entitlement to dividend and were due to be redeemed for cash at a price of £1 per share on 1 November 2008. However, due to insufficient distributable reserves, the shares have not yet been redeemed. Holders of the redeemable preference shares have one vote for every share held but only on a resolution for the winding-up of the company and on a resolution affecting the rights attached to the shares.

On the return of assets whether in a winding-up or reduction of capital or otherwise, the assets and retained profits of the company available for distribution among the members will be applied as follows: the 'A' and 'B' preference shares will be redeemed at par; the preferred ordinary shareholders will be paid the amounts credited as paid up on the preferred ordinary shares; the ordinary shareholders will be paid the amounts credited as paid up those ordinary shares; the remainder will be distributed to ordinary shareholders, preferred ordinary shareholders and deferred shares in proportions depending on the value and nature of the consideration.

The preference shares are redeemable at any time, however the directors do not anticipate that the shares will be redeemed within the next 12 months. Accordingly, the preference shares are disclosed within amount falling due after more than one year.

14 Deferred tax

The deferred tax recognised is in respect of decelerated capital allowances and other short-term timing differences as follows:

	2021 £'000	2020 £'000
Beginning of the year	78	22
Prior year adjustments	1	5
(Credit)/charge for the year	(11)	48
Rate change adjustment	24	3
End of the year liability	92	78

	2021 £'000	2020 £'000
Accelerated capital allowances	163	116
Other short term timing differences	(71)	(38)
	92	78

There are no unrecognised deferred tax balances (2020: £nil).

15 Called-up share capital

	2021 £'000	2020 £'000
Allotted, called-up and fully-paid		
610,000 ordinary shares of 1p each	6	6
8,626,416 preferred ordinary shares of 1p each	86	86
361,000,000 deferred shares of 1p each	3,610	3,610
	3,702	3,702

Deferred shares carry no right to share in any distribution until at least £100 million has been distributed on each ordinary share and preferred ordinary share. Once such amount has been distributed, the deferred shares will rank pari passu with the other classes of shares.

Holders of deferred shares have one vote for every share held but are not entitled to vote at any general meeting of the company.

16 Other reserves

Other reserves arose as a result of a waiver of accrued preference share dividends and on the redemption of preference shares.

17 Guarantees and other financial commitments

The company has entered into a joint guarantee and indemnity in respect of bank facilities granted to fellow subsidiaries amounting to £1,468,000 at 31 October 2021 (2020: £5,296,000).

On 3 October 2013, the company entered into a joint guarantee to a credit agreement. During the year ended 31 October 2018, these banking facilities were refinanced and extended up to a value of $335 million (equivalent of GBP: £262 million). On 18 September 2020, the Group entered into a business combination with the Fircroft Group. As part of the transaction, the banking facilities were extended up to a value of $347 million (equivalent £271 million). £190 million of these facilities are drawn down at the year-end (2020: £205 million).

18 Related party transactions

FRS 102 Section 33.1A does not require disclosure of transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is a wholly owned member. These transactions were therefore not disclosed in these financial statements.

AEA Investors LP and Akastor AS are limited partners of NES Global Talent LP (note 20).

Management fees of £500,000 (2020: £500,000) payable to AEA Investors LP and £99,000 payable to Akastor AS (2020: £146,000) were charged to profit and loss during the year. Amounts owing to AEA Investors LP at the balance sheet date are £172,000 (2020: £275,000) and amounts owing to Akastor AS at the balance sheet date are £9,000 (2020: £16,000).

19 Post balance sheet events

Post year end the NES Fircroft group secured committed funding via senior secured bond, totalling $300,000,000, which was listed in Frankfurt in 2022. The bond is due for repayment in 2026 and attracts interest at 11.75%. Proceeds from the bond issue will be used for repayment of the term loan held within the NES Fircroft group which matures in May 2023.

20 Ultimate parent company and ultimate controlling party

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited and NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

NES Group Limited

Annual report and financial statements
for the year ended 31 October 2022

Registered number: 03685787

Officers and professional advisers

DIRECTORS
S.W. Buckley
S.F. Coton

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345 Park Avenue
New York 10154
USA

HSBC Bank PLC
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Manchester
M3 3EB
United Kingdom

Strategic report

For the year ended 31 October 2022

The directors present the strategic report on the company for the year ended 31 October 2022.

Principal activity and business model
The principal activity of the company is that of a holding company and providing support to other members of the NES Fircroft group.

Strategy and objectives
The main strategy and objective of the company is to continue to act as a support function and to assist fellow group undertakings in achieving their strategic objectives and long-term vision.

Business review and key performance indicators
The company does not trade externally. The only costs incurred are support costs for the group operations. As such, the directors consider the administrative expenses of the company as key performance indicators. The administrative expenses incurred in the current year are £21,309,000 (2021: £14,802,000).

The company has net assets of £100,857,000 at 31 October 2022 (2021: £142,926,000). The financial position is shown in the balance sheet on page 12.

Principal risks and uncertainties
Financial risks
As part of its ordinary activities, the company is exposed to a number of financial risks, including liquidity risk, exchange rate risk and credit risk. The company has policies and procedures in place to monitor and manage these risks.

Liquidity risk relates to the company's ability to meet the cash flow requirements of the operations, while avoiding excessive levels of debt and breach of debt covenants. The company's borrowings are principally in the form of balances with other group companies.

Management continuously assesses the acknowledged exchange rate risk that the company is subject to at the present time. The company's exposure to exchange rate risk is continually monitored by management with appropriate steps taken to minimise the risk of adverse currency movements.

The company's credit risk is primarily attributable to its intercompany receivables, with the amounts presented in the balance sheet being net of allowances for doubtful receivables. The directors continuously review the ongoing value for any doubt and make any adjustments as necessary.

These risks are kept under constant review.

Principal risks and uncertainties (continued)

Environmental reporting
The NES Fircroft group fully supports the goals of the Paris Agreement as well as the target set by the UK Government of net zero emissions by 2050. The Renewables and Alternative Energies markets have developed at pace in recent years, a market in which we have continued to support our clients' efforts to increase their focus on developing sustainable low carbon solutions by providing the engineers and technical workforce needed to support this.

In support of carbon neutral growth, the group monitor and offset 100% of our business travel, making our entire corporate air travel footprint carbon neutral. We seek to do business responsibly and continually strive to improve our environmental behaviours and footprint. We report our UK energy consumption in line with the Greenhouse Gas Protocol. Over the course of the reported year, we were able to reduce our emissions by 16% (2021: 9%) overall, consistent with our target for a year-on-year reduction in energy consumption.

Future outlook
Management expect the business to continue to act as a holding and support company.

The strategic report of NES Group Limited was approved by the board of directors and signed on its behalf on 30 June 2023 by:

S.W. Buckley
Director

Directors' report

For the year ended 31 October 2022

The directors present their annual report on the affairs of the company, together with the audited financial statements for the year ended 31 October 2022.

Results and dividends

The audited financial statements for the year ended 31 October 2022 are set out on pages 11 to 25. The directors do not recommend the payment of a dividend (2021: no dividend). No dividends were paid in respect of prior periods during the year.

Going concern

After making enquiries and based on the assumptions outlined in note 1 to the financial statements, the directors have concluded that the company has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and received a commitment in writing from NES Global Talent Limited that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Matters included in the strategic report

In accordance with s414(C) (11) of the Companies Act, included in the strategic report is information relating to the future development and financial risk management policies (as part of principal risk and uncertainties) of the business which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a directors' report.

Directors

The directors who served during the year and thereafter are as follows:

S.W. Buckley
S.F. Coton

Director indemnities

The group has indemnity insurance in place on behalf of all of its directors during the year, which remains in force at the date of this report.

Employees

The average number of staff during the year was 155 (2021: 129). Details of number of employees and related cost can be found in note 6 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of member of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and the company intranet. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Auditor
In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the next directors meeting.

Approved by the board of directors and signed on behalf of the board by,

S.W. Buckley
Director

30 June 2023

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Independent auditor's report to the members of NES Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NES Group Limited ('the company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the company which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 21.

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).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included environmental regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Classification of exceptional items:
  - Obtained an understanding of the management review controls relating to exceptional items;
  - Obtained management’s exceptionals paper which details all exceptional items recognised for the year ended 31 October 2022;
  - Evaluated a sample of exceptional items for detailed testing. For each item selected we obtained detailed supporting commentary on the rationale for classifying the particular item as exceptional, assessed the classification against both accounting policy and IAS 1 requirements and agreed to supporting documentation – including but not limited to settlements, legal letters, contracts or invoices.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors’ report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Andrew Halls FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
30 June 2023

Profit and loss account

For the year ended 31 October 2022

	Notes	2022 £'000	2021 £'000
Administrative expenses		(21,309)	(14,802)
Other operating income	2	40,195	22,318
Operating profit		18,886	7,516
Net finance income/(charges)	3	2,615	(102)
Exceptional items	5	(373)	(319)
Profit before taxation	4	21,128	7,095
Tax on profit	7	(2,926)	(535)
Profit for the financial year		18,202	6,560

All activity has arisen from continuing operations.

The company has no recognised gains or losses in either year other than the loss for each financial year shown above. Accordingly, a separate statement of comprehensive income has not been prepared.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

As at 31 October 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Investments	8	-	-
Intangible assets	9	2,276	2,304
Tangible assets	10	286	329
Non-current other receivables	11	358,300	-
		360,862	2,633
Current assets			
Debtors	12	3,285	497,554
Cash at bank and in hand		24,247	11,717
		27,532	509,272
Creditors: Amounts falling due within one year	13	(285,112)	(366,553)
Net current (liabilities)/assets		(257,580)	142,719
Total assets less current liabilities		103,282	145,352
Creditors: Amounts falling due after more than one year	14	(2,425)	(2,425)
Net assets		100,857	142,926
Capital and reserves			
Called-up share capital	16	3,702	3,702
Share premium account		597	597
Other reserves	17	2,060	2,060
Profit and loss account		94,498	136,567
Shareholder's funds		100,857	142,926

The financial statements of NES Group Limited, registered company number 03685787, were approved by the board of directors and authorised for issue on 30 June 2023 and signed on its behalf by:

S.W. Buckley

Director

The accompanying notes are an integral part of this balance sheet.

Statement of changes in equity

For the year ended 31 October 2022

	Called-up share capital	Share premium account	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 31 October 2020	3,702	597	2,060	130,007	136,366
Profit for the year and total comprehensive income	-	-	-	6,560	6,560
At 31 October 2021	3,702	597	2,060	136,567	142,926
Profit for the year and total comprehensive income	-	-	-	18,202	18,202
Distributions (note 20)	-	-	-	(60,271)	(60,271)
At 31 October 2022	3,702	597	2,060	94,498	100,857

The accompanying notes are an integral part of this statement of changes in equity.

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the preceding year.

The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report.

a) General information and basis of accounting

NES Group Limited (the company) is a private company limited by shares and incorporated in the United Kingdom under the Companies Act and is registered in England and Wales.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company has taken advantage of section 400 of the Companies Act 2006 in not producing consolidated financial statements, as it is a subsidiary of NES Fircroft Limited which itself produces consolidated financial statements. Copies of these financial statements are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

b) Going concern

The performance, financial position and the key risks impacting the company are detailed in the strategic report and directors' report on pages 2 to 5. The company is a subsidiary of NES Global Talent Limited, which manages its working capital on a pooled basis across the group. Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and received a confirmation from the parent company that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements.

The NES Global Talent group has significant unutilised working capital financing facilities in place and manages its day-to-day working capital requirements through short- and medium-term credit facilities which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk.

On 14 September 2022, NES Fircroft Bondco AS a member of the wider NES Global Talent group, secured committed funding via a senior secured bond which was used for the repayment of the senior term loan held within the group. The bond is due for repayment in 2026 and attracts interest at 11.75%. The group also secured committed funding via a $72m revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026.

The combined group facilities in place at 31 October 2022 consist of a $72 million revolving credit facility and $157 million of invoice discounting facilities. Subsequent to year end, the revolving credit facility was increased by $12 million to $84 million. Despite the continued increase in trade since year end, the group had undrawn committed facilities of $102m at 31 May 2023, showing the group continues to have significant unutilised financing facilities in place.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex EBITDA by 10%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required.

1 Accounting policies (continued)

b) Going concern (continued)
The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to the end of July 2024.

In line with current FRC guidance a reverse stress test was also performed which shows that EBITDA would need to rise or fall by more than double the above sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote.

The directors therefore have a reasonable expectation that the NES Global Talent group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the company as adopted the going concern basis in preparing the financial statements.

c) Other operating income and interest income
Other income consists of franchise fee income charged to other group entities for the provision of support services and is recognised on an accruals basis. Interest income is recognised as interest accrues using the effective interest method.

d) Finance costs
Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

e) Exceptional items
Exceptional items are those that the directors consider need to be disclosed separately in the financial statements to provide a true and fair view by virtue of their size or incidence; all exceptional items are charged in arriving at profit before taxation in the financial statements.

f) Investments
Fixed asset investments are shown at cost, less provision for any impairment.

g) Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	-	over five years
Computer equipment	-	over three years

Assets under the course of construction are recognised within intangible fixed assets where a project is ongoing but is not yet complete. Depreciation is not provided until the asset is fully complete and ready for use.

Residual value is calculated on prices prevailing at the date of acquisition.

1 Accounting policies (continued)

h) Intangible assets
Intangible assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is recognised in administrative expenses and is provided on all intangible assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer software - over five years

Residual value is calculated on prices prevailing at the date of acquisition.

Assets under the course of construction are recognised within intangible fixed assets where a project is ongoing but is not yet complete. Amortisation is not provided until the asset is fully complete and ready for use.

i) Pension costs
The company makes contributions to the personal defined contribution pension schemes of certain employees. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. The pension balance owing at the year-end held on the balance sheet is £28,000 (2021: £17,000).

j) Taxation
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

k) Foreign currency translation
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

l) Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the available exemptions to not disclose:

a) A statement of cash flows;
b) Certain financial instrument disclosures on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated; and
c) Key management personnel compensation in total.

1 Accounting policies (continued)

m) Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

n) Other reserves
Other reserves arose as a result of a waiver of accrued preference share dividends and on the redemption of preference shares.

o) Financial instruments
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

1 Accounting policies (continued)

o) Financial instruments (continued)
Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

p) *Critical accounting judgements*
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 directors do not consider structure there to be any critical accounting judgements that must be applied.

q) *Key sources of estimation uncertainty*
The company makes estimates and assumption concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actuals results. The director do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to carry value of assets and liabilities within the next financial year.

2 Other operating income

	2022	2021
	£'000	£'000
Franchise fees	40,195	22,318

3 Net finance (charges)/income

	2022	2021
	£'000	£'000
Bank interest	803	(946)
Foreign exchange loss	(1,948)	(1,717)
Interest payable to group undertakings	17,892	(10,707)
Interest receivable from group undertakings	(19,362)	13,268
	(2,615)	(102)

4 Profit before taxation

Profit before taxation is stated after charging:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	159	141
Amortisation of intangible assets	865	715
Auditor's remuneration:		
- fees payable to the company's auditor for the audit of the company's financial statements	123	53
- fees payable to the company's auditor for tax advisory services to the company	6	3

5 Exceptional expenditure

	2022 £'000	2021 £'000
Restructuring costs	373	319

Restructuring costs – relate to various restructuring activities.

6 Staff costs

Particulars of employees, are as shown below:

	2022 £'000	2021 £'000
Employee costs during the year amounted to:		
Wages and salaries	11,048	8,362
Social security costs	867	650
Other pension costs	157	124
	12,072	9,136

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

	2022 Number	2021 Number
Administration	155	129

The total amounts for directors' remuneration were as follows:

	2022 £'000	2021 £'000
Emoluments	1,381	1,198

During the year 1 (2021: none) director accrued benefits under money purchase pension schemes. The above amounts for remuneration include the following in respect of the highest paid director:

	2022 £'000	2021 £'000
Emoluments	724	628

7 Tax on profit

The tax charge comprises:

	2022 £'000	2021 £'000
Current tax		
Total current tax charge	2,940	521
Deferred tax		
Origination and reversal of timing differences	-	13
Adjustment in respect of prior periods	(13)	1
Total deferred tax charge (see note 15)	(13)	14
Total tax charge	2,927	535

The differences between the total tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2022 £'000	2021 £'000
Profit before tax	21,128	7,095
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	4,014	1,348
Effects of:		
(Income not taxable)/expenses not deductible for tax purposes	189	8
Adjustments in respect of other taxes	-	97
Group relief claimed for nil consideration	(939)	(970)
Deferred tax on short-term timing differences not previously recognised	-	(11)
Deferred tax rate change adjustment	-	24
Adjustment in respect of withholding taxes	775	424
Impact of overseas subsidiaries being taxed locally and in the UK	(1,100)	(386)
Deferred tax prior year adjustment	(13)	1
Tax charge for the year	2,926	535

UK corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit or loss for the year. An increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 was included in Finance Act 2021 and substantively enacted on 24 May 2021.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their net book value. Deferred tax is determined using the tax rate that has been substantively enacted at the balance sheet date, and that is expected to apply when the related tax asset is realised or the deferred income tax liability is settled.

8 Investments

The company has investments in the following subsidiary undertakings. All subsidiary undertakings are incorporated in the United Kingdom and registered in England and Wales.

Company name	**Principal activity**	**Holding**	**%**
NESCO Holdings Limited	Holding company	Ordinary	100
NES Trustees Limited	Trustee company	Ordinary	100
NES IT Limited	Provision of technical recruitment agency services	Ordinary	100
Aim Academy Limited	Provision of services to the group	Ordinary	100
North Eagle Star Limited	Provision of services to the group	Ordinary	100

The registered address of all of the company's subsidiary undertakings is Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

	Subsidiary undertakings £'000
Cost and net book value	
At 1 November 2021 and 31 October 2022	-

9 Intangible assets

The movement in the year was as follows:

	Assets under construction	Computer software	Total
	£'000	£'000	£'000
Cost			
At 1 November 2021	549	6,122	6,671
Transfers	(541)	541	-
Additions	91	746	837
At 31 October 2022	99	7,409	7,508
Amortisation			
At 1 November 2021	-	4,367	4,367
Charge for the year	-	865	865
At 31 October 2022	-	5,232	5,232
Net book value			
At 31 October 2022	99	2,177	2,276
At 31 October 2021	549	1,755	2,304

Amortisation of intangible assets is included within administrative expenses in the profit and loss account.

10 Tangible fixed assets

The movement in the year was as follows:

	Leasehold improvements £'000	Computer equipment £'000	Total £'000
Cost			
At 1 November 2021	113	796	909
Additions	6	110	116
Disposals	(6)	(325)	(331)
At 31 October 2022	113	581	694
Depreciation			
At 1 November 2021	35	545	580
Charge for the year	22	137	159
Disposals	(6)	(325)	(331)
At 31 October 2022	51	357	408
Net book value			
At 31 October 2022	62	224	286
At 31 October 2021	78	251	329

11 Non-current other debtors

	2022 £'000	2021 £'000
Amounts falling due after one year:		
Amounts owed by group undertakings	358,300	-

Amounts owed by group undertakings are unsecured and there is no intention to recall within the next 12 months. Interest is charged at a rate of between 2%-8%.

12 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	-	495,459
Corporation Tax	465	-
Other debtors	1,298	1,018
Prepayments and accrued income	1,024	934
Value added tax	498	143
	3,285	497,554

Amounts owed by group undertakings in the prior year are unsecured and repayable on demand. Interest is charged at a rate of between 2%-8%.

13 Creditors: Amounts falling due within one year

	2022 £'000	2021 £'000
Bank overdraft	4,000	7,182
Trade creditors	2,512	1,751
Amounts owed to group undertakings	274,417	354,482
Other taxation and social security creditors	56	191
Deferred tax liability (note 15)	79	92
Accruals and deferred income	4,048	2,855
	285,112	366,553

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged at a rate of 2%-9% (2021: 2%-8%).

14 Creditors: Amounts falling due after more than one year

	2022 £'000	2021 £'000
Preference shares	2,425	2,425

This balance consists of 556,700 'A' redeemable preference shares of £1 each and 1,868,450 'B' redeemable preference shares of £1 each. The shares carry no entitlement to dividend and were due to be redeemed for cash at a price of £1 per share on 1 November 2008. However, due to insufficient distributable reserves, the shares have not yet been redeemed. Holders of the redeemable preference shares have one vote for every share held but only on a resolution for the winding-up of the company and on a resolution affecting the rights attached to the shares.

On the return of assets whether in a winding-up or reduction of capital or otherwise, the assets and retained profits of the company available for distribution among the members will be applied as follows: the 'A' and 'B' preference shares will be redeemed at par; the preferred ordinary shareholders will be paid the amounts credited as paid up on the preferred ordinary shares; the ordinary shareholders will be paid the amounts credited as paid up those ordinary shares; the remainder will be distributed to ordinary shareholders, preferred ordinary shareholders and deferred shares in proportions depending on the value and nature of the consideration.

The preference shares are redeemable at any time, however the directors do not anticipate that the shares will be redeemed within the next 12 months. Accordingly, the preference shares are disclosed within amount falling due after more than one year.

15 Deferred tax

At 31 October 2022, there is a deferred tax liability recognised in respect of capital allowances in excess of depreciation, and a deferred tax asset recognised in respect of other short term timing differences.

	2022 £'000	2021 £'000
Beginning of the year	92	78
Prior year adjustments - (credit)/charge	(13)	1
Charge/(credit) for the year	-	(11)
Rate change adjustment	-	24
End of the year liability	79	92

	2022 £'000	2021 £'000
Accelerated capital allowances	135	163
Other short term timing differences	(56)	(71)
	79	92

It is not possible to reliably estimate when the deferred tax liability will reverse.

There are no unrecognised deferred tax balances (2021: £nil).

16 Called-up share capital

	2022 £'000	2021 £'000
Allotted, called-up and fully-paid		
610,000 ordinary shares of 1p each	6	6
8,626,416 preferred ordinary shares of 1p each	86	86
361,000,000 deferred shares of 1p each	3,610	3,610
	3,702	3,702

Deferred shares carry no right to share in any distribution until at least £100 million has been distributed on each ordinary share and preferred ordinary share. Once such amount has been distributed, the deferred shares will rank pari passu with the other classes of shares.

Holders of deferred shares have one vote for every share held but are not entitled to vote at any general meeting of the company.

17 Other reserves

Other reserves arose as a result of a waiver of accrued preference share dividends and on the redemption of preference shares.

18 Guarantees and other financial commitments

The company has entered into a joint guarantee and indemnity in respect of bank facilities granted to fellow subsidiaries amounting to £6,724,000 at 31 October 2022 (2021: £1,468,000).

On 3 October 2013, the company entered into a joint guarantee to a credit agreement. During the year ended 31 October 2018, these banking facilities were refinanced and extended up to a value of $335 million (equivalent of GBP: £259 million). On 18 September 2020, the group entered into a business combination with the Fircroft group. As part of the transaction, the banking facilities were extended up to a value of $347 million (equivalent £271 million). £190 million of the facilities were drawn down at 31 October 2021. On 14 September 2022, NES Fircroft Bondco AS, a member of the wider NES Fircroft Group, secured committed funding via a senior secured bond which was used to fully repay these facilities. The bond totaling $300 million, (equivalent to £258 million), was listed on Borse Frankfurt on 11 October 2022, and is due for repayment in 2026. The company is part of a new joint guarantee of the bond and new RCF of $72 million, (equivalent to £62 million). Subsequent to year end, the new revolving credit facility was increased by $12 million to $84 million, (equivalent to £72 million).

19 Related party transactions

FRS 102 Section 33.1A does not require disclosure of transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is a wholly owned member. These transactions were therefore not disclosed in these financial statements.

AEA Investors LP and Akastor AS are limited partners of NES Global Talent LP (note 21).

Management fees of £500,000 (2021: £500,000) payable to AEA Investors LP and £100,000 payable to Akastor AS (2021: £99,000) were charged to profit and loss during the year. Amounts owing to AEA Investors LP at the balance sheet date are £125,000 (2021: £172,000) and amounts owing to Akastor AS at the balance sheet date are £25,000 (2021: £9,000).

20 Distributions

Distributions shown in the Statement of changes in equity relate to loan balance write offs between NES Group Limited and other group entities on 1st November 2021.

21 Ultimate parent company and ultimate controlling party

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The registered office and place of business of NES Global Talent LP is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

The parent undertaking of the largest group in which these financial statements are consolidated is NES Global Talent Limited. The parent undertaking of the smallest group in which these financial statements are consolidated is NES Fircroft Limited. Copies of the financial statements of NES Global Talent Limited and NES Fircroft Limited are available from its registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.