

Fircroft Engineering Services Limited

Annual report and financial statements
for the period ended 31 October 2021

Registered number: 01405855



Officers and professional advisers

DIRECTORS

J. J. Johnson
S. W. Buckley
S. F. Coton

REGISTERED OFFICE

Lingley House
120 Birchwood Boulevard
Birchwood
Warrington
WA3 7QH

AUDITOR

Deloitte LLP
Statutory Auditor
The Hanover Building
Corporation Street
Manchester
M4 4AH
United Kingdom

BANKERS

HSBC
4 Hardman Square
Manchester
M3 3EB
United Kingdom

Deutsche Bank
345 Park Avenue
New York 101154
USA

RBS
250 Bishopsgate
London
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United Kingdom

Strategic report

For the period ended 31 October 2021

The directors present the strategic report of the company for the period 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 specialist workforce solutions, including highly qualified engineers, project management, project engineering and other related services to the oil and gas, renewables, chemicals, power, and infrastructure markets

Strategy and objectives

Following the challenges faced as a result of the COVID-19 pandemic, the roll-out of the vaccine in the UK has renewed market confidence and the company reported an operating profit for the period. Care has been taken to protect existing client relationships during the pandemic and there will be renewed efforts to build new relationships.

Business review and key performance indicators

The directors consider the company's key performance indicators to be turnover and operating profit. The company has experienced a decrease in turnover of 38% from £323.7m in the 12 months to 31 August 2020 to £199.6m for the 14 month period to 31 October 2021. There was an improvement in operating profit, from £17.7m loss to £3.7m profit over the same periods. This is due to a reduction in contractor numbers as a result of the global COVID pandemic, offset by savings in administrative expenses and exceptional costs following the completion of the merger.

The company has net assets of £2.1m at 31 October 2021 (31 August 2020: net liabilities £6.8m). The financial position at 31 October 2021 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 and interest 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, whilst avoiding excessive levels of debt and/or breach of debt covenants. The company's borrowings are principally in the form of 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 company is a party to a group credit insurance policy, which further mitigates the risk of bad debts.

Management continuously assess the acknowledged interest 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.

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 maintaining the company's competitive advantage.

Strategic report (continued)

For the period ended 31 October 2021

Principal risks and uncertainties (continued)

Coronavirus

The NES Fircroft group experienced a reduction in profits as a direct result of the COVID-19 pandemic which led to short term reductions in activity levels. The group reacted quickly to manage its cost base in line with the reduced activity levels and has taken advantage of government support schemes where available. These actions have resulted in positive cash generation and continued profitability for the group at an EBITDA and operating profit level. The group has significant unutilised working capital financing facilities in place 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.

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.
- 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.

Strategic report (continued)

For the period ended 31 October 2021

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, the group 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.

Future outlook

Management believe that the company will continue to provide manpower and permanent placements throughout the world.

The strategic report of Fircroft Engineering Services 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 period ended 31 October 2021

The directors present their annual report on the affairs of the company, together with the audited financial statements for the period ended 31 October 2021.

Results and dividends

The audited financial statements for the period ended 31 October 2021 are set out on pages 12 to 34. The directors do not recommend the payment of a dividend (31 August 2020: no dividend). No dividends were paid in respect of prior periods during the period.

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 Angola, Azerbaijan, France, Georgia, Ghana, Iraq, Kazakhstan, Kenya, Kurdistan, Russia, South Korea and Uganda.

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 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, post balance sheet events 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:

J. J. Johnson	
J. M. Johnson	(resigned 18 September 2020)
M. Cohen	(resigned 18 September 2020)
K. Hughes	(resigned 18 September 2020)
L. D. Williams	(resigned 18 September 2020)
G. Triggs	(resigned 18 September 2020)
C. Menger	(resigned 18 September 2020)
G. Andrews	(resigned 18 September 2020)
S.W. Buckley	(appointed 18 September 2020)
S.F. Coton	(appointed 18 September 2020)

Directors indemnities

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

Directors' report (continued)

For the period ended 31 October 2021

Employees

The average number of staff during the year was 251 (2020: 378). Details of the number of employees and related costs can be found in note 7 to the financial statements.

Application 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 matter relevant to them as employee through regular meetings and the company intranet. Employee representatives are consulted regularly on wide range of matter 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.

In early 2022, geopolitical tensions around the Russia and Ukraine conflict escalated and continue to cause uncertainty within the region encompassing the Commonwealth of Independent States. As a result, management began proceedings to discontinue activities in this area. Management continue to monitor this situation, with a particular focus on the safety and security for our people in the region until all business activities are closed

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 provisions of s418 of the Companies Act 2006.

Deloitte were appointed as auditor for the first time for the period ended 31 October 2021. 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 judgements 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.

Independent auditor's report to the members of Fircroft Engineering Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Fircroft Engineering Services 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 period 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;
- 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.

Independent auditor's report to the members of Fircroft Engineering Services Limited (continued)

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.

Independent auditor's report to the members of Fircroft Engineering Services Limited (continued)

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them 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 period 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.

Other matter

As the financial statements for the period ended 31 August 2020 were a consolidated group of companies' accounts, the company's prior year profit and loss account and statement of comprehensive income have not previously been presented and as such have not previously been subject to audit.

Independent auditor's report to the members of Fircroft Engineering Services 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 period ended 31 October 2021

	Notes	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (Unaudited) £'000
Turnover	2	199,641	323,690
Cost of sales		<u>(187,714)</u>	<u>(306,003)</u>
Gross profit		11,927	17,687
Other operating expenses		(10,730)	(31,482)
Exceptional items	3	<u>2,538</u>	<u>(3,920)</u>
Operating profit/(loss)		3,735	(17,715)
Dividends receivable	4	8,013	15,031
Net interest payable	5	<u>(471)</u>	<u>(4,036)</u>
Profit/(loss) before taxation	6	11,277	(6,720)
Tax on profit/(loss)	8	<u>(485)</u>	<u>(2,072)</u>
Profit/(loss) for the financial period		<u>10,792</u>	<u>(8,792)</u>

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 period ended 31 October 2021

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (Unaudited) £'000
Profit/(loss) for the financial period	10,792	(8,792)
Exchange (loss)/gain on retranslation of foreign operations	(2,072)	3,951
Total other comprehensive income/(expense)	<u>8,720</u>	<u>(4,841)</u>

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

Balance sheet

As at 31 October 2021

	Notes	31 October 2021 £'000	31 August 2020 (restated) £'000
Fixed assets			
Intangible assets	9	16	1,781
Tangible assets	10	184	772
Investments	11	3,240	3,345
		<u>3,440</u>	<u>5,898</u>
Current assets			
Debtors: amounts falling due within one year	12	66,134	44,802
Cash at bank and in hand		3,324	5,150
		<u>69,351</u>	<u>49,952</u>
Creditors: Amounts falling due within one year	13	<u>(70,785)</u>	<u>(62,655)</u>
Net current liabilities		<u>(1,327)</u>	<u>(12,706)</u>
Total assets less current liabilities		<u>2,113</u>	<u>(6,805)</u>
Net assets/(liabilities)		<u>2,113</u>	<u>(6,805)</u>
Capital and reserves			
Called up share capital	15	6	6
Share premium	15	198	-
Capital redemption reserve	16	3,100	3,100
Other reserves	16	3,207	3,207
Profit and loss account		(4,398)	(13,118)
Shareholder's funds/(deficit)		<u>2,113</u>	<u>(6,805)</u>

The financial statements of Fircroft Engineering Services Limited registered company number 01405855, 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 period ended 31 October 2021

	Called up share capital £'000	Share premium £'000	Merger relief reserve £'000	Other reserves £'000	Profit & loss account £'000	Total shareholder's equity £'000
Balance at 1 September 2019	6	-	3,100	3,207	(8,277)	(1,964)
Loss for the financial year	-	-	-	-	(8,792)	(8,792)
Exchange gain on retranslation of foreign operations	-	-	-	-	3,951	3,951
Total comprehensive loss	-	-	-	-	(4,841)	(4,841)
Balance at 31 August 2020	<u>6</u>	<u>-</u>	<u>3,100</u>	<u>3,207</u>	<u>(13,118)</u>	<u>(6,805)</u>
Profit for the financial period	-	-	-	-	10,792	10,792
Exchange loss on retranslation of foreign operations	-	-	-	-	(2,072)	(2,072)
Total comprehensive profit	-	-	-	-	8,720	8,720
Share issue (note 15)	-	198	-	-	-	198
Balance at 31 October 2021	<u>6</u>	<u>198</u>	<u>3,100</u>	<u>3,207</u>	<u>(4,398)</u>	<u>2,113</u>

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

Notes to the financial statements

For the period 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 and basis of accounting

Fircroft Engineering Services 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 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.

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 6. The company is a subsidiary of NES Fircroft 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. 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.

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

Notes to the financial statements (continued)

For the period ended 31 October 2021

1 Accounting policies (continued)

b) Going concern (continued)

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) 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 worked by contractors hired out and on the start date for permanent placements

d) 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 £95,000 (2020: £516,000) of government grants in respect of the UK Government furlough scheme.

e) Foreign currency

Transactions in foreign currencies are translated into the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the company's presentational currency, Pounds Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Notes to the financial statements (continued)

For the period ended 31 October 2021

1 Accounting policies (continued)

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:

Leasehold improvements	-	lease term
Motor vehicles	-	over four years
Office equipment	-	over five years
Computer equipment	-	over three to five years

Residual value is calculated on prices prevailing at the date of acquisition.

g) *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.

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; all exceptional items are charged in arriving at profit before taxation in the financial statements.

i) *Investments*

Fixed assets investments are stated at cost, less provision for any impairment.

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 £363,000 (31 August 2020: £208,000).

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.

Notes to the financial statements (continued)

For the period ended 31 October 2021

1 Accounting policies (continued)

l) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

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.

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 an 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.

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) 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.

Notes to the financial statements (continued)

For the period ended 31 October 2021

1 Accounting policies (continued)

p) Financial instruments (continued)

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.

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.

s) Merger and extension of reporting period

On 18 September 2020, the businesses trading as Fircroft and NES Global Talent combined to form the new NES Fircroft group. The NES Global Talent group specialise in contract, permanent placement and managed services to assist clients and candidates across some of the world's most challenging projects and operations. The newly combined group form one of the world's largest engineering workforce providers.

As part of the merger, NES Fircroft Limited acquired control of Fircroft Engineering Services Limited. To bring the financial year end of Fircroft Engineering Services Limited in line with the NES Fircroft group, the current reporting period has been extended to 31 October 2021 and covers a period of 14 months. The prior year comparatives have a reporting date of 31 August 2020 and cover a period of 12 months.

As the financial statements for the period ended 31 August 2020 were a consolidated group of companies' accounts, the company's prior year profit and loss account and statement of comprehensive income have not previously been presented and as such have not previously been subject to audit.

Notes to the financial statements (continued)

For the period ended 31 October 2021

1 Accounting policies (continued)

t) Restatement of prior period comparatives

In the prior year financial statements, certain adjustments were not recorded within the balance sheet at 31 August 2020. The adjustments relate to balance sheet restatements between investments, debtors and creditors and the correction of costs recorded which should have been distributed to other group companies. In the current period, these year-end journals have been reassessed and have now been correctly reflected in the prior year balance sheet and the relevant notes to the accounts. The result of incorporating these year-end journals is a decrease to retained earnings of £848,000 with the same impact on the loss recorded in the prior year. A summary of the year-end journals alongside the accounts they impact is included below:

1. Decrease in investments - reflecting the correct impairment of £1,760,000 previously recognised within the bad debt provision.
2. Increase in debtors - reflecting the opposite side of the impairment entry noted in section 1 above, plus a reclassification of £1,362,000 between the prior year profit and loss and current intercompany debtors for costs initially recorded in the company but subsequently recharged to other entities in the former Fircroft group, less an adjustment of £146,000 to the bad debt provision (with an increase in the corresponding expense) in respect of intercompany receivables with certain group entities.
3. Increase in creditors – reflecting an adjustment of £2,093,000 for liabilities relating to another entity in the former Fircroft group for which Fircroft Engineering Services Limited is liable, with a corresponding adjustment to profit and loss in the prior year.
4. The additional immaterial year end journals with a net impact of £29,000 to retained earnings.

2 Turnover by country

Turnover is attributable to the principal activity of the company performed within the United Kingdom and Europe.

3 Exceptional items

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
Deal costs	348	-
Restructuring	(2,886)	3,920
	<u>(2,538)</u>	<u>3,920</u>

Deal costs – fees and other costs directly attributable to completed transactions

Restructuring – relate to various restructuring activities, contractor and other legal/tax claims in line with reduced business activity.

Notes to the financial statements (continued)

For the period ended 31 October 2021

4 Dividends receivable

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
Dividends receivable from subsidiary undertakings	<u>8,013</u>	<u>15,031</u>

5 Net interest payable and similar charges

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
Interest and charges on invoice discounting facility	1,683	1,495
Interest and charges on revolving credit facility	7	645
Other financing charges and interest	-	788
Intercompany interest receivable	(345)	(111)
Intercompany interest payable	179	921
Foreign exchange (gain)/loss	(1,053)	298
	<u>471</u>	<u>4,036</u>

6 Loss before taxation

Loss before taxation is stated after charging:

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
Depreciation of tangible fixed assets	664	268
Amortisation of intangible assets	1,859	301
Impairment of investments	-	1,302
Gain on disposal of fixed assets	-	(3)
Operating lease rentals	790	1,237
Auditor's remuneration:		
- fees payable to the company's auditor for the audit of the company's financial statements	221	484
	<u>2,234</u>	<u>3,189</u>

The company's auditor for the audit of the company's financial statements for the year ended 31 August 2020 was KPMG.

Notes to the financial statements (continued)

For the period ended 31 October 2021

7 Staff costs

Particulars of employees are as shown below:

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
Employee costs during the year amounted to:		
Wages and salaries	8,234	14,254
Social security costs	844	1,474
Other pension costs	188	301
	<u>9,266</u>	<u>16,029</u>

The average monthly number of persons employed by the company (excluding directors) during the period was as follows:

	Period ended 31 October 2021 Number	Year ended 31 August 2020 (unaudited) Number
Sales and administration	<u>251</u>	<u>378</u>

The total amounts for directors' remuneration were as follows:

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
Emoluments	<u>170</u>	<u>-</u>

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:

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
Emoluments	<u>170</u>	<u>-</u>

Notes to the financial statements (continued)

For the period ended 31 October 2021

8 Tax on profit/(loss)

The tax charge comprises:

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
<i>Current tax on profit/(loss)</i>		
Current tax – overseas taxation	268	1,462
Adjustment in respect of prior years – overseas taxation	365	500
Total current tax	<u>633</u>	<u>1,962</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(92)	(58)
Adjustment in respect of prior years	(56)	168
Total deferred tax (note 14)	<u>(148)</u>	<u>110</u>
Total tax charge on profit/(loss)	<u>485</u>	<u>2,072</u>

The differences between the total tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax are as follows:

	Period ended 31 October 2021 £'000	Year ended 31 August 2020 (unaudited) £'000
Profit/(loss) before tax	<u>11,277</u>	<u>(6,720)</u>
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	2,143	(1,277)
Effects of:		
Expenses not deductible for tax purposes	885	2,531
Interest not deductible for tax purposes	178	-
Income not deductible for tax purposes	(2,437)	(2,856)
Group relief claimed for nil consideration	(108)	-
Prior period adjustments	309	303
Deferred tax on short-term timing differences not previously recognised	(92)	18
Deferred tax not recognised	221	2,140
Use of brought forward tax losses	(882)	-
Unrelieved foreign tax	268	1,192
Effect of higher taxes in foreign jurisdictions	-	21
Total tax charge on profit/(loss)	<u>485</u>	<u>2,072</u>

Notes to the financial statements (continued)

For the period ended 31 October 2021

8 Tax on profit/(loss) (continued)

UK corporation tax is calculated at 19% (2020: 19%) of the estimated taxable profit or loss for the period. 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 Intangible fixed assets

The movement in the period was as follows:

	Computer software £'000	Assets in the course of construction £'000	Total £'000
Cost			
Beginning of the period	2,108	780	2,888
Additions	98	-	98
Transfers	780	(780)	-
Disposals	(2,949)	-	(2,949)
Exchange rate movements	1	-	1
End of the period	<u>38</u>	<u>-</u>	<u>38</u>
Amortisation			
Beginning of the period	1,107	-	1,107
Charge for the period	1,859	-	1,859
Disposals	(2,949)	-	(2,949)
Exchange rate movements	5	-	5
End of the period	<u>22</u>	<u>-</u>	<u>22</u>
Net book value			
Beginning of the period	<u>1,001</u>	<u>780</u>	<u>1,781</u>
End of the period	<u>16</u>	<u>-</u>	<u>16</u>

Notes to the financial statements (continued)

For the period ended 31 October 2021

10 Tangible fixed assets

The movement in the period was as follows:

	Leasehold improvements £'000	Motor vehicles £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost					
Beginning of the period	1,147	50	875	2,768	4,840
Additions	-	3	20	87	110
Disposals	(835)	(15)	(715)	(2,729)	(4,294)
Exchange rate movements	-	(2)	(6)	(6)	(14)
End of the period	<u>312</u>	<u>36</u>	<u>174</u>	<u>120</u>	<u>642</u>
Depreciation					
Beginning of the period	597	44	827	2,600	4,068
Charge for the period	472	3	16	173	664
Disposals	(835)	(15)	(715)	(2,729)	(4,294)
Exchange rate movements	(3)	(3)	14	12	20
End of the period	<u>231</u>	<u>29</u>	<u>142</u>	<u>56</u>	<u>458</u>
Net book value					
Beginning of the period	<u>550</u>	<u>6</u>	<u>48</u>	<u>168</u>	<u>772</u>
End of the period	<u>81</u>	<u>7</u>	<u>32</u>	<u>64</u>	<u>184</u>

11 Investments

	31 October 2021 £'000	31 August 2020 (restated) £'000
At the beginning of the period	3,345	11,216
Additions	126	210
Disposals	(222)	-
Impairment	(9)	(8,081)
At the end of the period	<u>3,240</u>	<u>3,345</u>

On 18 September 2020, Fircroft Engineering Services Limited purchased 1 ordinary share of £1 in Fircroft Technical Services UK Limited at a premium of £126,000. On the same day the 100% shareholding of this entity of £126,000 was disposed for £nil consideration, being the fair market value, resulting in a loss on disposal of £126,000 included within exceptional items in the profit & loss account.

On 31 December 2020 the 50.1% shareholding in the joint venture, Tier2 IPMT Limited, with a current carrying value of £nil was disposed of for no consideration. Deferred consideration owed of £105,000 was written off, resulting in a gain on disposal of £105,000 included within exceptional items in the profit & loss account (note 13).

Notes to the financial statements (continued)

For the period ended 31 October 2021

11 Investments (continued)

On 31 January 2021 the 49% holding in the joint venture, Fircroft Tanjung Sdn Bhd, with a current carrying value of £96,000 was disposed of for a consideration of £96,000, resulting in a £nil gain or loss on disposal.

A list of all subsidiary undertakings including the name, principal activity, registered office address and country of incorporation is shown in note 21.

12 Debtors

	31 October 2021	31 August 2020 (restated)
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	27,609	19,702
Prepayments	391	1,198
Accrued income and work in progress	2,831	11,640
Other debtors	1,430	5,000
Deferred tax asset (see note 14)	317	131
Corporation tax receivable	824	496
Amounts owed by group undertakings	32,732	6,635
	<u>66,134</u>	<u>44,802</u>

Amounts owed by group undertakings are unsecured and repayable on demand. Interest is charged at a rate of between 2%-5%.

13 Creditors: Amounts falling due within one year

	31 October 2021	31 August 2020 (restated)
	£'000	£'000
Bank overdrafts	11,062	11,981
Amounts owed to group company	35,238	7,664
Amounts owed to related parties	-	941
Trade creditors	257	3,876
Corporation tax payable	30	459
Deferred tax liability (see note 14)	77	16
Deferred consideration (note 11)	-	105
Social security and other taxes	6,598	19,889
Accruals and deferred income	17,523	17,724
	<u>70,785</u>	<u>62,655</u>

The bank overdraft is part of a group banking facility and is secured by joint guarantees and indemnities and a fixed and floating charge over the company's assets.

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged at a rate of between 3% - 7%.

Notes to the financial statements (continued)

For the period ended 31 October 2021

14 Deferred tax

At 31 October 2021, there is a net deferred tax asset recognised in respect of short term timing differences in Fircroft Engineering Services Limited and its overseas branches.

	31 October 2021 £'000	31 August 2020 £'000
Other short term timing differences	<u>240</u>	<u>115</u>

	31 October 2021 £'000	31 August 2020 £'000
Beginning of the period	115	263
Prior year adjustments – credit/(charge)	56	(168)
Credit for the period	92	58
Rate change adjustment	-	(38)
Foreign exchange movement	(23)	-
End of the period	<u>240</u>	<u>115</u>

A deferred tax asset on losses of £37.9m (31 August 2020: £42.0m) has not been recognised due to the uncertainty of the utilisation of the tax losses.

15 Share capital

	31 October 2021 £'000	31 August 2020 £'000
<i>Allotted, called-up and fully-paid</i>		
552,612 ordinary shares of £0.01 each	6	6
Share premium	198	-
	<u>204</u>	<u>6</u>

On 18 September 2020, Fircroft Engineering Services Limited issued 1 ordinary share of £0.01 at a premium of £198,000.

Notes to the financial statements (continued)

For the period ended 31 October 2021

16 Other reserves

The other reserve represents consideration from one or more shareholders without a contractual obligation to make any repayment (a capital contribution), this represents an increase in equity and is recognised in a separate reserve.

The capital redemption reserve represents the nominal value of shares redeemed, created through a transfer from profit and loss, to ensure the capital position of the company is maintained.

17 Guarantees and other financial commitments

a) Lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	31 October 2021	31 August 2020 (unaudited)
	£'000	£'000
<i>Leases which expire:</i>		
- within one year	602	590
- between one and five years	1,979	2,186
- more than five years	-	422
	<u>2,581</u>	<u>3,198</u>

An element of the commitment is recharged across other UK subsidiary companies. Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

b) Commitments on behalf of group undertakings

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).

Notes to the financial statements (continued)

For the period ended 31 October 2021

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.

There were no material related party transactions entered into during the year that have not been conducted under normal market conditions.

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.

In early 2022, geopolitical tensions around the Russia and Ukraine conflict escalated and continue to cause uncertainty within the region encompassing the Commonwealth of Independent States. As a result, management began proceedings to discontinue activities in this area. Management continue to monitor this situation, with a particular focus on the safety and security for our people in the region until all business activities are closed

20 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

Notes to the financial statements (continued)

For the period ended 31 October 2021

21 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 Fircroft Australia Pty Limited (1)	Parmelia House Level 12, 191 St Georges Terrace, Perth, WA 6000, Australia	Australia	100%
Fircroft Azerbaijan LLC (1)	15 Nobel Avenue, Khatai district Baku, AZ1025, Azerbaijan	Azerbaijan	100%
Fircroft Caspian Services LLC (1)	15 Nobel Avenue, Khatai district Baku, AZ1025, Azerbaijan	Azerbaijan	100%
Fircroft (Canada) Limited (1)	4500, 855 – 2 nd Street, S.W. Calgary, Alberta, Canada	Canada	100%
Fircroft Engineering Services ApS (1)	C/o GTS Nordic ApS, Kalkbraenderilobskaj 6, 2100 Kobenhavn 0	Denmark	100%
Fircroft Engineering Services Limited SARL (3)	Montagne Sainte (à côté d'Air France) BP 74 19, Liberville, Gabon	Gabon	100%
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%
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%
Fircroft India Pvt Limited (3)	Fortune Chambers, 1st Floor, No8 Lalbagh Road, Richmond Circle, Bangalore, 560027, Karnataka, India	India	100%
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%
Fircroft CIS LLP (1)	17B Kanysh Satpayev street, 2nd Floor, BC Atyrau Plaza, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	100%

Notes to the financial statements (continued)

For the period ended 31 October 2021

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Fircroft Engineering Services Kazakhstan LLP (1)	17B Kanysh Satpayev street, 2nd Floor, BC Atyrau Plaza, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	20%
Fircroft GATE LLP (1)	Apart 157, 58 Istai Avenue, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	100%
Union Star TDK (1)	285/3 Tole bi Street, Auezov District, Almaty, 050000, 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%
Fircroft Malaysia SDN BHD (2)	Unit 30-01, Level 30, Tower A The Vertical Business Suite Avenue, 8, Jalan Kerinchi Bangsar South 59200 Kuala Lumpur, Malaysia	Malaysia	100%
Fircroft Mauritanie SARL (3)	C/o Exco Afrique GHA-Mauritanie, 80 11ot C 26014 Kzar-ouest, Nouakchott, Mauritania	Mauritania	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. (3)	Angel Urraza #314, Colonia Del Valle, Benito Juarez, Mexico C.P. 03100	Mexico	100%
Fircroft Mozambique Limitada (1)	Rua dos Desportistas, nº 833.Edifício JAT V-1, 15º andar Maputo, Mozambique	Mozambique	100%
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%
Fircroft PNG Limited (1)	Hlb Niugini, Level 3, Adf Haus, Musgrave Street, Port Moresby, National Capital	Papua New Guinea	100%
Fircroft Portugal Limitada (2)	Rua Afonso Praça, nº 30, 1º D, 1495 – 061 Alges, Lisboa, Portugal	Portugal	100%
Fircroft Qatar LLC (4)	Office No. 1101, 11th Floor, Marina Twin Towers, Lusail, PO BOX 200183, DOHA, QATAR	Qatar	49%
Fircroft LLC (1)	Office 8, 21 Trubnaya Street, Moscow, 127051, Russia	Russia	100%
Rize Al Arabia Al Saudia Limited (1)	Seder Village, Al-Khaleej Area, Salman Al Farsi Road, PO Box 250 305, Riyadh-11391, Saudi Arabia	Saudi Arabia	49%

Notes to the financial statements (continued)

For the period ended 31 October 2021

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Fircroft Senegal SARL (1)	Dakar (Senegal), Plateau Azur 15 Building 12, Djily Mbaye Boulevard, BP: 50.555 Dakar	Senegal	100%
Fircroft Private Limited (1) (Singapore)	9 Raffles Place, #6 Republic Plaza, Singapore, 049909	Singapore	100%
Fircroft Group SA (Pty) Ltd (3)	1st Floor, Convention Towers, Cnr of Heerengracht and Walter Sisulu Street Foreshore, Cape Town, 8001, South Africa	South Africa	100%
Fircroft South Africa Pty Ltd (1)	1st Floor, Convention Towers, Cnr of Heerengracht and Walter Sisulu Street Foreshore, Cape Town, 8001, South Africa	South Africa	100%
Fircroft Tanzania Limited (1)	357 United Nations Road, Dar es Sallam, Tanzania	Tanzania	100%
Fircroft Engineering Services Recruitment (Thailand) Limited (1)	22nd Floor, 2202, Pacific Place II, 142 Sukhumvit Road, Bangkok, Thailand	Thailand	100%
NES Fircroft (Thailand) Limited	399 Interchange Building, 35th Floor, Sukhumvit Road, Klongtoey-Nua, Wattana, Bangkok, 10900, Thailand	Thailand	100%
NES Fircroft Engineering (Thailand) Limited (2)	399 Interchange Building, 35th Floor, Sukhumvit Road, Klongtoey-Nua, Wattana, Bangkok, 10900, Thailand	Thailand	49%
Fircroft Engineering Services B.V. (1)	Parkstraat 83 2514JG's-Gavenhage, Netherlands	The Netherlands	100%
Fircroft Trinidad Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad and Tobago	Trinidad & Tobago	100%
Fircroft Engineering Services (Northern) Limited (3)	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 Kazakhstan Trustee Limited (2)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
International Workforce Solutions Limited (3)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Italic Managed Solutions Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Johnson Knight International Holdings Limited (3)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%

Notes to the financial statements (continued)

For the period ended 31 October 2021

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Johnson Knight International Limited (3)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	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 (3)	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%
Fircroft Ukraine LLC (1)	Office 7, 6/11 Velyka Zhytomyska Street, Kyiv, 01034, Ukraine	Ukraine	100%
Fircroft Recruitment Services LLC (1)	Block 17, Office 205, Dubai Knowledge Village, Dubai, UAE, PO Box 27131	United Arab Emirates	100%
Fircroft SPC Limited (1)	506734, 6th Floor, Office 616, Liberty House, Dubai International Financial Centre, Dubai, United Arab Emirates	United Arab Emirates	100%
Fircroft Inc (1)	3411 Silverside Road, Suite 104, Wilmington, Delaware, 19810	USA	100%
Fircroft International Inc (3)	1155 Dairy Ashford, Suite 750, Houston, 77079	USA	100%
Fircroft Professional Solutions Inc (1)	Three Riverway, Suite 825, Houston, TX 7705	USA	100%
Fircroft (Vietnam) Company Limited (1)	Suite S02, SEN office Business Center, L18-11-13, 18th floor, Vincom Center Dong Khoi Building, No.72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Vietnam	100%

Principal activities of related undertakings:

1. Provision of technical recruitment agency services
2. Intermediate holding company
3. Dormant company
4. Provision of technical engineering consultancy services overseas and holding company

Fircroft Engineering Services Limited

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

Registered number: 01405855

Officers and professional advisers

DIRECTORS

J. J. Johnson
S. W. Buckley
S. F. Coton

REGISTERED OFFICE

Lingley House
120 Birchwood Boulevard
Birchwood
Warrington
WA3 7QH

AUDITOR

Deloitte LLP
Statutory Auditor
The Hanover Building
Corporation Street
Manchester
M4 4AH
United Kingdom

BANKERS

HSBC
4 Hardman Square
Manchester
M3 3EB
United Kingdom

Deutsche Bank
345 Park Avenue
New York 101154
USA

RBS
250 Bishopsgate
London
EC2M 4AA
United Kingdom

Strategic report

For the year ended 31 October 2022

The directors present the strategic report of 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 specialist workforce solutions, including highly qualified engineers, project management, project engineering and other related services to the oil and gas, renewables, chemicals, power, and infrastructure markets

Business review and key performance indicators

The directors consider the company's key performance indicators to be turnover and operating profit. The company has experienced a decrease in turnover of 30% from £199.6m in the 14 months period to 31 October 2021 to £138.9m for the 12 months to 31 October 2022. There was a decline in operating profit, from £3.7m profit to £1.8m loss over the same periods. This is due to the change in length of reporting period, a reduction in contractor numbers compared to the prior year as a result of contracts being novated to other entities in the group, and increased exceptional costs due to the liquidation of subsidiaries.

The company has net assets of £5.5m at 31 October 2022 (31 October 2021: £2.1m). The financial position at 31 October 2022 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 and interest 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, whilst avoiding excessive levels of debt and/or breach of debt covenants. The company's borrowings are principally in the form of 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 company is a party to a group credit insurance policy, which further mitigates the risk of bad debts.

Management continuously assess the acknowledged interest 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.

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 maintaining the company's competitive advantage.

These risks are kept under constant review.

Strategic report (continued)

For the year ended 31 October 2022

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 year, 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. During the year, 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.

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, the group were able to reduce our emissions by 16% (2021: 9%) overall, consistent with our target for a year-on-year reduction in energy consumption.

Strategic report (continued)

For the year ended 31 October 2022

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.

Future outlook

Management believe that the company will continue to provide manpower and permanent placements throughout the world.

The strategic report of Fircroft Engineering Services Limited was approved by the board of directors and signed on its behalf on 30 June 2023 by:

A handwritten signature in black ink, appearing to be 'S.W. Buckley', written in a cursive style.

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 33. The directors do not recommend the payment of a dividend (31 October 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 Angola, Azerbaijan, France, Georgia, Ghana, Iraq, Kazakhstan, Kenya, Kurdistan, Russia, South Korea and Uganda.

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, post balance sheet events 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:

J. J. Johnson
S.W. Buckley
S.F. Coton

Directors indemnities

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

Directors' report (continued)

For the year ended 31 October 2022

Employees

The average number of staff during the year was 97 (2021: 251). Details of the number of employees and related costs can be found in note 7 to the financial statements.

Application 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 matter relevant to them as employee through regular meetings and the company intranet. Employee representatives are consulted regularly on wide range of matter affecting their interests.

Post balance sheet events

On 2 February 2023, NES Fircroft Australia Pty Limited, a subsidiary of Fircroft Engineering Services Limited, acquired Evolve Scientific Recruitment Pty Limited for consideration of AUD\$32,000,000 (£18,297,000). The company, based in Australia, specialises in scientific and technical recruitment.

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 provisions of s418 of the Companies Act 2006.

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 judgements 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.

Independent auditor's report to the members of Fircroft Engineering Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Fircroft Engineering Services 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 22.

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.

Independent auditor's report to the members of Fircroft Engineering Services Limited (continued)

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 the UK Companies Act and UK 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 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 exceptional items paper which details all exceptional items recognised for the year ended 31 October 2022; and
 - 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 the company's accounting policy and IAS 1 requirements and agreed to supporting documentation which includes but is 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.

Independent auditor's report to the members of Fircroft Engineering Services Limited (continued)

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	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Turnover	2	138,872	199,641
Cost of sales		<u>(131,400)</u>	<u>(187,714)</u>
Gross profit		7,472	11,927
Other operating expenses		(5,656)	(10,730)
Exceptional items	3	<u>(3,658)</u>	<u>2,538</u>
Operating (loss)/profit		(1,842)	3,735
Dividends receivable	4	4,144	8,013
Net interest payable	5	<u>(447)</u>	<u>(471)</u>
Profit before taxation	6	1,855	11,277
Tax on profit	8	<u>537</u>	<u>(485)</u>
Profit for the financial year		<u><u>2,392</u></u>	<u><u>10,792</u></u>

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

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Profit for the financial year	2,392	10,792
Exchange gain/(loss) on retranslation of foreign operations	2,482	(2,072)
Total other comprehensive income	<u>4,874</u>	<u>8,720</u>

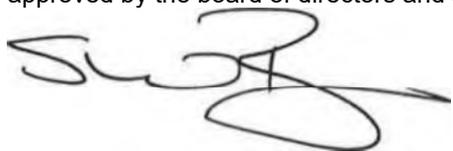
The accompanying notes are an integral part of this statement of comprehensive income.

Balance sheet

As at 31 October 2022

	Notes	31 October 2022 £'000	31 October 2021 £'000
Non-current assets			
Intangible assets	9	13	16
Tangible assets	10	87	184
Investments	11	3,044	3,240
Deferred tax asset	15	873	-
Non-current other receivables	12	34,382	-
		<u>38,399</u>	<u>3,440</u>
Current assets			
Debtors: amounts falling due within one year	13	23,486	66,134
Cash at bank and in hand		776	3,324
		<u>24,262</u>	<u>69,458</u>
Creditors: Amounts falling due within one year	14	<u>(57,140)</u>	<u>(70,785)</u>
Net current liabilities		<u>(32,878)</u>	<u>(1,327)</u>
Total assets less current liabilities		<u>5,521</u>	<u>2,113</u>
Net assets		<u>5,521</u>	<u>2,113</u>
Capital and reserves			
Called up share capital	16	6	6
Share premium	16	198	198
Capital redemption reserve	17	3,100	3,100
Other reserves	17	3,207	3,207
Profit and loss account		(990)	(4,398)
Shareholder's funds		<u>5,521</u>	<u>2,113</u>

The financial statements of Fircroft Engineering Services Limited registered company number 01405855, 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 £'000	Merger relief reserve £'000	Other reserves £'000	Profit & loss account £'000	Total shareholder's equity £'000
Balance at 31 August 2020	6	-	3,100	3,207	(13,118)	(6,805)
Profit for the financial period	-	-	-	-	10,792	10,792
Exchange loss on retranslation of foreign operations	-	-	-	-	(2,072)	(2,072)
Total comprehensive profit	-	-	-	-	8,720	8,720
Share issue (note 16)	-	198	-	-	-	198
Balance at 31 October 2021	<u>6</u>	<u>198</u>	<u>3,100</u>	<u>3,207</u>	<u>(4,398)</u>	<u>2,113</u>
Profit for the financial year	-	-	-	-	2,392	2,392
Exchange gain on retranslation of foreign operations	-	-	-	-	2,482	2,482
Total comprehensive profit	-	-	-	-	4,874	4,874
Distributions made following intercompany loans forgiven	-	-	-	-	(1,466)	(1,466)
Balance at 31 October 2022	<u>6</u>	<u>198</u>	<u>3,100</u>	<u>3,207</u>	<u>(990)</u>	<u>5,521</u>

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 2022

1 Accounting policies

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

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

Fircroft Engineering Services 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 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.

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 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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

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 has adopted the going concern basis in preparing the financial statements.

c) 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 worked by contractors hired out and on the start date for permanent placements.

d) 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 (2021: £95,000) of government grants in respect of the UK Government furlough scheme.

e) Foreign currency

Transactions in foreign currencies are translated into the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the company's presentational currency, Pounds Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Notes to the financial statements (continued)

For the year ended 31 October 2022

1 Accounting policies (continued)

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:

Leasehold improvements	-	lease term
Motor vehicles	-	over four years
Office equipment	-	over five years
Computer equipment	-	over three to five years

Residual value is calculated on prices prevailing at the date of acquisition.

g) *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.

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; all exceptional items are charged in arriving at profit before taxation in the financial statements.

i) *Investments*

Fixed assets investments are stated at cost, less provision for any impairment.

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 £164,000 (31 October 2021: £363,000).

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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

1 Accounting policies (continued)

l) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

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.

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 an 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.

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) 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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

1 Accounting policies (continued)

p) Financial instruments (continued)

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.

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.

s) Merger and extension of reporting period

On 18 September 2020, the businesses trading as Fircroft and NES Global Talent combined to form the new NES Fircroft group. The NES Global Talent group specialise in contract, permanent placement and managed services to assist clients and candidates across some of the world's most challenging projects and operations. The newly combined group form one of the world's largest engineering workforce providers.

As part of the merger, NES Fircroft Limited acquired control of Fircroft Engineering Services Limited. To bring the financial year end of Fircroft Engineering Services Limited in line with the NES Fircroft group, the prior reporting period was extended to 31 October 2021 and covers a period of 14 months. The current year covers a period of 12 months.

2 Turnover by country

Turnover is attributable to the principal activity of the company performed within the United Kingdom and Europe.

Notes to the financial statements (continued)

For the year ended 31 October 2022

3 Exceptional items

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Deal costs	-	348
Restructuring	3,658	(2,886)
	<u>3,658</u>	<u>(2,538)</u>

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

Restructuring – relate to various restructuring activities, contractor and other legal/tax claims in line with reduced business activity.

4 Dividends receivable

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Dividends receivable from subsidiary undertakings	<u>4,144</u>	<u>8,013</u>

5 Net interest payable and similar charges

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Interest and charges on invoice discounting facility	364	1,683
Interest and charges on revolving credit facility	-	7
Intercompany interest receivable	(1,908)	(345)
Intercompany interest payable	1,168	179
Foreign exchange loss/(gain)	823	(1,053)
	<u>447</u>	<u>471</u>

Notes to the financial statements (continued)

For the year ended 31 October 2022

6 Profit before taxation

Profit before taxation is stated after charging:

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Depreciation of tangible fixed assets	101	664
Amortisation of intangible assets	5	1,859
Operating lease rentals	279	790
Auditor's remuneration: - fees payable to the company's auditor for the audit of the company's financial statements	129	221

7 Staff costs

Employee costs during the year amounted to:

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Wages and salaries	4,375	8,234
Social security costs	427	844
Other pension costs	70	188

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

	Year ended 31 October 2022 Number	Period ended 31 October 2021 Number
Sales and administration	97	251

The total amounts for directors' remuneration were as follows:

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Emoluments	-	170

Notes to the financial statements (continued)

For the year ended 31 October 2022

7 Staff costs (continued)

During the year no (2021: none) directors accrued benefits under money purchase pension schemes. The above amounts for remuneration include the following in respect of the highest paid director:

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Emoluments	-	170

During the current year, no remuneration has been paid to the directors, their costs are now 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 (credit)/charge comprises:

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
<i>Current tax on profit</i>		
Current tax – overseas taxation	149	268
Adjustment in respect of prior years – overseas taxation	(364)	365
Total current tax	(215)	633
<i>Deferred tax</i>		
Origination and reversal of timing differences	(322)	(92)
Adjustment in respect of prior years	-	(56)
Total deferred tax (note 15)	(322)	(148)
Total tax (credit)/charge on (loss)/profit	(537)	485

Notes to the financial statements (continued)

For the year ended 31 October 2022

8 Tax on profit (continued)

The differences between the total tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax are as follows:

	Year ended 31 October 2022 £'000	Period ended 31 October 2021 £'000
Profit before tax	1,855	11,277
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	352	2,143
Effects of:		
Expenses not deductible for tax purposes	392	885
Interest not deductible for tax purposes	-	178
Income not taxable for tax purposes	(787)	(2,437)
Group relief surrendered/(claimed) for nil consideration	77	(108)
Prior period adjustments	(364)	309
Deferred tax on short-term timing differences not previously recognised	(322)	(92)
Deferred tax not recognised	(34)	221
Use of brought forward tax losses	-	(882)
Unrelieved foreign tax	149	268
Total tax (credit)/charge for the period	(537)	485

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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

9 Intangible fixed assets

The movement in the year was as follows:

	Computer software £'000	Total £'000
Cost		
Beginning of the year	38	38
Exchange rate movements	10	10
End of the year	<u>48</u>	<u>48</u>
Amortisation		
Beginning of the year	22	22
Charge for the year	5	5
Exchange rate movements	8	8
End of the year	<u>35</u>	<u>35</u>
Net book value		
Beginning of the year	<u>16</u>	<u>16</u>
End of the year	<u>13</u>	<u>13</u>

Notes to the financial statements (continued)

For the year ended 31 October 2022

10 Tangible fixed assets

The movement in the year was as follows:

	Leasehold improvements £'000	Motor vehicles £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost					
Beginning of the year	312	36	174	120	642
Additions	2	-	2	38	42
Disposals	-	(36)	(29)	(79)	(144)
Exchange rate movements	-	-	3	23	26
End of the year	<u>314</u>	<u>-</u>	<u>150</u>	<u>102</u>	<u>566</u>
Depreciation					
Beginning of the year	231	29	142	56	458
Charge for the year	57	2	13	29	101
Disposals	-	(31)	(28)	(27)	(86)
Exchange rate movements	1	-	2	3	6
End of the year	<u>289</u>	<u>-</u>	<u>129</u>	<u>61</u>	<u>479</u>
Net book value					
Beginning of the year	<u>81</u>	<u>7</u>	<u>32</u>	<u>64</u>	<u>184</u>
End of the year	<u>25</u>	<u>-</u>	<u>21</u>	<u>41</u>	<u>87</u>

11 Investments

	31 October 2022 £'000	31 October 2021 £'000
At the beginning of the year	3,240	3,345
Additions	-	126
Disposals	(196)	(222)
Impairment	-	(9)
At the end of the year	<u>3,044</u>	<u>3,240</u>

On 18 September 2020, Fircroft Engineering Services Limited purchased 1 ordinary share of £1 in Fircroft Technical Services UK Limited at a premium of £126,000. On the same day the 100% shareholding of this entity of £126,000 was disposed for £nil consideration, being the fair market value, resulting in a loss on disposal of £126,000 included within exceptional items in the profit & loss account.

On 31 December 2020 the 50.1% shareholding in the joint venture, Tier2 IPMT Limited, with a current carrying value of £nil was disposed of for no consideration. Deferred consideration owed of £105,000 was written off, resulting in a gain on disposal of £105,000 included within exceptional items in the profit & loss account.

Notes to the financial statements (continued)

For the year ended 31 October 2022

11 Investments (continued)

On 31 January 2021 the 49% holding in the joint venture, Fircroft Tanjung Sdn Bhd, with a current carrying value of £96,000 was disposed of for a consideration of £96,000, resulting in a £nil gain or loss on disposal.

On 31 March 2022, the 100% shareholding in Fircroft Muscat LLC with a current carrying value of £196,000 was disposed of, resulting in a £196,000 loss on disposal included within exceptional items in the profit & loss account.

A list of all subsidiary undertakings including the name, principal activity, registered office address and country of incorporation is shown in note 22.

12 Other non-current assets

	31 October 2022 £'000	31 October 2021 £'000
Amounts falling due after one year:		
Amounts owed by group undertakings	34,382	-

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%-6%.

13 Debtors

	31 October 2022 £'000	31 October 2021 £'000
Amounts falling due within one year:		
Trade debtors	21,089	27,609
Prepayments	264	391
Accrued income and work in progress	1,212	2,831
Other debtors	63	1,430
Deferred tax asset (note 15)	-	317
Corporation tax receivable	858	824
Amounts owed by group undertakings	-	32,732
	<u>23,486</u>	<u>66,134</u>

Amounts owed by group undertakings in the prior year are unsecured and repayable on demand. Interest is charged at a rate of between 2%-5%.

Notes to the financial statements (continued)

For the year ended 31 October 2022

14 Creditors: Amounts falling due within one year

	31 October 2022 £'000	31 October 2021 £'000
Bank overdrafts	12,753	11,062
Amounts owed to group undertakings	25,497	35,238
Trade creditors	442	257
Corporation tax payable	-	30
Deferred tax liability (note 15)	-	77
Social security and other taxes	5,154	6,598
Accruals and deferred income	13,294	17,523
	<u>57,140</u>	<u>70,785</u>

The bank overdraft is part of a group banking facility and is secured by joint guarantees and indemnities and a fixed and floating charge over the company's assets.

Amounts owed to group undertakings are unsecured and repayable on demand. Interest is charged at a rate of between 2%-8% (2021: 3% - 7%).

15 Deferred tax

At 31 October 2022, there is a net deferred tax asset recognised in respect of short term timing differences in Fircroft Engineering Services Limited and its overseas branches.

	31 October 2022 £'000	31 October 2021 £'000
Other short term timing differences	<u>873</u>	<u>240</u>

	31 October 2022 £'000	31 October 2021 £'000
Beginning of the period	240	115
Prior year adjustments – credit/(charge)	-	56
Credit for the period	322	92
Foreign exchange movement	311	(23)
End of the period	<u>873</u>	<u>240</u>

It is not possible to reliably estimate when the deferred tax asset will reverse. A deferred tax asset on losses of £42.0m (31 October 2021: £42.0m) has not been recognised due to the uncertainty of the utilisation of the tax losses. At the balance sheet date, the company has deferred interest deductions under BEPS Action 4 of £3,059,000 (2021: £3,059,000) on which a deferred tax asset has not been recognised.

Notes to the financial statements (continued)

For the year ended 31 October 2022

16 Share capital

	31 October 2022 £'000	31 October 2021 £'000
<i>Allotted, called-up and fully-paid</i>		
552,612 ordinary shares of £0.01 each	6	6
Share premium	198	198
	<u>204</u>	<u>204</u>

On 18 September 2020, Fircroft Engineering Services Limited issued 1 ordinary share of £0.01 at a premium of £198,000.

17 Other reserves

The other reserve represents consideration from one or more shareholders without a contractual obligation to make any repayment (a capital contribution), this represents an increase in equity and is recognised in a separate reserve.

The capital redemption reserve represents the nominal value of shares redeemed, created through a transfer from profit and loss, to ensure the capital position of the company is maintained.

18 Guarantees and other financial commitments

a) Lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	31 October 2022 £'000	31 October 2021 £'000
<i>Leases which expire:</i>		
- within one year	605	602
- between one and five years	1,505	1,979
	<u>2,110</u>	<u>2,581</u>

An element of the commitment is recharged across other UK subsidiary companies. Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

b) Commitments on behalf of group undertakings

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).

Notes to the financial statements (continued)

For the year ended 31 October 2022

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.

There were no material related party transactions entered into during the year that have not been conducted under normal market conditions.

20 Post balance sheet events

On 2 February 2023, NES Fircroft Australia Pty Limited, a subsidiary of Fircroft Engineering Services Limited, acquired Evolve Scientific Recruitment Pty Limited for consideration of AUD\$32,000,000 (£18,297,000). The company, based in Australia, specialises in scientific and technical recruitment.

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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

22 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 Fircroft Australia Pty Limited (1)	Parmelia House Level 12, 191 St Georges Terrace, Perth, WA 6000, 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%
Fircroft (Canada) Limited (1)	4500, 855 – 2 nd Street, S.W. Calgary, Alberta, Canada	Canada	100%
Fircroft Engineering Services ApS (1)	C/o GTS Nordic ApS, Kalkbraenderilobskaj 6, 2100 Kobenhavn 0	Denmark	100%
Fircroft Engineering Services Limited SARL (3)	Montagne Sainte (à côté d'Air France) BP 74 19, Liberville, Gabon	Gabon	100%
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%
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%
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%
Fircroft CIS LLP (1)	17B Kanysh Satpayev street, 2nd Floor, BC Atyrau Plaza, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	100%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Fircroft Engineering Services Kazakhstan LLP (1)	17B Kanysh Satpayev street, 2nd Floor, BC Atyrau Plaza, Atyrau, Atyrau region, 060011, 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%
Fircroft Malaysia SDN BHD (2)	Unit 30-01, Level 30, Tower A The Vertical Business Suite Avenue, 8, Jalan Kerinchi Bangsar South 59200 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. (3)	Angel Urraza #314, Colonia Del Valle, Benito Juarez, Mexico C.P. 03100	Mexico	100%
Fircroft Mozambique Limitada (1)	Rua dos Desportistas, nº 833.Edifício JAT V-1, 15º andar Maputo, Mozambique	Mozambique	100%
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%
Fircroft Portugal Limitada (2)	Rua Afonso Praça, nº 30, 1º D, 1495 – 061 Alges, Lisboa, Portugal	Portugal	100%
Fircroft Qatar LLC (4)	Office No. 1101, 11th Floor, Marina Twin Towers, Lusail, PO BOX 200183, 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%
Fircroft Senegal SARL (1)	Le Plateau, Azur 15 Building 12, Dakar Senegal	Senegal	100%
Fircroft Private Limited (1) (Singapore)	16 Collyer Quay, #17-00 Income at Raffles, Singapore, 049318	Singapore	100%
Fircroft Group SA (Pty) Ltd (3)	Lynnwood Bridge, 4 Daventry Street, Lynnwood Manor, Pretoria, 0081, South Africa	South Africa	100%
Fircroft South Africa Pty Ltd (1)	1st Floor, Convention Towers, Cnr of Heerengracht and Walter Sisulu Street Foreshore, Cape Town, 8001, South Africa	South Africa	100%
Fircroft Tanzania Limited (1)	357 United Nations Road, Dar es Sallam, Tanzania	Tanzania	100%
NES Fircroft (Thailand) Limited	399 Interchange Building, 35th Floor, Sukhumvit Road, Klongtoey-Nua, Wattana, Bangkok, 10900, Thailand	Thailand	100%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Fircroft Engineering (Thailand) Limited (2)	399 Interchange Building, 35th Floor, Sukhumvit Road, Klongtoey-Nua, Wattana, Bangkok, 10900, Thailand	Thailand	49%
NES Fircroft Recruitment (Thailand) Limited (1)	No. 399 Interchange Tower, 35th Floor, Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	49%
Fircroft Engineering Services 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%
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 Kazakhstan Trustee Limited (2)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
International Workforce Solutions Limited (3)	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%
Professional Laboratory Services Limited (2)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Recruitment Advisory Services (Northern) Limited (3)	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%
Fircroft Ukraine LLC (1)	35 Svitlytskoho, Office 108/4, 04123 Kyiv, Ukraine	Ukraine	100%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Fircroft Recruitment Services LLC (1)	Block 17, Office 205, Dubai Knowledge Village, Dubai, UAE, PO Box 27131	United Arab Emirates	100%
Fircroft Inc (1)	3411 Silverside Road, Suite 104, Wilmington, Delaware, 19810	USA	100%

Principal activities of related undertakings:

1. Provision of technical recruitment agency services
2. Intermediate holding company
3. Dormant company

Provision of technical engineering consultancy services overseas and holding company

NES Global Talent Holdings Limited

Non-statutory financial statements
for the year ended 31 October 2021

Registered number: 08233455

Officers and professional advisors

DIRECTORS

S.W. Buckley

S.F. Coton

REGISTERED OFFICE

Station House

Stamford New Road

Altrincham

Cheshire

WA14 1EP

BANKERS

The Royal Bank of Scotland plc

1 Hardman Boulevard

Manchester

M3 3AQ

United Kingdom

Deutsche Bank

345 Park Avenue

New York 15154

USA

HSBC Bank PLC

4 Hardman Square

Spinningfields

Manchester

M3 3EB

United Kingdom

Directors' responsibilities statement

For the year ended 31 October 2021

Purpose

NES Global Talent Holdings Limited (the 'company') is preparing these non-statutory financial statements 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.

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

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 FRS102 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 then apply them consistently;
- make judgements 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. 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.

Independent auditor's report to the directors NES Global Talent Holdings Limited

Report on the audit of the non-statutory financial statements

Opinion

In our opinion the non-statutory financial statements of NES Global Talent Holdings 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards, 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 provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements.

We have audited the non-statutory financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 16.

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 and the provisions of the Companies Act 2006 that would have applied were these statutory financial statements.

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 non-statutory 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 non-statutory 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 non-statutory 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 non-statutory financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditor's report to the directors NES Global Talent Holdings Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-statutory 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 non-statutory 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 non-statutory 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 non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory 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 non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory 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 non-statutory financial statements.

A further description of our responsibilities for the audit of the non-statutory 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 the 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.

Independent auditor's report to the directors NES Global Talent Holdings Limited (continued)

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.

Use of our report

This report is made solely for the exclusive use of the directors and solely for the purpose of expressing a non-statutory audit opinion on the period ended 31 October 2021. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without prior written express consent. We accept no duty, responsibility or liability to any other party in connection with the report or this engagement.



Deloitte LLP
Manchester, United Kingdom
30 June 2023

Profit and loss account

For the year ended 31 October 2021

	Notes	2021 £'000	2020 £'000 (unaudited)
Exceptional expenditure	2	(171)	(161)
Profit on disposal of subsidiary	7	-	603
Interest payable and similar expenses	3	(5,243)	(27,720)
Interest receivable and similar income	4	2,943	4,352
		<hr/>	<hr/>
Loss before taxation	5	(2,471)	(22,926)
Tax on loss	6	(53)	(364)
		<hr/>	<hr/>
Loss for the financial year		(2,524)	(23,290)

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the loss for the financial year and prior 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 (unaudited)
Fixed assets			
Investments	7	200,925	200,925
Non-current other receivables	8	116,072	113,755
Total fixed assets		<u>316,997</u>	<u>314,680</u>
Current assets			
Deferred tax asset	9	-	53
Cash at bank and in hand		134	194
		<u>134</u>	<u>247</u>
Creditors: Amounts falling due within one year	10	<u>(134,895)</u>	<u>(130,167)</u>
Net current liabilities		<u>(134,761)</u>	<u>(129,920)</u>
Total assets less current liabilities		<u>182,236</u>	<u>184,760</u>
Net assets		<u>182,236</u>	<u>184,760</u>
Capital and reserves			
Called-up share capital	11	174	174
Share premium account		313,111	313,111
Profit and loss account		(131,049)	(128,525)
Shareholder's funds		<u>182,236</u>	<u>184,760</u>

The non-statutory special purpose financial statements of NES Global Talent Holdings Limited, registered company number 08233455, were approved by the board of directors and are 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 2021

	Called-up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 November 2019	174	58,536	(105,235)	(46,525)
Issue of share capital (note 11)	-	254,575	-	254,575
Loss for the year and total comprehensive loss	-	-	(23,290)	(23,290)
At 31 October 2020	174	313,111	(128,525)	184,760
Loss for the year and total comprehensive loss	-	-	(2,524)	(2,524)
At 31 October 2021	174	313,111	(131,049)	182,236

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

Notes to the financial statements (continued)

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 is that of a holding company.

a) General information and basis of accounting

NES Global Talent Holdings Limited (the 'company') is a private company limited by shares, incorporated in the United Kingdom under the Companies Act and 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 considered to be pounds sterling, because that is the currency of the primary economic environment in which the company operates.

b) Going concern

The company's business activities are described above. 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.

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.

Notes to the financial statements (continued)

For the year ended 31 October 2021

1 Accounting policies (continued)

b) Going concern (continued)

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 has adopted the going concern basis in preparing the financial statements.

c) Investments

Fixed asset investments are shown at cost, less provision for any impairment.

d) Taxation

Current tax, including UK corporation tax and foreign 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.

e) 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.

f) 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. Exchange differences are taken to the profit and loss account.

g) Exceptional expenditure

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.

Notes to the financial statements (continued)

For the year ended 31 October 2021

1 Accounting policies (continued)

h) 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.

i) Finance income and costs

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

j) 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.

Notes to the financial statements (continued)

For the year ended 31 October 2021

1 Accounting policies (continued)

j) 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.

k) 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.

l) 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.

Notes to the financial statements (continued)

For the year ended 31 October 2021

2 Exceptional expenditure

	2021 £'000	2020 £'000 (unaudited)
Deal costs	171	161
Deal costs – fees and other costs directly attributable to transactions.		

3 Interest payable and similar charges

	2021 £'000	2020 £'000 (unaudited)
Interest on loan notes	-	21,181
Foreign exchange losses on loan note retranslations	265	-
Interest payable amounts owed to group undertakings	4,978	6,507
Bank charges	-	32
	<u>5,243</u>	<u>27,720</u>

4 Interest receivable and similar income

	2021 £'000	2020 £'000 (unaudited)
Interest on intercompany loans	1,916	2,568
Foreign exchange gains on loan note retranslations	-	568
Interest receivable on amounts owed from group undertakings	1,027	1,216
	<u>2,943</u>	<u>4,352</u>

5 Loss before taxation

The auditor's remuneration for the audit of the company's financial statements pursuant to legislation was borne by NES Group Limited, a fellow group undertaking, without any right of reimbursement. 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 (2020: same). This is because fair apportionment is not possible.

Notes to the financial statements (continued)

For the year ended 31 October 2021

6 Tax on loss

There is a tax charge for the year of £53,000 (2020: £364,000). The tax charge comprises:

	2021	2020
	£'000	£'000
		(unaudited)
<i>Deferred Tax</i>		
Origination and reversal of timing differences	-	624
Adjustment in respect of prior periods	53	(260)
Tax charge/(credit) for the year	53	364

The differences between the total tax shown and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2021	2020
	£'000	£'000
		(unaudited)
Loss before tax	(2,471)	(22,926)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(470)	(4,356)
Effects of:		
Interest not deductible for tax purposes	391	652
Expenses not deductible for tax purposes	29	-
Group relief surrendered for nil consideration	50	3,704
Prior period adjustments	53	(260)
Deferred tax on losses not previously recognised	-	672
Deferred tax rate change adjustment	-	(48)
Tax charge/(credit) for the year	53	364

At the balance sheet date, the company has deferred interest deductions under BEPS Action 4 of £30,252,000 (2020: £25,525,000) on which a deferred tax asset has not been recognised.

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.

Notes to the financial statements (continued)

For the year ended 31 October 2021

7 Fixed asset investments

	Capital Contributions £'000	Subsidiary undertakings £'000	Total £'000
Cost and net book value			
At 1 November 2020 and 31 October 2021	4,098	196,827	200,925

Fixed asset investments consist of a capital contribution made to NES Global Talent (US) Inc., and investments in NES Holdings Limited and NES Global Limited.

On 18 September 2020, NES Global Talent Holdings transferred 100% of the share capital held in NES Global Talent Finance US LLC to its immediate parent company, NES Fircroft Limited, resulting in a profit on disposal of £603,000.

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

8 Non-current other receivables

	2021 £'000	2020 £'000 (unaudited)
Amounts owed by group undertakings	116,072	113,755

Amounts owed by group undertakings are unsecured, and there is no intention to recall within the next 12 months. Interest on this amount is charged at a rate between 2-4% (2020: 1-6%)

9 Deferred tax asset

	2021 £'000	2020 £'000 (unaudited)
Unused tax losses	-	53

The deferred tax asset recognised is in respect of unused tax losses carried forward.

10 Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000 (unaudited)
Amounts owed to group undertakings	134,581	129,525
Accruals and other creditors	314	642
	134,895	130,167

Amounts owed to group undertakings are unsecured, interest bearing and repayable on demand.

Notes to the financial statements (continued)

For the year ended 31 October 2021

11 Called-up share capital

	2021	2020
	£	£
		(unaudited)
<i>Allotted, called-up and fully-paid</i>		
173,730 ordinary shares of £1 (2020: 173,730 ordinary shares of £1)	<u>173,730</u>	<u>173,730</u>

On 31 August 2020, the company issued one ordinary share with £1 nominal value at a premium of £254,575,018 to NES Global Talent Holdco Limited. The shares were not cash settled and were issued as part of the debt rationalisation exercise carried out in August 2020 to extinguish the outstanding loan payable to NES Global Talent Holdco Limited.

There were no transactions during the year ended 31 October 2021.

12 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: £8,419,000).

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 by a further \$12 million to support the newly combined group. Facilities available at year end were \$338 million (equivalent £261 million), following repayments of the term loan. £190 million of these facilities are drawn down at the year-end (2020: £205 million).

13 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.

There were no material related party transactions entered into during the year that have not been concluded under normal market conditions.

14 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 were used for repayment of the term loan held within the NES Fircroft group which matures in May 2023 (see going concern accounting policy in note 1 for further information).

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. 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.

Notes to the financial statements (continued)

For the year ended 31 October 2021

16 List of 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. All holdings are in ordinary shares except where noted. The percentage ownership disclosed is the effective ownership on which the results are consolidated. Where percentage ownership is below 50%, the group consolidates as a subsidiary after an assessment of control held over investee and right to return.

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 Talent Limitada (1)	Rua Comandante Gika, Travessa dos Militares, No. 1, Alvalade, Luanda, Angola	Angola	49%
North Eagle Star Limitada (1)	Rua Comandante Gika, Travessa dos Militares, No. 1, Alvalade, Luanda, Angola	Angola	98%
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%

Notes to the financial statements (continued)

For the year ended 31 October 2021

Investments held	Address of registered office	Country of incorporation	Percentage ownership
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%
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	9 Mohakhali C/A (11th & 12th Floor), Dhaka-1212, Bangladesh	India	100%
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 Zayytouna 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 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	90%

Notes to the financial statements (continued)

For the year ended 31 October 2021

Investments held	Address of registered office	Country of incorporation	Percentage ownership
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%
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)	Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Advantage Solutions Group AS (2)	Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Management AS (1)	Trallfa Twin Farm, Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Offshore AS (1)	Trallfa Twin Farm, Luramyrvæien 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, Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Norway Holdings AS (1)	Trallfa Twin Farm, Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Global LLC (1)	Office A410, Al Assalah Towers, South Ghubrah, PO Box 199, Muscat, Oman	Oman	70%

Notes to the financial statements (continued)

For the year ended 31 October 2021

Investments held	Address of registered office	Country of incorporation	Percentage ownership
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	100%
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)	#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 Talent Tanzania Limited (1)	10th Floor, PPF Tower, Corner of Ohio Street & Garden Avenue, PO Box 1559, 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 Talent Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad & Tobago	Trinidad & Tobago	100%
NES Global Limited (1)	Plot 1B Kira Road, Kalamu House, PO Box 24544, Kampala, Uganda	Uganda	100%

Notes to the financial statements (continued)

For the year ended 31 October 2021

Investments held	Address of registered office	Country of incorporation	Percentage ownership
Energy People International Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	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 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 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 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 UK Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES UK Recruitment Limited (4)	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%
South Star Technical Services Limited (3)	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%

Notes to the financial statements (continued)

For the year ended 31 October 2021

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 technical recruitment solutions

NES Global Talent Holdings Limited

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

Registered number: 08233455

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 activities of the company are that of an intermediate holding company and the provision of finance to its subsidiary undertakings.

Strategy and objectives

The main strategy and objective of the company is to continue to support its subsidiary undertakings by providing required finance for those companies to continue trading and to support growth.

Business review

The company made a loss of £2,119,000 in the year ended 31 October 2022 (2021: £2,524,000). The reduction in loss is due to foreign exchange gains in the year.

The company has net assets of £180,117,000 at 31 October 2022 (2021: £182,236,000). The financial position at 31 October 2022 is shown in the balance sheet on page 13.

Key performance indicators

The directors consider the company's key performance indicator to be the carrying value of the investment in its subsidiaries. The performance of these investments are monitored monthly by the directors by way of comprehensive management reports. The group of subsidiaries are expected to continue to generate earnings before interest, tax, depreciation and amortisation. The directors consider the key performance indicator to be satisfactory.

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, 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/or breach of debt covenants. The company's borrowings are principally in the form of intercompany loans. The board closely monitors the amount of facilities drawn, particularly with respect to complying with all covenant restrictions.

Management continuously assesses the acknowledged foreign exchange 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 these balances for collectability and make any adjustments as necessary.

These risks are kept under constant review.

Strategic report (continued)

For the year ended 31 October 2022

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. During the year, 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.

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.

Strategic report (continued)

For the year ended 31 October 2022

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.

Future outlook

Management expect the business to continue to act as a holding company and as a result will remain in a net liabilities position for the foreseeable future. As per the Going Concern paragraph on page 15, the company relies on parent company support to manage its working capital on a pooled basis across the group and distribute cash to its subsidiaries where required. The majority of the company's liabilities will be repaid using cash distributed from the parent company when required.

The strategic report of NES Global Talent Holdings Limited was approved by the board of directors and signed on its behalf on 30 June 2023 by:

A handwritten signature in black ink, appearing to read 'S.W. Buckley', with a stylized flourish at the end.

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 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 company was exempt from an audit under section 479A of the Companies Act 2006 in the prior year therefore the corresponding amounts for that year are unaudited. The directors do not recommend the payment of a dividend (31 October 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 of the business and principal risks and uncertainties 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 were:

S.W. Buckley

S.F. Coton

Directors indemnities

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

Directors' report (continued)

For the year ended 31 October 2022

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 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:

- select suitable accounting policies then apply them consistently;
- make judgements 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.

Independent auditor's report to the members of NES Global Talent Holdings Limited

For the year ended 31 October 2022

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of NES Global Talent Holdings 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;
- the related notes 1 to 14.

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.

Independent auditor's report to the members of NES Global Talent Holdings Limited (continued)

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 UK 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.

Independent auditor's report to the members of NES Global Talent Holdings Limited (continued)

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.

Other matter

As the company was exempt from audit under section 479A of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

Independent auditor's report to the members of NES Global Talent Holdings 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
30 June 2023

Profit and loss account

For the year ended 31 October 2022

	Notes	2022 £'000	2021 £'000 (unaudited)
Exceptional expenditure	2	(65)	(171)
Interest payable and similar expenses	3	(7,940)	(5,243)
Interest receivable and similar income	4	5,886	2,943
		<hr/>	<hr/>
Loss before taxation	5	(2,119)	(2,471)
Tax on loss	6	-	(53)
		<hr/>	<hr/>
Loss for the financial year		(2,119)	(2,524)

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the loss for the financial year and prior 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 (unaudited)
Non-current assets			
Investments	7	200,925	200,925
Non-current other receivables	8	121,267	116,072
Total non-current assets		<u>322,192</u>	<u>316,997</u>
Current assets			
Cash at bank and in hand		36	134
		<u>36</u>	<u>134</u>
Creditors: Amounts falling due within one year	9	<u>(142,111)</u>	<u>(134,895)</u>
Net current liabilities		<u>(142,075)</u>	<u>(134,761)</u>
Total assets less current liabilities		<u>180,117</u>	<u>182,236</u>
Net assets		<u>180,117</u>	<u>182,236</u>
Capital and reserves			
Called-up share capital	10	174	174
Share premium account		313,111	313,111
Profit and loss account		<u>(133,168)</u>	<u>(131,049)</u>
Shareholder's funds		<u>180,117</u>	<u>182,236</u>

The financial statements of NES Global Talent Holdings Limited, registered company number 08233455, were approved by the board of directors and are 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 £'000	Profit and loss account £'000	Total £'000
At 1 November 2020	174	313,111	(128,525)	184,760
Loss for the year and total comprehensive loss	-	-	(2,524)	(2,524)
At 31 October 2021	174	313,111	(131,049)	182,236
Loss for the year and total comprehensive loss	-	-	(2,119)	(2,119)
At 31 October 2022	174	313,111	(133,168)	180,117

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 2022

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 and the directors' report.

a) General information and basis of accounting

NES Global Talent Holdings Limited (the 'company') is a private company limited by shares, incorporated in the United Kingdom under the Companies Act and 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 considered to be 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. The consolidated financial statements are available from the address in note 13.

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 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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

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 has adopted the going concern basis in preparing the financial statements.

c) Investments

Fixed asset investments are shown at cost, less provision for any impairment.

d) Taxation

Current tax, including UK corporation tax and foreign 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.

e) 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.

f) 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. Exchange differences are taken to the profit and loss account.

g) Exceptional expenditure

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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

1 Accounting policies (continued)

h) 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.

i) Finance income and costs

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

j) 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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

1 Accounting policies (continued)

j) Financial instruments (continued)

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.

k) 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.

l) 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 Exceptional expenditure

	2022 £'000	2021 £'000 (unaudited)
Deal costs	65	171
Deal costs – fees and other costs directly attributable to transactions.		

3 Interest payable and similar charges

	2022 £'000	2021 £'000 (unaudited)
Foreign exchange losses on loan note retranslations	-	265
Interest payable on loans from group undertakings	7,940	4,978
	<u>7,940</u>	<u>5,243</u>

4 Interest receivable and similar income

	2022 £'000	2021 £'000 (unaudited)
Interest on intercompany loans	1,992	1,916
Foreign exchange gains on loan note retranslations	2,278	-
Interest receivable on loans from group undertakings	1,616	1,027
	<u>5,886</u>	<u>2,943</u>

Notes to the financial statements (continued)

For the year ended 31 October 2022

5 Loss before taxation

The auditor's remuneration for the audit of the company's financial statements pursuant to legislation was borne by NES Group Limited, a fellow group undertaking, without any right of reimbursement. 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 (2021: same). This is because fair apportionment is not possible.

6 Tax on loss

There is a tax charge for the year of £nil (2021: £53,000). The tax charge comprises:

	2022 £'000	2021 £'000 (unaudited)
<i>Deferred Tax</i>		
Adjustment in respect of prior periods	-	53
Tax charge for the year	-	53

The differences between the total tax shown and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2022 £'000	2021 £'000 (unaudited)
Loss before tax	(2,119)	(2,471)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(403)	(470)
Effects of:		
Interest not deductible for tax purposes	-	391
Expenses not deductible for tax purposes	-	29
Group relief surrendered for nil consideration	891	50
Prior period adjustments	-	53
Deferred tax on losses not previously recognised	(488)	-
Tax charge for the year	-	53

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.

At the balance sheet date, the company has deferred interest deductions under BEPS Action 4 of £31,108,000 (2021: £31,108,000) on which a deferred tax asset has not been recognised.

Notes to the financial statements (continued)

For the year ended 31 October 2022

7 Fixed asset investments

	Capital Contributions £'000	Subsidiary undertakings £'000	Total £'000
Cost and net book value			
At 1 November 2021 and 31 October 2022	4,098	196,827	200,925

Fixed asset investments consist of a capital contribution made to NES Global Talent (US) Inc., and investments in NES Holdings Limited and NES Global Limited.

A list of all subsidiary undertakings including the name, principal activity, country of incorporation and the registered address of the legal entity is shown in note 14.

8 Non-current other receivables

	2022 £'000	2021 £'000 (unaudited)
Amounts falling due after one year:		
Amounts owed by group undertakings	121,267	116,072

Amounts owed by group undertakings are unsecured and there is no intention to recall within the next 12 months. Interest on this amount is charged at a rate between 4-6% (2021: 2-4%).

9 Creditors: Amounts falling due within one year

	2022 £'000	2021 £'000 (unaudited)
Amounts owed to group undertakings	141,732	134,581
Accruals and other creditors	379	314
	<u>142,111</u>	<u>134,895</u>

Amounts owed to group undertakings are unsecured, interest bearing and repayable on demand. Interest is charged at a rate of between 4-6% (2021: 2-4%).

Notes to the financial statements (continued)

For the year ended 31 October 2022

10 Called-up share capital

	2022	2021
	£	£
<i>Allotted, called-up and fully-paid</i>		
173,730 ordinary shares of £1 (2021: 173,730 ordinary shares of £1)	<u>173,730</u>	<u>173,730</u>

11 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: £1,467,830).

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).

12 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.

There were no material related party transactions entered into during the year that have not been concluded under normal market conditions.

13 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.

Notes to the financial statements (continued)

For the year ended 31 October 2022

14 List of 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. All holdings are in ordinary shares except where noted. The percentage ownership disclosed is the effective ownership on which the results are consolidated. Where percentage ownership is below 50%, the group consolidates as a subsidiary after an assessment of control held over investee and right to return.

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 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	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%
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 (Shenzen) Co. Ltd	Room 332, 3/F, New Times Plaza, No.1 TaiZi Road NanShan District, ShenZhen, China	China	100%
NES Global Talent Egypt (1)	3 Oraby Street, Ground Floor, Maadi, Cairo, Egypt	Egypt	100%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
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, Earbeam 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%
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 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%
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 Zayytouna 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%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
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 (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%
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, Luramyveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Offshore AS (1)	Trallfa Twin Farm, Luramyveien 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, Luramyveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Norway Holdings AS (1)	Trallfa Twin Farm, Luramyveien 40, 4313 Sandnes, Norway	Norway	100%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
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%
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%
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, Klong Toei Nua Sub District, Wattana District, Bangkok, Thailand	Thailand	100%
Northern Engineering Services (Thailand) Company Limited (1)	No. 399 Interchange Tower, 35th Floor Sukhumvit Road, Klong 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%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
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%
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 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%
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%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
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%
South Star Technical Services Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Foundation Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	50%
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 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%
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 US Inc. (5)	1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100%
Redbock LLC (1)	21684 Granada Avenue, Suite B, Cupertino, California, 95014, USA	USA	100%

Notes to the financial statements (continued)

For the year ended 31 October 2022

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
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 technical recruitment solutions

NES FIRCROFT AUSTRALIA PTY LTD

ABN 58 100 091 245

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE 14 MONTHS PERIOD ENDED 31 OCTOBER 2021

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Directors' report

The directors of NES Fircroft Australia Pty Ltd present their report, together with the consolidated financial statements of the Group comprising NES Fircroft Australia Pty Ltd ("the Company") and its subsidiaries for the 14 months ended 31 October 2021.

The holding company is Professional Laboratory Services Ltd, a company incorporated in the United Kingdom. The ultimate holding company of the Group is NES Global Talent Limited.

The Company merged with NES on 18 September 2020 and changed its financial year end to 31 October 2021, and therefore these consolidated financial statements cover fourteen months period from 1 September 2020 to 31 October 2021 ("financial year"). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the Company during or since the end of the financial year are:

- Mr Matthew Derek Underhill appointed 29 September 2020
- Mr Lee Fraser Coleman appointed 31 October 2020
- Mr Stephen William Buckley appointed 31 October 2020

Principal activity

The principal activity of the Group is to provide human resource consulting services in the industrial, engineering, technical and information technology sectors. There have been no significant changes in the nature of these activities during the financial year.

Review of operations

The consolidated entity recorded an after tax net profit of \$1,169,037 for the 14 months ended 31 October 2021 (31 August 2020: \$3,138,006).

Changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

At 31 October 2021, the consolidated entity had a capital surplus of \$15,494,629 (31 August 2020: \$26,812,454); a working capital surplus of \$15,120,698 (31 August 2020: \$2,433,826); pre-tax profit of \$2,101,738 (31 August 2020: \$4,447,362); and net cash inflow from operating activities of \$694,365 (31 August 2020: \$14,619,886).

Subsequent events

There had not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Group in future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of the operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Directors' report (continued)

Environmental regulations

The Group is not covered by any environmental regulations.

Dividends

For the 14 months period ended, a dividend of \$12,500,000 (31 August 2020: \$12,500,000) franked to 100% at 30% corporate income tax rate was paid to shareholders of fully paid ordinary shares on 15 September 2021.

Share options

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company whether granted before or during the financial year. There were no unissued shares of the Company under option at the end of the financial year.

Indemnification of officers

During the 14 months period, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above) and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the 14 months period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Indemnification of auditors

To the extent permitted by law, the Company agreed to indemnify its auditors, Deloitte Touche Tohmatsu, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Deloitte Touche Tohmatsu during or since the financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the financial statements.

Rounding off of amounts

The Group are comprised of companies of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to Section 298 (2) of the Corporations Act 2001.

On behalf of the Directors



Lee Fraser Coleman

Director

29 April 2022

The Board of Directors
NES Fircroft Australia Pty Limited
'Parmelia House' Level 12,
191 St Georges Terrace,
Perth WA 6000

29 April 2022

Dear Board Members

Auditor's Independence Declaration to NES Fircroft Australia Pty Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of NES Fircroft Australia Pty Limited.

As lead audit partner for the audit of the financial report of NES Fircroft Australia Pty Limited for the period 14 months ended 31 October 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Peter Rupp
Partner
Chartered Accountants

Independent Auditor's Report to the Members of NES Fircroft Australia Pty Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NES Fircroft Australia Pty Limited (the "Company") and its subsidiaries ("the Group") which comprises the consolidated statement of financial position as at 31 October 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period 14 months then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 October 2021 and of its financial performance for the period 14 months then ended; and
- Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (*including Independence Standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period 14 months ended 31 October 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 report 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 Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Rupp Peter

Partner

Chartered Accountants

Perth, 29 April 2022

Directors' declaration

In the opinion of the directors of NES Fircroft Australia Pty Ltd ("the Company"):

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 and comply with accounting standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Corporations Regulations 2001 giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Lee Fraser Coleman

Director

29 April 2022

Consolidated statement of financial position

	Note	31 Oct 2021	31 Aug 2020
		\$	\$
Current assets			
Cash and cash equivalents	8	964,134	617,258
Trade and other receivables	9	21,711,781	15,049,310
Accrued revenue	10	1,217,116	7,331,994
Intercompany receivables	27	12,221,805	419,687
Deferred tax assets	11	1,152,864	68,623
Total current assets		37,267,700	23,486,872
Non-current assets			
Intercompany receivables	27	-	23,272,544
Plant and equipment	12	39,046	130,751
Intangible assets and goodwill	13	-	890,759
Right-of-use assets	14	734,046	865,319
Total non-current assets		773,092	25,159,373
Total assets		38,040,792	48,646,245
Current liabilities			
Trade and other payables	15	11,610,245	10,715,225
Intercompany payables	27	65,921	1,988,512
Interest bearing liabilities	16	7,749,283	4,874,793
Current tax liabilities		166,622	1,187,199
Lease liabilities	17	353,874	235,252
Provisions	18	2,201,057	2,052,065
Total current liabilities		22,147,002	21,053,046
Non-current liabilities			
Lease liabilities	17	399,161	657,083
Provisions	18	-	123,662
Total non-current liabilities		399,161	780,745
Total liabilities		22,546,163	21,833,791
Net assets		15,494,629	26,812,454
Equity			
Share capital	20	10,000	10,000
Reserves		(103,531)	(116,669)
Retained earnings		15,588,160	26,919,123
Total equity		15,494,629	26,812,454

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Note	14 months ended 31 Oct 2021	Year ended 31 Aug 2020
		\$	\$
Revenue	3	177,298,755	207,853,421
Cost of sales		(166,318,275)	(195,666,010)
Gross profit		10,980,480	12,187,411
Other (expenses)/income	4	(163,410)	50,000
General and administrative expenses	5	(8,150,469)	(8,474,525)
Depreciation and amortisation		(518,226)	(316,829)
Profit before interest and tax		2,148,375	3,446,057
Finance (costs)/income	6	(46,637)	1,001,305
Profit before tax		2,101,738	4,447,362
Income tax expense	7	(932,701)	(1,309,356)
Profit for the financial year		1,169,037	3,138,006
Other comprehensive income		27,016	-
Foreign currency translation differences		(13,878)	(65,291)
Total comprehensive income for the financial year		1,182,175	3,072,715

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share Capital	Reserves	Retained Earnings	Total Equity
	\$	\$	\$	\$
Balance as at 1 September 2019	10,000	(51,378)	36,281,117	36,239,739
Profit for the financial year	-	-	3,138,006	3,138,006
Other comprehensive income	-	(65,291)	-	(65,291)
Total comprehensive income for the financial year	-	(65,291)	3,138,006	3,072,715
Dividends	-	-	(12,500,000)	(12,500,000)
Total transactions with owners for the Company	-	-	(12,500,000)	(12,500,000)
Balance as at 31 August 2020	10,000	(116,669)	26,919,123	26,812,454
Profit for the financial year	-	-	1,169,037	1,169,037
Other comprehensive income	-	13,138	-	13,138
Total comprehensive income for the financial year	-	13,138	1,169,037	1,182,175
Dividends	-	-	(12,500,000)	(12,500,000)
Total transactions with owners for the Company	-	-	(12,500,000)	(12,500,000)
Balance as at 31 October 2021	10,000	(103,531)	15,588,160	15,494,629

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	14 months ended 31 Oct 2021 \$	Year ended 31 Aug 2020 \$
Cash flows from operating activities			
Receipts from customers		176,751,161	223,027,556
Payments to suppliers and employers		(172,684,245)	(207,017,751)
Cash generated from operating activities		4,066,916	16,009,805
Interest costs paid		(335,031)	(607,656)
Income taxes paid		(3,037,520)	(782,263)
Net cash from operating activities	17	694,365	14,619,886
Cash flows from investing activities			
Payment for plant and equipment		(295,248)	103,245
Net cash (used in)/from investing activities		(295,248)	103,245
Cash flows from financing activities			
Interest received		374,844	1,633,177
Repayment of loan from related parties		9,547,836	6,420,735
Dividends paid	18	(12,500,000)	(12,500,000)
Payment of lease liabilities		(262,961)	(220,218)
Finance charge on lease liabilities		(86,450)	(24,216)
Proceeds from/(repayment of) borrowings		2,874,490	(11,154,945)
Net cash used in financing activities		(52,241)	(15,845,467)
Net increase/(decrease) in cash held during the financial period/year		346,876	(1,122,336)
Cash and cash equivalents at the beginning of the financial period/year		617,258	1,739,594
Cash and cash equivalents at the end of the financial year		964,134	617,258

The accompanying notes form part of these consolidated financial statements.

Notes to the financial statements

1. Corporate information and significant accounting policies

Corporate information

NES Fircroft Australia Pty Ltd ("the Company") is a proprietary limited company, incorporated and operating in Australia. These consolidated financial statements comprise NES Fircroft Australia Pty Ltd and its subsidiaries (referred to as "the Group"), which operates as a for-profit entity.

The holding company is Professional Laboratory Services Ltd, a company incorporated in the United Kingdom. The ultimate holding company of the Group is NES Global Talent Limited.

The principal activity of the Group is to provide human resource consulting services in the industrial, engineering, technical and information technology sectors. There have been no significant changes in the nature of these activities during the financial year.

The Company merged with NES on 18 September 2020 and changed its financial year end to 31 October 2021, and therefore these consolidated financial statements cover fourteen months period from 1 September 2020 to 31 October 2021 ("financial year").

The registered office and principal place of business of the Company is Level 12 Parmelia House, 191 St Georges Terrace, Perth WA, 6000.

These consolidated financial statements were authorised for issue by the directors on 29 April 2022.

Basis of preparation

The consolidated financial statements is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Group is a for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements for the Company are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

The consolidated financial statements also been prepared on a historical cost basis, except where otherwise

The consolidated financial statements are prepared and presented in Australian dollars, which is the Company's functional currency, rounded to the nearest dollar, unless otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous period. Where necessary, comparative figures have been reclassified to conform with presentation in the current year.

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

Based on cashflow forecasts prepared by the Company, the Company may require the financial support of the intermediate holding company during the next twelve months from the date of signing the Company's 31 October 2021 Financial Statements.

NES Fircroft Limited being the intermediate holding company of the Company, has confirmed that they are aware of the financial position of the Company, including COVID-19 impacts to the business of the Company. In this regard, NES Fircroft Limited has confirmed to provide ongoing financial assistance to the Company to ensure it will continue to meet its obligations as and when they fall due for the twelve months period from the date of signing the Company's 31 October 2021 Financial Statements and not to demand repayments of amounts due from the Company as at 31 October 2021 during the next twelve months from the date of signing the Company's 31 October 2021 Financial Statements except in so far as the funds of NES Fircroft Australia Pty Ltd permit repayment and such repayment will not adversely affect the ability of NES Fircroft Australia Pty Ltd to meet its liabilities as and when they fall due.

At 31 October 2021, the consolidated entity had a capital surplus of \$15,494,629 (31 August 2020: \$26,812,454); a working capital surplus of \$15,120,698 (31 August 2020: \$2,433,826); pre-tax profit of \$2,101,738 (31 August 2020: \$4,447,362); and net cash inflow from operating activities of \$694,365 (31 August 2020: \$14,619,886).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 October each year.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. 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 years in which the estimate is revised if the revision affects only that year, or the year of the revision and future years if the revision affects both current and future years.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash held with financial institutions. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

c. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

d. Income tax

i. Current income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

ii. Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences between the carrying amount and tax losses to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

iii. Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity.

Deferred tax is also recognised directly in equity, or when it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

e. Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its expected residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

Depreciation of plant and equipment is calculated by reference to the historical cost of the plant and equipment and their estimated useful lives. The principal depreciation rates based on a straight line method are as follows:

- Leasehold improvements	Lease term or 5 years
- Plant and equipment	4 years
- Furniture and fittings	4 years

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

When the carrying amount of the plant and equipment is greater than its estimated recoverable amounts, an impairment charge is made to write down the carrying values to the recoverable amounts. The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

f. Revenue

Revenue is recognised on the basis of hours worked for contractors hired out (recognised over time), on the start date for permanent placements (recognised at a point in time), and on the basis of work performed for project management services (recognised at a point in time). 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, GST and other sales-related taxes.

All revenue is generated from contractual agreements with customers. Intercompany billing on behalf of related parties is done at cost, without mark-up.

g. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any impairment due to expected credit losses (ECL). An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the statement of comprehensive income.

Trade receivables are due for settlement within no more than 30 days. In general amounts receivable are collected on average within 30 to 60 days.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

h. Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially their fair value and subsequently measured at the amortised cost using the effective interest method.

i. Foreign currency

The financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of these consolidated financial statements, the results and the financial position of the entity are expressed in Australian Dollars, which is the functional currency of NES Fircroft Australia Pty Ltd, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. All realised and unrealised exchange adjustment gains and losses are taken to the statement of profit or loss and other comprehensive income.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed off.

j. Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 immediately in the statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent 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 immediately in the statement of profit or loss and other comprehensive income.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

k. Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised on a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainty surrounding the obligation.

l. Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Assets' policy.

Notes to the financial statements

2. New accounting standards and interpretation

New and revised Standards and amendments thereof and Interpretations effective for the current year are:

- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

The Group has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 September 2020. The adoption of these standards has not resulted in any adjustments on initial application for the Group and there has not been an effect on the amounts reported for the current period.

At the date of authorisation of the consolidated financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective.

Standard/amendment	Effective for annual reporting periods beginning on or after
- AASB 17 <i>Insurance Contracts</i> and AASB 2020-5 <i>Amendments to Australian Accounting Standards – Insurance Contracts</i>	1 January 2023
- AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> , AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 12 8</i> and AASB 2017-5 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 12 8 and Editorial Corrections</i>	1 January 2023 (Editorial corrections in AASB 2017-5 applied from 1 January 2018)
- AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i> and AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1 January 2023
- AASB 2020-3 <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 January 2022
- AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023
- AASB 2021-5 <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

Notes to the financial statements

	14 months ended 31 Oct 2021	Year ended 31 Aug 2020
	\$	\$
3. Revenue		
Permanent placement revenue	602,014	707,542
Contractor sales	176,696,741	207,145,879
	177,298,755	207,853,421
4. Other (expenses)/income		
Provision for doubtful debt	(163,440)	50,000
Other	30	-
	(163,410)	50,000
5. General and administrative expenses		
Employee salaries and wages	3,653,242	4,029,137
Group recharges	2,085,977	2,053,018
Other staff related costs	393,711	435,963
Establishment costs	453,926	580,684
Other costs	1,510,078	1,134,988
Other employee benefit expenses	39,849	100,431
Motor and travel costs	13,686	140,304
	8,150,469	8,474,525
6. Finance (costs)/income		
a. Finance income		
Bank deposits	7	496
Interest on loan and receivables	598,382	1,633,177
	598,389	1,633,673
b. Finance cost		
Interest on loan and receivables	223,545	385,223
Interest on lease liabilities	86,450	24,217
Other finance costs	335,031	222,928
	645,026	632,368
Net finance (costs)/income	(46,637)	1,001,305

Notes to the financial statements

	14 months ended 31 Oct 2021	Year ended 31 Aug 2020
	\$	\$
7. Income tax expense		
a. Amounts recognised in profit or loss		
Current tax	(2,030,799)	(2,922,524)
Prior year	13,857	(2,166,823)
Current tax expense	(2,016,942)	(5,089,347)
Origination and reversal of temporary differences	1,101,667	1,568,242
Change in recognised deductible temporary differences	(17,426)	2,211,749
Deferred tax benefit	1,084,241	3,779,991
Tax expense from continuing operations	(932,701)	(1,309,356)
b. Reconciliation of income tax expense		
Profit from continuing operations before tax	2,101,738	4,447,361
Income tax expense before income tax at 30% (2020: 30%)	(630,521)	(1,334,208)
Tax effect of non-deductible expenses in determining taxable profit	(298,610)	(20,074)
Over/(under) provision in prior years	(3,570)	44,926
Tax expense from continuing operations	(932,701)	(1,309,356)

Notes to the financial statements

	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
8. Cash and cash equivalents		
Cash on hand	382	2,041
Cash at bank	963,752	615,217
	964,134	617,258

9. Trade and other receivables

Trade receivables	21,768,855	14,495,176
Other receivables	6,938	101,992
Prepayment	76,784	122,136
Amount due from related parties	96,841	404,203
Allowance for expected credit losses	(237,637)	(74,197)
Trade and other receivables - Current	21,711,781	15,049,310

The average credit period on sales of services is 30 days (2020: 30 days). The current receivables balances from related corporate bodies are receivable on call and are non-interest bearing. These receivables that are neither past due nor impaired are from trade receivables and amount due from related corporate bodies with no financial difficulties in repaying the amount upon demand.

10. Accrued revenue

Unbilled revenue on contractor sales	1,217,116	7,331,994
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11. Deferred tax assets

Provisions and accruals	1,152,864	68,623
Unused tax losses	-	-
Deferred tax assets	1,152,864	68,623
Deferred tax assets not recognised	-	-
Net deferred tax assets	1,152,864	68,623

Notes to the financial statements**11. Deferred tax assets (continued)**

	Opening balance as at 1 Sep 2020	Movement	Closing balance as at 31 Oct 2021	Net
	\$	\$	\$	\$
Plant and equipment	2,786	13,969	16,755	5,026
Accrued revenue	(3,601,265)	2,384,149	(1,217,116)	(365,135)
Doubtful debts	74,197	163,440	237,637	71,291
Employee leave provisions	2,312,308	(111,251)	2,201,057	660,317
Unpaid superannuation	712,562	444,130	1,156,692	347,008
Accrued expenses	736,358	711,499	1,447,857	434,357
Foreign exchange loss/(gain)	(8,204)	8,204	-	-
Tax (liabilities)/assets	228,742	3,614,140	3,842,882	1,152,864
Net tax (liabilities)/assets	68,623	1,084,241	1,152,864	

	Opening balance as at 1 Sep 2019	Movement	Opening balance as at 31 Aug 2020	Net
	\$	\$	\$	\$
Plant and equipment	19,266	(16,480)	2,786	835
Accrued revenue	(14,821,365)	11,220,100	(3,601,265)	(1,080,379)
Doubtful debts	124,197	(50,000)	74,197	22,259
Employee leave provisions	1,993,861	318,447	2,312,308	693,692
Unpaid superannuation	1,047,653	(335,091)	712,562	213,769
Accrued expenses	124,906	611,452	736,358	220,908
Foreign exchange loss/(gain)	(859,743)	851,539	(8,204)	(2,461)
Tax (liabilities)/assets	(12,371,225)	12,599,967	228,742	68,623
Net tax (liabilities)/assets	(3,711,368)	3,779,991	68,623	

12. Plant and equipment

	Leasehold buildings and improvements	Plant and equipment	Fixtures and fittings	Total
	\$	\$	\$	\$
Cost				
Balance at 1 Sep 2019	8,860	392,772	49,864	451,496
Additions	1,597	17,087	1,732	20,416
Disposals	-	(78,229)	(8,332)	(86,561)
Balance at 31 Aug 2020	10,457	331,630	43,264	385,351
Additions	-	39,534	-	39,534
Disposals	(5,978)	(332,974)	(26,782)	(365,734)
Balance at 31 Oct 2021	4,479	38,190	16,482	59,151

Notes to the financial statements

12. Plant and equipment (continued)

	Leasehold buildings and improvements \$	Plant and equipment \$	Fixtures and fittings \$	Total \$
Accumulated depreciation				
Balance at 1 Sep 2019	6,060	224,613	40,896	271,569
Depreciation	863	64,714	4,018	69,595
Disposals	-	(78,229)	(8,335)	(86,564)
Balance at 31 Aug 2020	6,923	211,098	36,579	254,600
Depreciation	1,045	125,385	4,809	131,239
Disposals	(5,978)	(332,974)	(26,782)	(365,734)
Balance at 31 Oct 2021	1,990	3,509	14,606	20,105
Net book value				
As at 31 Aug 2020	3,534	120,532	6,685	130,751
As at 31 Oct 2021	2,489	34,681	1,876	39,046

13. Intangible assets and goodwill

	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
Cost		
Opening balance	1,596,020	1,596,020
Disposals	(1,596,020)	-
Closing Balance	-	1,596,020
Accumulated amortisation		
Opening balance	705,261	705,261
Disposals	(705,261)	-
Closing Balance	-	705,261
Closing net book value	-	890,759

Goodwill relates to the acquisition of Code Engineering Personnel Pty Ltd in 2003. Consequent to the Fircroft merger with NES on 18 September 2020, this goodwill was written off on 30 June 2021.

Notes to the financial statements

	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
14. Right-of-use assets		
Cost		
Opening balance	1,112,553	1,112,553
Adjustment to opening balance	138,469	-
Additions	117,245	-
Closing Balance	1,368,267	1,112,553
Accumulated amortisation		
Opening balance	247,234	-
Amortisation	386,987	247,234
Accumulated amortisation	634,221	247,234
Closing net book value	734,046	865,319
15. Trade and other payables		
Trade payables	3,375,249	213,823
Other payables	5,074,277	9,260,291
Amount due to related parties	1,816,299	278,359
Goods and service tax payable	1,344,420	962,752
Trade and other payables - Current	11,610,245	10,715,225

Trade payables are non-interest bearing, unsecured and will be paid within the next 12 months.

Amounts due from and to related parties are trade payable in nature and does not carry any interest.

16. Interest bearing liabilities

Interest bearing liabilities	7,749,283	4,874,793
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HSBC Bank Australia is the finance provider which provides a trade finance facility. Annual and periodic reviews take place as necessary subject to banking conditions as set out in the agreement between the parties.

The trade finance facility limit during the year was \$25,000,000 (2020: \$25,000,000); unused limits as at 31 October 2021 was \$17,250,717 (31 August 2020: \$20,102,542).

Additionally, the Group has a guarantee facility of \$250,000 (2020: \$250,000); unused limits as at 31 October 2021 was \$9,321 (31 August 2020: \$9,321).

Notes to the financial statements

	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
17. Lease liabilities		
Opening balance	892,335	1,112,553
Adjustment to opening balance	91,957	-
Additions	117,245	-
Principal lease payment	(434,952)	(244,434)
Interest on lease liabilities	86,450	24,216
Closing balance	753,035	892,335
Current	353,874	235,252
Non-current	399,161	657,083

The Group leases office premise on a five years lease term, with an option to renew the lease after that date. Lease payments are renegotiated at the end of the initial term, to reflect market rentals. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The lease liabilities are discounted at the Group's incremental borrowing rate of 8.93%.

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The Group leases IT equipment. These leases are of low value items; the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Maturity analysis of lease liabilities

Years 1 to 3	753,036	892,335
Years 4 to 5	-	-
Onwards	-	-
	753,036	892,335
Current	353,874	235,252
Non-current	399,161	657,083

Notes to the financial statements

	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
18. Provisions		
Annual leave	158,464	266,220
Long service leave	2,042,593	1,909,507
	2,201,057	2,175,727
Current	2,201,057	2,052,065
Non-current	-	123,662
	14 months ended 31 Oct 2021 \$	Year ended 31 Aug 2020 \$
19. Notes to the cash flow statement		
Reconciliation of profit for the financial year to net cash flows from operating activities are listed as follows:		
Profit for the year	1,169,037	3,138,006
Adjustments:		
Depreciation of plant and equipment	131,239	69,595
Amortisation of right-of-use assets	386,987	247,234
Write off goodwill	890,759	-
Interest received	(374,844)	(1,633,177)
Finance charge on lease liabilities	86,450	24,216
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(6,662,471)	7,684,763
Decrease in accrued revenue	6,114,877	7,489,372
(Increase) in deferred tax assets	(1,084,242)	(3,779,991)
Increase/(decrease) in trade and other payables	895,021	(2,920,128)
Increase/(decrease) in current tax liability	(1,020,578)	4,307,084
Increase in provisions	148,992	58,203
Increase/(decrease) in foreign exchange	13,138	(65,291)
Net cash flows from operating activities	694,365	14,619,886

Notes to the financial statements

20. Share capital

	As at 31 Oct 2021 No. of shares	As at 31 Aug 2020 No. of shares	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
Ordinary shares	10,000	10,000	10,000	10,000

Fully paid ordinary shares carry one vote per share and carry a right to dividends. Changes to the then Corporation Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

21. Dividends and capital management

	14 months ended 31 Oct 2021 \$	Year ended 31 Aug 2020 \$
Ordinary dividends declared and paid	12,500,000	12,500,000

The primary objective of the Group's capital management is to ensure that it maintains an adequate capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment, return of capital or issue new shares to shareholder. No changes were made in the objectives, policies or processes during the years ended 31 October 2021 and 31 August 2020.

22. Subsidiaries

The Group's subsidiaries are listed as follows:

Entity	Country of incorporation	As at 31 Oct 2021 Equity Holding	As at 31 Aug 2020 Equity Holding
Fircroft (PNG) Limited	Papua New Guinea	100%	100%

23. Remuneration of auditors

	14 months ended 31 Oct 2021 \$	Year ended 31 Aug 2020 \$
Audit of financial report	110,250	103,382

Notes to the financial statements

24. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk and liquidity risk.

The Board of Directors, as guided by the ultimate holding company, reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Finance Director. The Group's principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policies are not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group is exposed to foreign currency risk on intercompany receivables that are denominated in foreign currency, which is disclosed in Note 27.

b. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from its receivables with intercompany and cash and bank balances.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts of its financial assets as disclosed in Note 26. These amounts do not entail further credit enhancements.

Financial assets that are neither past due nor impaired

Information regarding receivables that are neither past due nor impaired is disclosed in Note 9.

Notes to the financial statements

24. Financial risk management objectives and policies (continued)

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

Analysis of financial instruments

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year \$	More than 1 year \$	Total \$
As at 31 Oct 2021			
Trade and other payables	11,610,245	-	11,610,245
Lease liabilities	265,642	369,074	634,716
As at 31 Aug 2020			
Trade and other payables	10,715,225	-	10,715,225
Lease liabilities	297,196	634,716	931,912

25. Fair value of financial instruments

The carrying amounts of other financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments or the insignificant impact of discounting.

Notes to the financial statements

26. Financial instruments

Classes and categories of financial instruments and their fair values

The following disclosure combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments; and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

As at 31 October 2021

	Cash and cash equivalents Note 8 \$	Trade and other receivables Note 9 \$	Trade and other payables Note 15 \$	Interest bearing liabilities Note 16 \$	Lease liabilities Note 17 \$
Financial assets					
FVTPL - derivatives designated in hedge relationships	-	-	-	-	-
FVTPL - mandatorily measured	-	-	-	-	-
FVTOCI	-	-	-	-	-
FVTOCI - designated	-	-	-	-	-
Amortised cost	964,134	21,711,781	-	-	-
Total financial assets	964,134	21,711,781	-	-	-
Financial liabilities					
FVTPL - derivatives designated in hedge relationships	-	-	-	-	-
FVTPL - mandatorily measured	-	-	-	-	-
Amortised cost	-	-	(11,610,245)	(7,749,283)	(753,035)
Total financial liabilities	-	-	(11,610,245)	(7,749,283)	(753,035)

Notes to the financial statements

26. Financial instruments (continued)

As at 31 August 2020

	Cash and cash equivalents Note 8 \$	Trade and other receivables Note 9 \$	Trade and other payables Note 15 \$	Interest bearing liabilities Note 16 \$	Lease liabilities Note 17 \$
Financial assets					
FVTPL - derivatives designated in hedge relationships	-	-	-	-	-
FVTPL - mandatorily measured	-	-	-	-	-
FVTOCI	-	-	-	-	-
FVTOCI - designated Amortised cost	617,258	15,049,310	-	-	-
Total financial assets	617,258	15,049,310	-	-	-
Financial liabilities					
FVTPL - derivatives designated in hedge relationships	-	-	-	-	-
FVTPL - mandatorily measured Amortised cost	-	-	(10,715,225)	(4,874,793)	(892,335)
Total financial liabilities	-	-	(10,715,225)	(4,874,793)	(892,335)

Notes to the financial statements

27. Significant related party transactions	14 months ended 31 Oct 2021	Year ended 31 Aug 2020
	\$	\$
Significant related party transactions between the Group and the related parties are as follows:		
Sales of services	(1,333,053)	(875,075)
Purchase of services	2,464,910	1,977,932
Franchise fees	1,791,423	2,053,018
Staff recharges	294,554	-
Interest recharges	(374,837)	(1,633,177)
Loss/(Gain) on exchange on intercompany loan revaluation	351,245	704,025
Intercompany loan repayment	8,164,238	6,887,406
Intercompany invoice settlement	731,334	(1,590,537)
Management & Admin Services	646,063	-
Payment/receipt on behalf	29,793	-
The Group has the following net related party receivable as at reporting date:		
Trade and other receivables	96,841	404,203
Trade and other payables	(1,816,299)	(278,359)
Intercompany receivables	12,221,805	23,692,232
Intercompany payables	(65,921)	(1,988,512)
Net intercompany receivable	10,436,426	21,829,564

The intercompany receivables are not trading related, payable on demand, and bear interest which changes every year based on what will be agreed by the parties involved. These receivables were charged with average 4.52% interest during the year (2020: 5.00%).

The directors are of the opinion that all the transactions above have been entered into the normal course of business and were transacted at mutually agreed terms.

Aggregate compensation of key management personnel	726,838	653,468
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28. Contingent liabilities and contingent assets

There are no unrecorded contingent assets or liabilities in place for the Group as at 31 October 2021 (31 August 2020: nil).

29. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the financial statements

30. Parent and ultimate parent entities

NES Fircroft Australia Pty Ltd is the parent entity of the Group.

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.

Financial position	As at	As at
	31 Oct 2021	31 Aug 2020
	\$	\$
Assets		
Current assets	25,045,895	23,267,851
Non-current assets	773,480	25,160,667
Total assets	25,819,375	48,428,518
Liabilities		
Current liabilities	22,026,752	21,359,690
Non-current liabilities	399,161	780,745
Total Liabilities	22,425,913	22,140,435
Net assets	3,393,462	26,288,083
Equity		
Share capital	10,000	10,000
Retained earnings	14,965,095	26,278,084
Total equity	14,975,095	26,288,084
Financial performance	14 months ended	Year ended
	31 Oct 2021	31 Aug 2020
	\$	\$
Profit for the year	1,159,995	3,143,143
Other comprehensive income	27,016	-
Total comprehensive income	1,187,011	3,143,143

NES FIRCROFT AUSTRALIA PTY LTD

ABN 58 100 091 245

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE 14 MONTHS PERIOD ENDED 31 OCTOBER 2021

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Directors' report

The directors of NES Fircroft Australia Pty Ltd present their report, together with the consolidated financial statements of the Group comprising NES Fircroft Australia Pty Ltd ("the Company") and its subsidiaries for the 14 months ended 31 October 2021.

The holding company is Professional Laboratory Services Ltd, a company incorporated in the United Kingdom. The ultimate holding company of the Group is NES Global Talent Limited.

The Company merged with NES on 18 September 2020 and changed its financial year end to 31 October 2021, and therefore these consolidated financial statements cover fourteen months period from 1 September 2020 to 31 October 2021 ("financial year"). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the Company during or since the end of the financial year are:

- Mr Matthew Derek Underhill appointed 29 September 2020
- Mr Lee Fraser Coleman appointed 31 October 2020
- Mr Stephen William Buckley appointed 31 October 2020

Principal activity

The principal activity of the Group is to provide human resource consulting services in the industrial, engineering, technical and information technology sectors. There have been no significant changes in the nature of these activities during the financial year.

Review of operations

The consolidated entity recorded an after tax net profit of \$1,169,037 for the 14 months ended 31 October 2021 (31 August 2020: \$3,138,006).

Changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

At 31 October 2021, the consolidated entity had a capital surplus of \$15,494,629 (31 August 2020: \$26,812,454); a working capital surplus of \$15,120,698 (31 August 2020: \$2,433,826); pre-tax profit of \$2,101,738 (31 August 2020: \$4,447,362); and net cash inflow from operating activities of \$694,365 (31 August 2020: \$14,619,886).

Subsequent events

There had not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Group in future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of the operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Directors' report (continued)

Environmental regulations

The Group is not covered by any environmental regulations.

Dividends

For the 14 months period ended, a dividend of \$12,500,000 (31 August 2020: \$12,500,000) franked to 100% at 30% corporate income tax rate was paid to shareholders of fully paid ordinary shares on 15 September 2021.

Share options

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company whether granted before or during the financial year. There were no unissued shares of the Company under option at the end of the financial year.

Indemnification of officers

During the 14 months period, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above) and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the 14 months period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Indemnification of auditors

To the extent permitted by law, the Company agreed to indemnify its auditors, Deloitte Touche Tohmatsu, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Deloitte Touche Tohmatsu during or since the financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the financial statements.

Rounding off of amounts

The Group are comprised of companies of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to Section 298 (2) of the Corporations Act 2001.

On behalf of the Directors



Lee Fraser Coleman

Director

29 April 2022

The Board of Directors
NES Fircroft Australia Pty Limited
'Parmelia House' Level 12,
191 St Georges Terrace,
Perth WA 6000

29 April 2022

Dear Board Members

Auditor's Independence Declaration to NES Fircroft Australia Pty Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of NES Fircroft Australia Pty Limited.

As lead audit partner for the audit of the financial report of NES Fircroft Australia Pty Limited for the period 14 months ended 31 October 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Peter Rupp
Partner
Chartered Accountants

Independent Auditor's Report to the Members of NES Fircroft Australia Pty Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of NES Fircroft Australia Pty Limited (the "Company") and its subsidiaries ("the Group") which comprises the consolidated statement of financial position as at 31 October 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period 14 months then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 October 2021 and of its financial performance for the period 14 months then ended; and
- Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (*including Independence Standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period 14 months ended 31 October 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 report 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 Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Rupp Peter

Partner

Chartered Accountants

Perth, 29 April 2022

Directors' declaration

In the opinion of the directors of NES Fircroft Australia Pty Ltd ("the Company"):

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 and comply with accounting standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Corporations Regulations 2001 giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Lee Fraser Coleman
Director
29 April 2022

Consolidated statement of financial position

	Note	31 Oct 2021	31 Aug 2020
		\$	\$
Current assets			
Cash and cash equivalents	8	964,134	617,258
Trade and other receivables	9	21,711,781	15,049,310
Accrued revenue	10	1,217,116	7,331,994
Intercompany receivables	27	12,221,805	419,687
Deferred tax assets	11	1,152,864	68,623
Total current assets		37,267,700	23,486,872
Non-current assets			
Intercompany receivables	27	-	23,272,544
Plant and equipment	12	39,046	130,751
Intangible assets and goodwill	13	-	890,759
Right-of-use assets	14	734,046	865,319
Total non-current assets		773,092	25,159,373
Total assets		38,040,792	48,646,245
Current liabilities			
Trade and other payables	15	11,610,245	10,715,225
Intercompany payables	27	65,921	1,988,512
Interest bearing liabilities	16	7,749,283	4,874,793
Current tax liabilities		166,622	1,187,199
Lease liabilities	17	353,874	235,252
Provisions	18	2,201,057	2,052,065
Total current liabilities		22,147,002	21,053,046
Non-current liabilities			
Lease liabilities	17	399,161	657,083
Provisions	18	-	123,662
Total non-current liabilities		399,161	780,745
Total liabilities		22,546,163	21,833,791
Net assets		15,494,629	26,812,454
Equity			
Share capital	20	10,000	10,000
Reserves		(103,531)	(116,669)
Retained earnings		15,588,160	26,919,123
Total equity		15,494,629	26,812,454

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Note	14 months ended 31 Oct 2021	Year ended 31 Aug 2020
		\$	\$
Revenue	3	177,298,755	207,853,421
Cost of sales		(166,318,275)	(195,666,010)
Gross profit		10,980,480	12,187,411
Other (expenses)/income	4	(163,410)	50,000
General and administrative expenses	5	(8,150,469)	(8,474,525)
Depreciation and amortisation		(518,226)	(316,829)
Profit before interest and tax		2,148,375	3,446,057
Finance (costs)/income	6	(46,637)	1,001,305
Profit before tax		2,101,738	4,447,362
Income tax expense	7	(932,701)	(1,309,356)
Profit for the financial year		1,169,037	3,138,006
Other comprehensive income		27,016	-
Foreign currency translation differences		(13,878)	(65,291)
Total comprehensive income for the financial year		1,182,175	3,072,715

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share Capital	Reserves	Retained Earnings	Total Equity
	\$	\$	\$	\$
Balance as at 1 September 2019	10,000	(51,378)	36,281,117	36,239,739
Profit for the financial year	-	-	3,138,006	3,138,006
Other comprehensive income	-	(65,291)	-	(65,291)
Total comprehensive income for the financial year	-	(65,291)	3,138,006	3,072,715
Dividends	-	-	(12,500,000)	(12,500,000)
Total transactions with owners for the Company	-	-	(12,500,000)	(12,500,000)
Balance as at 31 August 2020	10,000	(116,669)	26,919,123	26,812,454
Profit for the financial year	-	-	1,169,037	1,169,037
Other comprehensive income	-	13,138	-	13,138
Total comprehensive income for the financial year	-	13,138	1,169,037	1,182,175
Dividends	-	-	(12,500,000)	(12,500,000)
Total transactions with owners for the Company	-	-	(12,500,000)	(12,500,000)
Balance as at 31 October 2021	10,000	(103,531)	15,588,160	15,494,629

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	14 months ended 31 Oct 2021 \$	Year ended 31 Aug 2020 \$
Cash flows from operating activities			
Receipts from customers		176,751,161	223,027,556
Payments to suppliers and employers		(172,684,245)	(207,017,751)
Cash generated from operating activities		<u>4,066,916</u>	<u>16,009,805</u>
Interest costs paid		(335,031)	(607,656)
Income taxes paid		(3,037,520)	(782,263)
Net cash from operating activities	17	<u>694,365</u>	<u>14,619,886</u>
Cash flows from investing activities			
Payment for plant and equipment		(295,248)	103,245
Net cash (used in)/from investing activities		<u>(295,248)</u>	<u>103,245</u>
Cash flows from financing activities			
Interest received		374,844	1,633,177
Repayment of loan from related parties		9,547,836	6,420,735
Dividends paid	18	(12,500,000)	(12,500,000)
Payment of lease liabilities		(262,961)	(220,218)
Finance charge on lease liabilities		(86,450)	(24,216)
Proceeds from/(repayment of) borrowings		2,874,490	(11,154,945)
Net cash used in financing activities		<u>(52,241)</u>	<u>(15,845,467)</u>
Net increase/(decrease) in cash held during the financial period/year		346,876	(1,122,336)
Cash and cash equivalents at the beginning of the financial period/year		617,258	1,739,594
Cash and cash equivalents at the end of the financial year		<u>964,134</u>	<u>617,258</u>

The accompanying notes form part of these consolidated financial statements.

Notes to the financial statements

1. Corporate information and significant accounting policies

Corporate information

NES Fircroft Australia Pty Ltd ("the Company") is a proprietary limited company, incorporated and operating in Australia. These consolidated financial statements comprise NES Fircroft Australia Pty Ltd and its subsidiaries (referred to as "the Group"), which operates as a for-profit entity.

The holding company is Professional Laboratory Services Ltd, a company incorporated in the United Kingdom. The ultimate holding company of the Group is NES Global Talent Limited.

The principal activity of the Group is to provide human resource consulting services in the industrial, engineering, technical and information technology sectors. There have been no significant changes in the nature of these activities during the financial year.

The Company merged with NES on 18 September 2020 and changed its financial year end to 31 October 2021, and therefore these consolidated financial statements cover fourteen months period from 1 September 2020 to 31 October 2021 ("financial year").

The registered office and principal place of business of the Company is Level 12 Parmelia House, 191 St Georges Terrace, Perth WA, 6000.

These consolidated financial statements were authorised for issue by the directors on 29 April 2022.

Basis of preparation

The consolidated financial statements is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Group is a for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements for the Company are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

The consolidated financial statements also been prepared on a historical cost basis, except where otherwise

The consolidated financial statements are prepared and presented in Australian dollars, which is the Company's functional currency, rounded to the nearest dollar, unless otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous period. Where necessary, comparative figures have been reclassified to conform with presentation in the current year.

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

Based on cashflow forecasts prepared by the Company, the Company may require the financial support of the intermediate holding company during the next twelve months from the date of signing the Company's 31 October 2021 Financial Statements.

NES Fircroft Limited being the intermediate holding company of the Company, has confirmed that they are aware of the financial position of the Company, including COVID-19 impacts to the business of the Company. In this regard, NES Fircroft Limited has confirmed to provide ongoing financial assistance to the Company to ensure it will continue to meet its obligations as and when they fall due for the twelve months period from the date of signing the Company's 31 October 2021 Financial Statements and not to demand repayments of amounts due from the Company as at 31 October 2021 during the next twelve months from the date of signing the Company's 31 October 2021 Financial Statements except in so far as the funds of NES Fircroft Australia Pty Ltd permit repayment and such repayment will not adversely affect the ability of NES Fircroft Australia Pty Ltd to meet its liabilities as and when they fall due.

At 31 October 2021, the consolidated entity had a capital surplus of \$15,494,629 (31 August 2020: \$26,812,454); a working capital surplus of \$15,120,698 (31 August 2020: \$2,433,826); pre-tax profit of \$2,101,738 (31 August 2020: \$4,447,362); and net cash inflow from operating activities of \$694,365 (31 August 2020: \$14,619,886).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 October each year.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. 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 years in which the estimate is revised if the revision affects only that year, or the year of the revision and future years if the revision affects both current and future years.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash held with financial institutions. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b. Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

c. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

d. Income tax

i. Current income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

ii. Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences between the carrying amount and tax losses to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

iii. Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity.

Deferred tax is also recognised directly in equity, or when it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

e. Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its expected residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

Depreciation of plant and equipment is calculated by reference to the historical cost of the plant and equipment and their estimated useful lives. The principal depreciation rates based on a straight line method are as follows:

- Leasehold improvements	Lease term or 5 years
- Plant and equipment	4 years
- Furniture and fittings	4 years

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

When the carrying amount of the plant and equipment is greater than its estimated recoverable amounts, an impairment charge is made to write down the carrying values to the recoverable amounts. The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

f. Revenue

Revenue is recognised on the basis of hours worked for contractors hired out (recognised over time), on the start date for permanent placements (recognised at a point in time), and on the basis of work performed for project management services (recognised at a point in time). 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, GST and other sales-related taxes.

All revenue is generated from contractual agreements with customers. Intercompany billing on behalf of related parties is done at cost, without mark-up.

g. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any impairment due to expected credit losses (ECL). An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the statement of comprehensive income.

Trade receivables are due for settlement within no more than 30 days. In general amounts receivable are collected on average within 30 to 60 days.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

h. Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially their fair value and subsequently measured at the amortised cost using the effective interest method.

i. Foreign currency

The financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of these consolidated financial statements, the results and the financial position of the entity are expressed in Australian Dollars, which is the functional currency of NES Fircroft Australia Pty Ltd, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. All realised and unrealised exchange adjustment gains and losses are taken to the statement of profit or loss and other comprehensive income.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed off.

j. Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 immediately in the statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent 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 immediately in the statement of profit or loss and other comprehensive income.

Notes to the financial statements

1. Corporate information and significant accounting policies (continued)

k. Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised on a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainty surrounding the obligation.

l. Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Assets' policy.

Notes to the financial statements

2. New accounting standards and interpretation

New and revised Standards and amendments thereof and Interpretations effective for the current year are:

- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

The Group has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 September 2020. The adoption of these standards has not resulted in any adjustments on initial application for the Group and there has not been an effect on the amounts reported for the current period.

At the date of authorisation of the consolidated financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective.

Standard/amendment	Effective for annual reporting periods beginning on or after
- AASB 17 <i>Insurance Contracts</i> and AASB 2020-5 <i>Amendments to Australian Accounting Standards – Insurance Contracts</i>	1 January 2023
- AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> , AASB 2015-10 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 12 8</i> and AASB 2017-5 <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 January 2023 (Editorial corrections in AASB 2017-5 applied from 1 January 2018)
- AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i> and AASB 2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1 January 2023
- AASB 2020-3 <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 January 2022
- AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023
- AASB 2021-5 <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

Notes to the financial statements

	14 months ended	Year ended
	31 Oct 2021	31 Aug 2020
	\$	\$
3. Revenue		
Permanent placement revenue	602,014	707,542
Contractor sales	176,696,741	207,145,879
	177,298,755	207,853,421
4. Other (expenses)/income		
Provision for doubtful debt	(163,440)	50,000
Other	30	-
	(163,410)	50,000
5. General and administrative expenses		
Employee salaries and wages	3,653,242	4,029,137
Group recharges	2,085,977	2,053,018
Other staff related costs	393,711	435,963
Establishment costs	453,926	580,684
Other costs	1,510,078	1,134,988
Other employee benefit expenses	39,849	100,431
Motor and travel costs	13,686	140,304
	8,150,469	8,474,525
6. Finance (costs)/income		
a. Finance income		
Bank deposits	7	496
Interest on loan and receivables	598,382	1,633,177
	598,389	1,633,673
b. Finance cost		
Interest on loan and receivables	223,545	385,223
Interest on lease liabilities	86,450	24,217
Other finance costs	335,031	222,928
	645,026	632,368
Net finance (costs)/income	(46,637)	1,001,305

Notes to the financial statements

	14 months ended 31 Oct 2021	Year ended 31 Aug 2020
	\$	\$
7. Income tax expense		
a. Amounts recognised in profit or loss		
Current tax	(2,030,799)	(2,922,524)
Prior year	13,857	(2,166,823)
Current tax expense	(2,016,942)	(5,089,347)
Origination and reversal of temporary differences	1,101,667	1,568,242
Change in recognised deductible temporary differences	(17,426)	2,211,749
Deferred tax benefit	1,084,241	3,779,991
Tax expense from continuing operations	(932,701)	(1,309,356)
b. Reconciliation of income tax expense		
Profit from continuing operations before tax	2,101,738	4,447,361
Income tax expense before income tax at 30% (2020: 30%)	(630,521)	(1,334,208)
Tax effect of non-deductible expenses in determining taxable profit	(298,610)	(20,074)
Over/(under) provision in prior years	(3,570)	44,926
Tax expense from continuing operations	(932,701)	(1,309,356)

Notes to the financial statements

	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
8. Cash and cash equivalents		
Cash on hand	382	2,041
Cash at bank	963,752	615,217
	964,134	617,258

9. Trade and other receivables

Trade receivables	21,768,855	14,495,176
Other receivables	6,938	101,992
Prepayment	76,784	122,136
Amount due from related parties	96,841	404,203
Allowance for expected credit losses	(237,637)	(74,197)
Trade and other receivables - Current	21,711,781	15,049,310

The average credit period on sales of services is 30 days (2020: 30 days). The current receivables balances from related corporate bodies are receivable on call and are non-interest bearing. These receivables that are neither past due nor impaired are from trade receivables and amount due from related corporate bodies with no financial difficulties in repaying the amount upon demand.

10. Accrued revenue

Unbilled revenue on contractor sales	1,217,116	7,331,994
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11. Deferred tax assets

Provisions and accruals	1,152,864	68,623
Unused tax losses	-	-
Deferred tax assets	1,152,864	68,623
Deferred tax assets not recognised	-	-
Net deferred tax assets	1,152,864	68,623

Notes to the financial statements

11. Deferred tax assets (continued)

	Opening balance as at 1 Sep 2020	Movement	Closing balance as at 31 Oct 2021	Net
	\$	\$	\$	\$
Plant and equipment	2,786	13,969	16,755	5,026
Accrued revenue	(3,601,265)	2,384,149	(1,217,116)	(365,135)
Doubtful debts	74,197	163,440	237,637	71,291
Employee leave provisions	2,312,308	(111,251)	2,201,057	660,317
Unpaid superannuation	712,562	444,130	1,156,692	347,008
Accrued expenses	736,358	711,499	1,447,857	434,357
Foreign exchange loss/(gain)	(8,204)	8,204	-	-
Tax (liabilities)/assets	228,742	3,614,140	3,842,882	1,152,864
Net tax (liabilities)/assets	68,623	1,084,241	1,152,864	

	Opening balance as at 1 Sep 2019	Movement	Opening balance as at 31 Aug 2020	Net
	\$	\$	\$	\$
Plant and equipment	19,266	(16,480)	2,786	835
Accrued revenue	(14,821,365)	11,220,100	(3,601,265)	(1,080,379)
Doubtful debts	124,197	(50,000)	74,197	22,259
Employee leave provisions	1,993,861	318,447	2,312,308	693,692
Unpaid superannuation	1,047,653	(335,091)	712,562	213,769
Accrued expenses	124,906	611,452	736,358	220,908
Foreign exchange loss/(gain)	(859,743)	851,539	(8,204)	(2,461)
Tax (liabilities)/assets	(12,371,225)	12,599,967	228,742	68,623
Net tax (liabilities)/assets	(3,711,368)	3,779,991	68,623	

12. Plant and equipment

	Leasehold buildings and improvements	Plant and equipment	Fixtures and fittings	Total
	\$	\$	\$	\$
Cost				
Balance at 1 Sep 2019	8,860	392,772	49,864	451,496
Additions	1,597	17,087	1,732	20,416
Disposals	-	(78,229)	(8,332)	(86,561)
Balance at 31 Aug 2020	10,457	331,630	43,264	385,351
Additions	-	39,534	-	39,534
Disposals	(5,978)	(332,974)	(26,782)	(365,734)
Balance at 31 Oct 2021	4,479	38,190	16,482	59,151

Notes to the financial statements

12. Plant and equipment (continued)

	Leasehold buildings and improvements \$	Plant and equipment \$	Fixtures and fittings \$	Total \$
Accumulated depreciation				
Balance at 1 Sep 2019	6,060	224,613	40,896	271,569
Depreciation	863	64,714	4,018	69,595
Disposals	-	(78,229)	(8,335)	(86,564)
Balance at 31 Aug 2020	6,923	211,098	36,579	254,600
Depreciation	1,045	125,385	4,809	131,239
Disposals	(5,978)	(332,974)	(26,782)	(365,734)
Balance at 31 Oct 2021	1,990	3,509	14,606	20,105
Net book value				
As at 31 Aug 2020	3,534	120,532	6,685	130,751
As at 31 Oct 2021	2,489	34,681	1,876	39,046

13. Intangible assets and goodwill

	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
Cost		
Opening balance	1,596,020	1,596,020
Disposals	(1,596,020)	-
Closing Balance	-	1,596,020
Accumulated amortisation		
Opening balance	705,261	705,261
Disposals	(705,261)	-
Closing Balance	-	705,261
Closing net book value	-	890,759

Goodwill relates to the acquisition of Code Engineering Personnel Pty Ltd in 2003. Consequent to the Fircroft merger with NES on 18 September 2020, this goodwill was written off on 30 June 2021.

Notes to the financial statements

	As at 31 Oct 2021	As at 31 Aug 2020
	\$	\$
14. Right-of-use assets		
Cost		
Opening balance	1,112,553	1,112,553
Adjustment to opening balance	138,469	-
Additions	117,245	-
Closing Balance	1,368,267	1,112,553
Accumulated amortisation		
Opening balance	247,234	-
Amortisation	386,987	247,234
Accumulated amortisation	634,221	247,234
Closing net book value	734,046	865,319
15. Trade and other payables		
Trade payables	3,375,249	213,823
Other payables	5,074,277	9,260,291
Amount due to related parties	1,816,299	278,359
Goods and service tax payable	1,344,420	962,752
Trade and other payables - Current	11,610,245	10,715,225

Trade payables are non-interest bearing, unsecured and will be paid within the next 12 months.

Amounts due from and to related parties are trade payable in nature and does not carry any interest.

16. Interest bearing liabilities

Interest bearing liabilities	7,749,283	4,874,793
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HSBC Bank Australia is the finance provider which provides a trade finance facility. Annual and periodic reviews take place as necessary subject to banking conditions as set out in the agreement between the parties.

The trade finance facility limit during the year was \$25,000,000 (2020: \$25,000,000); unused limits as at 31 October 2021 was \$17,250,717 (31 August 2020: \$20,102,542).

Additionally, the Group has a guarantee facility of \$250,000 (2020: \$250,000); unused limits as at 31 October 2021 was \$9,321 (31 August 2020: \$9,321).

Notes to the financial statements

	As at 31 Oct 2021	As at 31 Aug 2020
	\$	\$
17. Lease liabilities		
Opening balance	892,335	1,112,553
Adjustment to opening balance	91,957	-
Additions	117,245	-
Principal lease payment	(434,952)	(244,434)
Interest on lease liabilities	86,450	24,216
Closing balance	753,035	892,335
Current	353,874	235,252
Non-current	399,161	657,083

The Group leases office premise on a five years lease term, with an option to renew the lease after that date. Lease payments are renegotiated at the end of the initial term, to reflect market rentals. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The lease liabilities are discounted at the Group's incremental borrowing rate of 8.93%.

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The Group leases IT equipment. These leases are of low value items; the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Maturity analysis of lease liabilities

Years 1 to 3	753,036	892,335
Years 4 to 5	-	-
Onwards	-	-
	753,036	892,335
Current	353,874	235,252
Non-current	399,161	657,083

Notes to the financial statements

	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
18. Provisions		
Annual leave	158,464	266,220
Long service leave	2,042,593	1,909,507
	2,201,057	2,175,727
Current	2,201,057	2,052,065
Non-current	-	123,662
	14 months ended 31 Oct 2021 \$	Year ended 31 Aug 2020 \$
19. Notes to the cash flow statement		
Reconciliation of profit for the financial year to net cash flows from operating activities are listed as follows:		
Profit for the year	1,169,037	3,138,006
Adjustments:		
Depreciation of plant and equipment	131,239	69,595
Amortisation of right-of-use assets	386,987	247,234
Write off goodwill	890,759	-
Interest received	(374,844)	(1,633,177)
Finance charge on lease liabilities	86,450	24,216
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(6,662,471)	7,684,763
Decrease in accrued revenue	6,114,877	7,489,372
(Increase) in deferred tax assets	(1,084,242)	(3,779,991)
Increase/(decrease) in trade and other payables	895,021	(2,920,128)
Increase/(decrease) in current tax liability	(1,020,578)	4,307,084
Increase in provisions	148,992	58,203
Increase/(decrease) in foreign exchange	13,138	(65,291)
Net cash flows from operating activities	694,365	14,619,886

Notes to the financial statements

20. Share capital

	As at 31 Oct 2021 No. of shares	As at 31 Aug 2020 No. of shares	As at 31 Oct 2021 \$	As at 31 Aug 2020 \$
Ordinary shares	10,000	10,000	10,000	10,000

Fully paid ordinary shares carry one vote per share and carry a right to dividends. Changes to the then Corporation Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

21. Dividends and capital management

	14 months ended 31 Oct 2021 \$	Year ended 31 Aug 2020 \$
Ordinary dividends declared and paid	12,500,000	12,500,000

The primary objective of the Group's capital management is to ensure that it maintains an adequate capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment, return of capital or issue new shares to shareholder. No changes were made in the objectives, policies or processes during the years ended 31 October 2021 and 31 August 2020.

22. Subsidiaries

The Group's subsidiaries are listed as follows:

Entity	Country of incorporation	As at 31 Oct 2021 Equity Holding	As at 31 Aug 2020 Equity Holding
Fircroft (PNG) Limited	Papua New Guinea	100%	100%

23. Remuneration of auditors

	14 months ended 31 Oct 2021 \$	Year ended 31 Aug 2020 \$
Audit of financial report	110,250	103,382

Notes to the financial statements

24. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk and liquidity risk.

The Board of Directors, as guided by the ultimate holding company, reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Finance Director. The Group's principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policies are not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group is exposed to foreign currency risk on intercompany receivables that are denominated in foreign currency, which is disclosed in Note 27.

b. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from its receivables with intercompany and cash and bank balances.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts of its financial assets as disclosed in Note 26. These amounts do not entail further credit enhancements.

Financial assets that are neither past due nor impaired

Information regarding receivables that are neither past due nor impaired is disclosed in Note 9.

Notes to the financial statements

24. Financial risk management objectives and policies (continued)

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

Analysis of financial instruments

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year \$	More than 1 year \$	Total \$
As at 31 Oct 2021			
Trade and other payables	11,610,245	-	11,610,245
Lease liabilities	265,642	369,074	634,716
As at 31 Aug 2020			
Trade and other payables	10,715,225	-	10,715,225
Lease liabilities	297,196	634,716	931,912

25. Fair value of financial instruments

The carrying amounts of other financial assets and liabilities approximate their fair values due to the relatively short term maturity of these financial instruments or the insignificant impact of discounting.

Notes to the financial statements

26. Financial instruments

Classes and categories of financial instruments and their fair values

The following disclosure combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments; and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

As at 31 October 2021

	Cash and cash equivalents Note 8 \$	Trade and other receivables Note 9 \$	Trade and other payables Note 15 \$	Interest bearing liabilities Note 16 \$	Lease liabilities Note 17 \$
Financial assets					
FVTPL - derivatives designated in hedge relationships	-	-	-	-	-
FVTPL - mandatorily measured	-	-	-	-	-
FVTOCI	-	-	-	-	-
FVTOCI - designated	-	-	-	-	-
Amortised cost	964,134	21,711,781	-	-	-
Total financial assets	964,134	21,711,781	-	-	-
Financial liabilities					
FVTPL - derivatives designated in hedge relationships	-	-	-	-	-
FVTPL - mandatorily measured	-	-	-	-	-
Amortised cost	-	-	(11,610,245)	(7,749,283)	(753,035)
Total financial liabilities	-	-	(11,610,245)	(7,749,283)	(753,035)

Notes to the financial statements**26. Financial instruments (continued)****As at 31 August 2020**

	Cash and cash equivalents Note 8 \$	Trade and other receivables Note 9 \$	Trade and other payables Note 15 \$	Interest bearing liabilities Note 16 \$	Lease liabilities Note 17 \$
Financial assets					
FVTPL - derivatives designated in hedge relationships	-	-	-	-	-
FVTPL - mandatorily measured	-	-	-	-	-
FVTOCI	-	-	-	-	-
FVTOCI - designated Amortised cost	617,258	15,049,310	-	-	-
Total financial assets	617,258	15,049,310	-	-	-
Financial liabilities					
FVTPL - derivatives designated in hedge relationships	-	-	-	-	-
FVTPL - mandatorily measured Amortised cost	-	-	(10,715,225)	(4,874,793)	(892,335)
Total financial liabilities	-	-	(10,715,225)	(4,874,793)	(892,335)

Notes to the financial statements

	14 months ended	Year ended
27. Significant related party transactions	31 Oct 2021	31 Aug 2020
	\$	\$
Significant related party transactions between the Group and the related parties are as follows:		
Sales of services	(1,333,053)	(875,075)
Purchase of services	2,464,910	1,977,932
Franchise fees	1,791,423	2,053,018
Staff recharges	294,554	-
Interest recharges	(374,837)	(1,633,177)
Loss/(Gain) on exchange on intercompany loan revaluation	351,245	704,025
Intercompany loan repayment	8,164,238	6,887,406
Intercompany invoice settlement	731,334	(1,590,537)
Management & Admin Services	646,063	-
Payment/receipt on behalf	29,793	-
The Group has the following net related party receivable as at reporting date:		
Trade and other receivables	96,841	404,203
Trade and other payables	(1,816,299)	(278,359)
Intercompany receivables	12,221,805	23,692,232
Intercompany payables	(65,921)	(1,988,512)
Net intercompany receivable	10,436,426	21,829,564

The intercompany receivables are not trading related, payable on demand, and bear interest which changes every year based on what will be agreed by the parties involved. These receivables were charged with average 4.52% interest during the year (2020: 5.00%).

The directors are of the opinion that all the transactions above have been entered into the normal course of business and were transacted at mutually agreed terms.

Aggregate compensation of key management personnel	726,838	653,468
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28. Contingent liabilities and contingent assets

There are no unrecorded contingent assets or liabilities in place for the Group as at 31 October 2021 (31 August 2020: nil).

29. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the financial statements

30. Parent and ultimate parent entities

NES Fircroft Australia Pty Ltd is the parent entity of the Group.

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.

Financial position	As at	As at
	31 Oct 2021	31 Aug 2020
	\$	\$
Assets		
Current assets	25,045,895	23,267,851
Non-current assets	773,480	25,160,667
Total assets	25,819,375	48,428,518
Liabilities		
Current liabilities	22,026,752	21,359,690
Non-current liabilities	399,161	780,745
Total Liabilities	22,425,913	22,140,435
Net assets	3,393,462	26,288,083
Equity		
Share capital	10,000	10,000
Retained earnings	14,965,095	26,278,084
Total equity	14,975,095	26,288,084
Financial performance	14 months ended	Year ended
	31 Oct 2021	31 Aug 2020
	\$	\$
Profit for the year	1,159,995	3,143,143
Other comprehensive income	27,016	-
Total comprehensive income	1,187,011	3,143,143

NES FIRCROFT AUSTRALIA PTY LTD

ABN 58 100 091 245

CONSOLIDATED GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

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Directors' report

The directors of NES Fircroft Australia Pty Ltd submit herewith the annual report of the Group comprising NES Fircroft Australia Pty Ltd (the "Company") and its subsidiaries (together "Group") for the financial year ended 31 October 2022.

The holding company is Professional Laboratory Services Ltd, a company incorporated in the United Kingdom. The ultimate holding company of the Group is NES Global Talent Limited.

The names of the directors of the Company during or since the end of the financial year are:

- Mr Matthew Derek Underhill appointed 29 September 2020
- Mr Lee Fraser Coleman appointed 31 October 2020
- Mr Stephen William Buckley appointed 31 October 2020

Principal activities

The principal activity of the Group is to provide human resource consulting services in the industrial, engineering, technical and information technology sectors. There have been no significant changes in the nature of these activities during the financial year.

Review of operations

The consolidated entity recorded an after tax net profit of \$1,090,098 for the year ended 31 October 2022 (31 October 2021: \$1,169,037).

At 31 October 2022, the consolidated entity had a capital surplus of \$15,064,317 (31 October 2021: \$15,494,629); a working capital surplus of \$14,687,335 (31 October 2021: \$15,120,698); pre-tax profit of \$1,830,826 (31 October 2021: \$2,101,738); and net cash inflow from operating activities of \$3,265,361 (31 October 2021: \$694,365).

Changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Subsequent events

Subsequent to the end of financial year, on 2 February 2023, NES Fircroft Australia Pty Ltd executed a Share Purchase Agreement for the acquisition of shares in Evolve Scientific Recruitment Pty Ltd. The company, based in Australia, specialises in scientific and technical recruitment.

Future developments

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of the operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The Group is not covered by any environmental regulations.

Directors' report (continued)

Dividends

In respect of the financial year ended 31 October 2022, a final dividend of \$1,600,000 (31 October 2021: \$12,500,000) franked to 100% at 30% corporate income tax rate was paid to shareholders of fully paid ordinary shares on 14 October 2022.

Share options

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company whether granted before or during the financial year. There were no unissued shares of the Company under option at the end of the financial year.

Indemnification of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above) and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

To the extent permitted by law, the Company agreed to indemnify its auditors, Deloitte Touche Tohmatsu, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Deloitte Touche Tohmatsu during or since the financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the financial statements.

Rounding off of amounts

The Group are comprised of companies of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Lee Fraser Coleman

Director

01 March 2023

The Board of Directors
NES Fircroft Australia Pty Limited
Parmelia House
Level 12, 191 St Georges Terrace,
Perth, WA 6000

1 March 2023

Dear Board Members

Auditor's Independence Declaration to NES Fircroft Australia Pty Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of NES Fircroft Australia Pty Limited.

As lead audit partner for the audit of the financial report of NES Fircroft Australia Pty Limited for the year ended 31 October 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Peter Rupp
Partner
Chartered Accountants

Independent Auditor's Report to the Members of NES Fircroft Australia Pty Limited

Opinion

We have audited the financial report of NES Fircroft Australia Pty Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 October 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 October 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 October 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 report 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Peter Rupp

Partner

Chartered Accountants

Perth, 1 March 2023

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Lee Fraser Coleman

Director

01 March 2023

Consolidated statement of profit or loss and other comprehensive income

	Notes	Year ended 31 Oct 2022 \$	14 months ended 31 Oct 2021 \$
Continuing operations			
Revenue	4	166,781,326	177,298,755
Cost of sales		(153,575,277)	(166,318,275)
Gross profit		13,206,049	10,980,480
Finance income	5	703,208	598,389
Other gains and losses	6	(90,021)	(339,170)
Employee costs and benefits		(6,579,330)	(4,892,388)
Group recharges		(2,964,203)	(2,085,977)
Occupancy costs		(95,269)	100,413
Administration expenses		(1,146,883)	(763,034)
Marketing expenses		(46,448)	(50,996)
Depreciation and amortisation		(314,207)	(518,226)
Other costs		(5,259)	(282,727)
Finance costs	5	(836,811)	(645,026)
Profit before tax		1,830,826	2,101,738
Income tax expense	7	(740,728)	(932,701)
Profit for the year from continuing operations		1,090,098	1,169,037
PROFIT FOR THE YEAR		1,090,098	1,169,037
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		85,765	(13,878)
Other income/(expenses)		(6,175)	27,016
Other comprehensive income for the year		79,590	13,138
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,169,688	1,182,175
Profit (loss) for the year attributable to:			
- Owners of parent		1,169,688	1,182,175
- Non-controlling interest		-	-
		1,169,688	1,182,175
Total comprehensive income attributable to:			
- Owners of parent		1,169,688	1,182,175
- Non-controlling interest		-	-
		1,169,688	1,182,175

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of financial position

	Notes	31 Oct 2022 \$	31 Oct 2021 \$
Assets			
Current assets			
Cash and cash equivalents	20	6,143,120	964,134
Trade and other receivables	8	20,493,053	21,630,685
Deferred tax assets	9	1,304,301	1,152,864
Other assets	10	2,336,979	1,298,212
Current tax assets		1,134,545	-
Intercompany receivables	21	8,534,517	12,221,805
Total current assets		39,946,515	37,267,700
Non-current assets			
Plant and equipment	11	50,145	39,046
Right-of-use assets	12	418,670	734,046
Total non-current assets		468,815	773,092
Total assets		40,415,330	38,040,792
Liabilities			
Current liabilities			
Current tax liabilities		-	166,622
Trade and other payables	13	15,341,969	11,610,245
Lease liabilities	14	314,141	353,874
Other borrowings	15	5,423,732	7,749,283
Intercompany payables	21	1,940,474	65,921
Provisions	16	2,238,864	2,201,057
Total current liabilities		25,259,180	22,147,002
Non-current liabilities			
Lease liabilities	14	85,020	399,161
Provisions	16	6,813	-
Total non-current liabilities		91,833	399,161
Total liabilities		25,351,013	22,546,163
Net assets		15,064,317	15,494,629
Equity			
Issued capital	17	10,000	10,000
Reserves	18	(23,941)	(103,531)
Retained earnings		15,078,258	15,588,160
Total equity		15,064,317	15,494,629

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share Capital	Foreign Translation Reserve	Retained earnings	Attributable to owners of parent	Total equity
	\$	\$	\$	\$	\$
Balance at 1 September 2020	10,000	(116,669)	26,919,123	26,812,454	26,812,454
Profit for the 14 months period	-	-	1,169,037	1,169,037	1,169,037
Other comprehensive income, net of income tax	-	13,138	-	13,138	13,138
Total comprehensive income for the year	-	13,138	1,169,037	1,182,175	1,182,175
Payment of dividends	-	-	(12,500,000)	(12,500,000)	(12,500,000)
Balance at 31 October 2021	10,000	(103,531)	15,588,160	15,494,629	15,494,629
Profit for the year	-	-	1,090,098	1,090,098	1,090,098
Other comprehensive income, net of income tax	-	79,590	-	79,590	79,590
Total comprehensive income for the year	-	79,590	1,090,098	1,169,688	1,169,688
Payment of dividends	-	-	(1,600,000)	(1,600,000)	(1,600,000)
Balance at 31 October 2022	10,000	(23,941)	15,078,258	15,064,317	15,064,317

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	Year ended 31 Oct 2022 \$	14 months ended 31 Oct 2021 \$
Cash flows from operating activities			
Receipts from customers		166,880,191	176,751,161
Payments to suppliers and employees		(160,631,337)	(172,684,245)
Cash generated from operating activities		6,248,854	4,066,916
Interest costs paid		(790,163)	(335,031)
Income taxes paid		(2,193,330)	(3,037,520)
Net cash from operating activities	20	3,265,361	694,365
Cash flows from investing activities			
Payment for plant and equipment		(25,351)	(295,248)
Net cash from/(used in) investing activities		(25,351)	(295,248)
Cash flows from financing activities			
Interest received		703,208	374,844
Repayment of loan from related parties		5,561,841	9,547,836
Dividends paid	19	(1,600,000)	(12,500,000)
Payment of lease liabilities		(353,874)	(262,961)
Finance charge on lease liabilities		(46,648)	(86,450)
Proceeds from/(repayment of) borrowings		(2,325,551)	2,874,490
Net cash from/(used in) financing activities		1,938,976	(52,241)
Net increase in cash held during the financial period/year		5,178,986	346,876
Cash and cash equivalents at the beginning of the financial period/year		964,134	617,258
Cash and cash equivalents at the end of the financial year		6,143,120	964,134

The accompanying notes form part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

NES Fircroft Australia Pty Ltd is a proprietary company incorporated in Australia under the Corporations Act 2001.

The addresses of its registered office and principal place of business is as follows:

Registered office	Principal place of business
Level 12 Parmelia House	Level 12 Parmelia House
191 St Georges Terrace	191 St Georges Terrace
Perth WA 6000	Perth WA 6000
Australia	Australia

The principal activity of the Group is to provide human resource consulting services in the industrial, engineering, technical and information technology sectors. There have been no significant changes in the nature of these activities during the financial year.

Basis of preparation

This general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law

The financial statements comprise of the consolidated financial statements of NES Fircroft Australia Pty Ltd (the Company) and the entities it controls (together Group). For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

Financial reporting framework and statement of compliance

The Company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Rounding off of amounts

The company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest dollar, unless otherwise indicated.

Notes to the consolidated financial statements

2. Changes in accounting policies and changes in estimates

Explanation of the transition to Australian Accounting Standards - Simplified Disclosures

Previous reporting framework and transition adjustments

The entity previously prepared general purpose financial statements under Tier 2 – Reduced Disclosure Requirements. There were no transition adjustments other than a few disclosure changes on the adoption of Australian Accounting Standards – Simplified Disclosures.

3. Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. 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 years in which the estimate is revised if the revision affects only that year, or the year of the revision and future years if the revision affects both current and future years.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
4. Revenue		
Revenue recognised at a point in time		
Permanent placement revenue	3,370,276	602,014
Revenue recognised over time		
Contract revenue	163,411,050	176,696,741
	166,781,326	177,298,755

Revenue is measured at the fair value of the consideration received or receivable at the point in time and represents amounts receivable for services provided in the normal course of business, net of discounts and Goods and Services Tax (GST).

Revenue arising from placement of permanent candidates is recognised at the point in time the candidate commences full-time employment with the client. Permanent placement revenue is based on a percentage of the candidate's annual remuneration package.

Contract revenue are recognised starting from the point in time where the contract workers are provided to client and continues through the duration of the placement. Contract revenue represents the amounts billed for the services of contract workers including the payroll costs as well as percentage based margin of said contractors pay

The management considers the Group to be acting as principal based on the following factors:

- The Group has the primary responsibility in engaging with contractors in providing services to our clients;
- The Group has a direct contractual relationship with our clients; and
- The Group bears all credit risks on client receivables.

5. Finance income and costs

Finance income

Interest on financial assets measured at amortised cost:

Bank deposits	-	7
Interest on loan and receivables	703,208	598,382
	703,208	598,389

Finance costs

Interest on financial liabilities measured at amortised cost:

Interest on loan and receivables	468,403	223,545
Interest on lease liabilities	46,648	86,450
Invoice discounting charges	178,684	282,913
Other bank charges	143,076	52,118
	836,811	645,026

Net finance costs	(133,603)	(46,637)
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Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
6. Other gains and losses		
Net foreign exchange gains/(losses)	90,021	339,170
	90,021	339,170
7. Income tax expense		
Amounts recognised in profit or loss		
Current tax	(777,787)	(2,030,799)
Prior year	(114,377)	13,857
Current tax expense	(892,164)	(2,016,942)
Origination and reversal of temporary differences	159,911	1,101,667
Change in recognised deductible temporary differences	(8,475)	(17,426)
Deferred tax benefit	151,436	1,084,241
Tax expense from continuing operations	(740,728)	(932,701)
Reconciliation of prima-facie income tax to income tax expense		
Profit before tax	1,830,826	2,101,738
Tax at the rate of 30% (2021: 30%)	(549,248)	(630,521)
Tax effect of non-deductible expenses in determining taxable profit	(68,627)	(298,610)
Over/(under) provision in prior years	(122,853)	(3,570)
Tax expense from continuing operations	(740,728)	(932,701)
8. Trade and other receivables		
Trade receivables	20,647,520	21,768,855
Other receivables	26,341	2,626
Amount due from related parties	-	96,841
Allowance for expected credit losses	(180,808)	(237,637)
	20,493,053	21,630,685
Current	20,493,053	21,630,685
Non-current	-	-
	-	-

The average credit period on sales of services is 30 days (2021: 30 days). The current receivables balances from related corporate bodies are receivable on call and are non-interest bearing. These receivables that are neither past due nor impaired are from trade receivables and amount due from related corporate bodies with no financial difficulties in repaying the amount upon demand.

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
9. Deferred tax		
Provisions and accruals	1,304,301	1,152,864
Unused tax losses	-	-
Deferred tax assets	1,304,301	1,152,864
Deferred tax assets not recognised	-	-
Net deferred tax assets	1,304,301	1,152,864

	Opening balance as at 1 Nov 2021	Charged to profit or loss	Exchange differences	Closing balance as at 31 Oct 2022
	\$	\$	\$	\$
Plant and equipment	5,026	(5,026)	-	-
Accrued revenue	(365,135)	(1,364,319)	-	(1,729,454)
Doubtful debts	71,291	109,517	-	180,808
Employee leave provisions	660,317	1,578,547	-	2,238,864
Unpaid superannuation	347,008	928,187	-	1,275,195
Accrued expenses	434,357	1,947,899	-	2,382,256
Foreign exchange loss/(gain)	-	-	-	-
Tax (liabilities)/assets	1,152,864	3,194,805	-	4,347,669
Net tax (liabilities)/assets	345,859	958,441	-	1,304,301

	Opening balance as at 1 Sep 2020	Charged to profit or loss	Exchange differences	Closing balance as at 31 Oct 2021
	\$	\$	\$	\$
Plant and equipment	2,786	13,969	-	16,755
Accrued revenue	(3,601,265)	2,384,149	-	(1,217,116)
Doubtful debts	74,197	163,440	-	237,637
Employee leave provisions	2,312,308	(111,251)	-	2,201,057
Unpaid superannuation	712,562	444,130	-	1,156,692
Accrued expenses	736,358	711,499	-	1,447,857
Foreign exchange loss/(gain)	(8,204)	-	8,204	-
Tax (liabilities)/assets	228,742	3,605,936	8,204	3,842,882
Net tax (liabilities)/assets	68,623	1,084,241	1,152,864	1,152,864

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
10. Other assets		
Unbilled revenue on contractor sales	1,729,455	1,217,116
Deposits	19,552	4,312
Fringe Benefits Tax Refundable	67,505	-
Prepayment	520,467	76,784
	2,336,979	1,298,212
Current	2,336,979	1,298,212
Non-current	-	-
	-	-

11. Plant and equipment

Carrying amounts

Leasehold buildings and improvements

- At cost	4,479	4,479
- Accumulated depreciation and impairment	(2,887)	(1,990)
	1,592	2,489

Plant and equipment

- At cost	62,844	38,189
- Accumulated depreciation and impairment	(15,445)	(3,508)
	47,399	34,681

Fixtures and fittings

- At cost	17,179	16,482
- Accumulated depreciation and impairment	(16,025)	(14,606)
	1,154	1,876

50,145 **39,046**

Movement in carrying amount

	Leasehold buildings and improvements	Plant and equipment	Fixtures and fittings	Total
	\$	\$	\$	\$
Balance at 1 November 2021	2,489	34,681	1,876	39,046
Additions	-	24,654	697	25,351
Other disposals	-	-	-	-
Depreciation	(897)	(11,936)	(1,419)	(14,252)
Balance at 31 October 2022	1,592	47,399	1,154	50,145

Notes to the consolidated financial statements

11. Plant and equipment (continued)

Depreciation

Depreciation of plant and equipment is recognised on a straight-line basis in accordance with accounting policy in Note 30.

The following useful lives are used in the calculation of depreciation:

- Leasehold improvements	Lease term or 5 years
- Plant and equipment	4 years
- Furniture and fittings	4 years

12. Right-of-use assets

	31 Oct 2022	31 Oct 2021
	\$	\$
Net carrying amounts		
Leasehold	418,670	734,046
	<u>418,670</u>	<u>734,046</u>
	Leasehold	Total
	\$	\$
Movement in carrying amount		
Balance at 1 November 2021	734,046	734,046
Depreciation	(315,376)	(315,376)
Balance at 31 October 2022	<u>418,670</u>	<u>418,670</u>

Depreciation

Depreciation of right-of-use assets is recognised on a straight-line basis in accordance with accounting policy in Note 30.

The following useful lives are used in the calculation of depreciation:

- Leasehold	Lease term
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Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
13. Trade and other payables		
Trade payables	4,065,378	3,375,249
Amount due to related parties	2,613,181	1,816,299
Goods and service tax payable	1,490,285	1,344,420
Sundry payables and accrued expenses	7,173,125	5,074,277
	15,341,969	11,610,245
Current	15,341,969	11,610,245
Non-current	-	-
	-	-

14. Lease liabilities

Secured

Current	314,141	353,874
Non-current	85,020	399,161
	399,161	753,035

Significant lease arrangements

Lease liabilities are secured by the assets leased and represent the discounted future rentals payable by the Group for its leased office property. These leases are negotiated for an average term of 5 years, and rentals are fixed for five years.

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting period are as follows:

Not later than one year	314,141	353,874
Later than one year and not later than five years	85,020	399,161
Later than five years	-	-
	399,161	753,035

Leases of low value assets

The Group leases IT equipment. These leases are of low value items; the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Low value lease recognised as an expense	9,915	14,060
	9,915	14,060

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
15. Other borrowings		
Secured - at amortised cost		
Receivables finance facility	5,423,732	7,749,283
	5,423,732	7,749,283
Current	5,423,732	7,749,283
Non-current	-	-
	-	-

HSBC Bank Australia is the finance provider which provides a trade finance facility. Annual and periodic reviews take place as necessary subject to banking conditions as set out in the agreement between the parties. The trade finance facility limit during the year was \$11,228,000 (2021: \$25,000,000); unused limits as at 31 October 2022 was \$5,804,268 (31 October 2021: \$17,250,717). Additionally, the Group has a guarantee facility of \$375,000 (2021: \$275,000); unused limits as at 31 October 2022 was \$114,945 (31 October 2021: \$34,321).

16. Provisions

Carrying amounts

Employee benefits	2,245,677	2,201,057
	2,245,677	2,201,057
Current	2,238,864	2,201,057
Non-current	6,813	-
	6,813	-

Movements in provisions

	Employee benefits	Total
	\$	\$
Carrying amount as at 1 November 2021	2,201,057	2,201,057
Additions	641,847	641,847
Amounts charged	(597,227)	(597,227)
Carrying amount as at 31 October 2022	2,245,677	2,245,677

The current portion for employee benefits provision is comprised of accrual on annual leave and long service leave entitlements that have vested due to employees having completed the required period of service. The Group does not expect the full amount of annual leave and long service leave balances classified as current liabilities to be settled within the next twelve months. However, these amounts are classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current provision includes accrual on long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
17. Issued capital		
10,000 fully paid ordinary shares (2021: 10,000)	10,000	10,000

The Company is incorporated under *Corporations Act 2001* and accordingly, does not have a limited amount of authorised capital and issued shares do not have a par value.

	No. of Shares	Share Capital
	No.	\$
Balance at 1 November 2021	10,000	10,000
Issue of shares	-	-
Balance at 31 October 2022	10,000	10,000

Fully paid ordinary shares carry one vote per share and carry a right to dividend.

	31 Oct 2022	31 Oct 2021
	\$	\$
18. Reserves		
Foreign currency translation	23,941	103,531
	23,941	103,531

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Company's presentation currency (i.e. Australian dollars) are recognised directly in the other comprehensive income and accumulated in the foreign currency translation reserve.

Movement in foreign currency translation reserve

Balance at beginning of year	103,531	116,669
Exchange differences arising on translating the foreign operations	(79,590)	(13,138)
Balance at end of year	23,941	103,531

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
19. Dividends		
Ordinary dividends declared and paid	1,600,000	12,500,000

On 12 October 2022, the directors declared a 100% franked dividend of \$160 per share to the holders of fully paid ordinary shares in respect to the financial year ended 31 October 2022. This dividend was paid to shareholders on 14 October 2022.

Franking credits

Franking account balance at 31 October	1,870,336	364,501
Franking credits arising from payment/(refund) of current tax liability	(1,106,307)	307,455
Adjusted franking account balance	764,029	671,956

20. Notes to the statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and cash balances	6,143,120	964,134
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21. Related parties

NES Fircroft Australia Pty Ltd is the parent entity of the Group.

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.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties are disclosed in this note.

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
21. Related parties (continued)		
Remuneration of key management personnel		
Aggregate key management personnel compensation	1,222,364	726,838
<hr/>		
Transactions with related parties		
During the year, entities within the Group entered into the following transactions with related parties of the Group:		
Associates		
Sales of services	(1,305,362)	(1,333,053)
Purchases of services	5,315,750	2,464,910
Franchise fees	2,546,580	1,791,423
Staff recharges	417,623	294,554
Interest recharges	(234,805)	(374,837)
Loss/(gain) on exchange on intercompany loan revaluation	163,228	351,246
Intercompany loan repayment/(borrowings)	(606,923)	8,164,238
Intercompany invoice settlement	5,528,442	731,334
Management & admin services	706,060	646,063
Payment/receipt on behalf	65,291	29,793
	<hr/>	<hr/>
	12,595,884	12,765,671
	<hr/>	<hr/>
	12,595,884	12,765,671
<hr/>		
At the end of the year, the following balances were outstanding between related parties of the Group:		
Amounts owed by related parties		
Associates		
Trade and other receivables	-	96,841
Intercompany receivables	8,534,517	12,221,805
Amounts owed by related parties - Associates	<hr/>	<hr/>
	8,534,517	12,318,646
Net amounts owed by related parties	<hr/>	<hr/>
	8,534,517	12,318,646
<hr/>		
Amounts owed to related parties		
Associates		
Trade and other payables	2,613,181	1,816,299
Intercompany payables	1,940,474	65,921
Amounts owed to related parties - Associates	<hr/>	<hr/>
	4,553,655	1,882,220
Net amounts owed to related parties	<hr/>	<hr/>
	4,553,655	1,882,220
<hr/>		

Notes to the consolidated financial statements

22. Contingent liabilities and contingent assets

There are no unrecorded contingent assets or liabilities in place for the Group as at 31 October 2022 (31 October 2021: nil).

23. Subsidiaries

Set out below is a list of material subsidiaries of the Group:

- Fircroft (PNG) Limited - Papua New Guinea, 100% ownership interest (2021: 100%)

24. Parent entity information

Accounting policies

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Significant accounting policies of the Group are summarised in Note 30.

	31 Oct 2022	31 Oct 2021
	\$	\$
Financial position		
Assets		
Current assets	38,178,266	36,546,191
Non-current assets	469,203	773,480
Total assets	38,647,469	37,319,671
Liabilities		
Current Liabilities	25,104,180	21,768,783
Non-current liabilities	85,020	399,161
Total liabilities	25,189,200	22,167,944
Equity		
Issued capital	10,000	10,000
Retained earnings	14,480,398	14,955,091
Foreign currency translation reserve	-	-
Total equity	14,490,398	14,965,091

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
24. Parent entity information (continued)		
Financial performance		
Profit for the year	1,084,212	1,159,995
Other comprehensive income	(6,175)	27,016
Total comprehensive income	1,078,037	1,187,011

The parent entity does not have contingent liabilities, guarantees entered into or contractual commitment for the acquisition of plant, property or equipment.

25. Authorisation of the financial statements

The financial statements were approved by the board of directors and authorised for issue on 01 March 2023.

26. Remuneration of auditors

Deloitte and related network firms

Audit of financial reports	126,525	110,250
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27. Subsequent events

Subsequent to the end of financial year, on 2 February 2023, NES Fircroft Australia Pty Ltd executed a Share Purchase Agreement for the acquisition of shares in Evolve Scientific Recruitment Pty Ltd. The company, based in Australia, specialises in scientific and technical recruitment.

28. Financial risk management objectives and policies

The Group has limited exposure to financial risk. The group does not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposure. The principal financial instruments of the Group comprise of receivables, payables, interest bearing liabilities and cash and cash equivalents.

The Board of Directors, as guided by the ultimate holding company, reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Finance Director. The Group's principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policies are not to engage in speculative transactions.

The key financial risks include foreign currency risk, credit risk and liquidity risk.

Notes to the consolidated financial statements

28. Financial risk management objectives and policies (continued)

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group is exposed to foreign currency risk on intercompany receivables that are denominated in foreign currency, which is disclosed in Note 21.

b. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from its receivables with intercompany and cash and bank balances.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts of its financial assets as disclosed in Note 26. These amounts do not entail further credit enhancements.

Financial assets that are neither past due nor impaired

Information regarding receivables that are neither past due nor impaired is disclosed in Note 8.

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

Notes to the consolidated financial statements

28. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Analysis of financial instruments

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year	More than 1 year	Total
	\$	\$	\$
As at 31 Oct 2022			
Trade and other payables	12,728,788	-	12,728,788
Related party payables	4,553,655	-	4,553,655
Interest bearing liabilities	5,423,732	-	5,423,732
Lease liabilities	275,938	93,136	369,074
	<hr/>		
As at 31 Oct 2021			
Trade and other payables	9,793,946	-	9,793,946
Related party payables	1,882,220	-	1,882,220
Interest bearing liabilities	7,749,283	-	7,749,283
Lease liabilities	265,642	369,074	634,716
	<hr/>		

Notes to the consolidated financial statements

29. Financial instruments

Classes and categories of financial instruments and their fair values

The following disclosure combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments; and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

As at 31 October 2022

	Note	FVTPL - derivatives designated in hedge relationships	FVTPL - mandatorily measured	FVTOCI	FVTOCI - designated	Amortised cost
		\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	20	-	-	-	-	6,143,120
Trade and other receivables	8	-	-	-	-	20,493,053
Other assets	10	-	-	-	-	2,336,979
Intercompany receivables	21	-	-	-	-	8,534,517
Total financial assets		-	-	-	-	37,507,669
Financial liabilities						
Trade and other payables	13	-	-	-	-	(15,341,969)
Intercompany payables	21	-	-	-	-	(1,940,474)
Lease liabilities	14	-	-	-	-	(399,161)
Other borrowings	15	-	-	-	-	(5,423,732)
Total financial liabilities		-	-	-	-	(23,105,336)

Notes to the consolidated financial statements

29. Financial instruments (continued)

As at 31 October 2021

	Note	FVTPL - derivatives designated in hedge relationships	FVTPL - mandatorily measured	FVTOCI	FVTOCI - designated	Amortised cost
		\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	20	-	-	-	-	964,134
Trade and other receivables	8	-	-	-	-	21,630,685
Other assets	10	-	-	-	-	1,298,212
Intercompany receivables	21	-	-	-	-	12,221,805
Total financial assets		-	-	-	-	36,114,836
Financial liabilities						
Trade and other payables	13	-	-	-	-	(11,610,245)
Intercompany payables	21	-	-	-	-	(65,921)
Lease liabilities	14	-	-	-	-	(753,035)
Other borrowings	15	-	-	-	-	(7,749,283)
Total financial liabilities		-	-	-	-	(20,178,484)

Notes to the consolidated financial statements

30. Significant accounting policies

Basis of accounting

The general purpose financial statements have been prepared on the basis of historical cost as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The consolidated financial statements are prepared and presented in Australian dollars, which is the Company's functional currency, rounded to the nearest dollar, unless otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous period covering 14 months to 31 October 2021. Where necessary, comparative figures have been reclassified to conform with presentation in the current year.

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Based on cashflow forecasts prepared by the Group, the Group may require the financial support of the intermediate holding company during the next twelve months from the date of signing the Group's 31 October 2022 Financial Statements.

NES Fircroft Limited, being the intermediate parent company of the Group, has confirmed its intention to continue to provide necessary financial support to the Group for a period of at least twelve months from the date of signing the Group's 31 October 2022 Financial Statements in respect of the following:

- To enable the Group to pay its debts as and when they fall due; and
- Not require repayment of the outstanding intercompany balances unless the Group generates sufficient cash to make repayment.

NES Fircroft Limited itself has also obtained a letter of support from NES Global Talent Limited, to continue to provide financial support and to fund any obligations of NES Fircroft Limited for a period of at least 12 months from the date of these financial statements. This arises owing to the classification of intercompany borrowings in NES Fircroft Limited as current liabilities and a consequent net current liability position in the Consolidated and Company Balance Sheet of NES Fircroft Limited at 31 October 2022. NES Global Talent Limited is the ultimate holding company of both NES Fircroft Limited and the Group.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 October each year.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Basis of consolidation (continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash held with financial institutions. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the expense or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Income tax

Current income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Income tax (continued)

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences between the carrying amount and tax losses to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity.

Deferred tax is also recognised directly in equity, or when it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its expected residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Plant and equipment (continued)

Depreciation of plant and equipment is calculated by reference to the historical cost of the plant and equipment and their estimated useful lives. The principal depreciation rates based on a straight line method are as follows:

- Leasehold improvements	Lease term or 5 years
- Plant and equipment	4 years
- Furniture and fittings	4 years

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

When the carrying amount of the plant and equipment is greater than its estimated recoverable amounts, an impairment charge is made to write down the carrying values to the recoverable amounts. The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Revenue

Revenue is recognised on the basis of hours worked for contractors hired out (recognised over time), on the start date for permanent placements (recognised at a point in time), and on the basis of work performed for project management services (recognised at a point in time). 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, GST and other sales-related taxes.

All revenue is generated from contractual agreements with customers. Intercompany billing on behalf of related parties is done at cost, without mark-up.

More information about the Group's revenue sources and how they are accounted for are set out in Note 4.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any impairment due to expected credit losses (ECL). An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the statement of comprehensive income.

Trade receivables are due for settlement within no more than 30 days. In general amounts receivable are collected on average within 30 to 60 days.

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially their fair value and subsequently measured at the amortised cost using the effective interest method.

Foreign currency

The financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of these consolidated financial statements, the results and the financial position of the entity are expressed in Australian Dollars, which is the functional currency of NES Fircroft Australia Pty Ltd, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. All realised and unrealised exchange adjustment gains and losses are taken to the statement of profit or loss and other comprehensive income.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed off.

Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 immediately in the statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent 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 immediately in the statement of profit or loss and other comprehensive income.

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised on a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainty surrounding the obligation.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Assets' policy.

Notes to the consolidated financial statements

31. New accounting standards and interpretation

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

NES FIRCROFT AUSTRALIA PTY LTD

ABN 58 100 091 245

CONSOLIDATED GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

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Directors' report

The directors of NES Fircroft Australia Pty Ltd submit herewith the annual report of the Group comprising NES Fircroft Australia Pty Ltd (the "Company") and its subsidiaries (together "Group") for the financial year ended 31 October 2022.

The holding company is Professional Laboratory Services Ltd, a company incorporated in the United Kingdom. The ultimate holding company of the Group is NES Global Talent Limited.

The names of the directors of the Company during or since the end of the financial year are:

- Mr Matthew Derek Underhill appointed 29 September 2020
- Mr Lee Fraser Coleman appointed 31 October 2020
- Mr Stephen William Buckley appointed 31 October 2020

Principal activities

The principal activity of the Group is to provide human resource consulting services in the industrial, engineering, technical and information technology sectors. There have been no significant changes in the nature of these activities during the financial year.

Review of operations

The consolidated entity recorded an after tax net profit of \$1,090,098 for the year ended 31 October 2022 (31 October 2021: \$1,169,037).

At 31 October 2022, the consolidated entity had a capital surplus of \$15,064,317 (31 October 2021: \$15,494,629); a working capital surplus of \$14,687,335 (31 October 2021: \$15,120,698); pre-tax profit of \$1,830,826 (31 October 2021: \$2,101,738); and net cash inflow from operating activities of \$3,265,361 (31 October 2021: \$694,365).

Changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Subsequent events

Subsequent to the end of financial year, on 2 February 2023, NES Fircroft Australia Pty Ltd executed a Share Purchase Agreement for the acquisition of shares in Evolve Scientific Recruitment Pty Ltd. The company, based in Australia, specialises in scientific and technical recruitment.

Future developments

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of the operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The Group is not covered by any environmental regulations.

Directors' report (continued)

Dividends

In respect of the financial year ended 31 October 2022, a final dividend of \$1,600,000 (31 October 2021: \$12,500,000) franked to 100% at 30% corporate income tax rate was paid to shareholders of fully paid ordinary shares on 14 October 2022.

Share options

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company whether granted before or during the financial year. There were no unissued shares of the Company under option at the end of the financial year.

Indemnification of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above) and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

To the extent permitted by law, the Company agreed to indemnify its auditors, Deloitte Touche Tohmatsu, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Deloitte Touche Tohmatsu during or since the financial year.

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the financial statements.

Rounding off of amounts

The Group are comprised of companies of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Lee Fraser Coleman

Director

01 March 2023

The Board of Directors
NES Fircroft Australia Pty Limited
Parmelia House
Level 12, 191 St Georges Terrace,
Perth, WA 6000

1 March 2023

Dear Board Members

Auditor's Independence Declaration to NES Fircroft Australia Pty Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of NES Fircroft Australia Pty Limited.

As lead audit partner for the audit of the financial report of NES Fircroft Australia Pty Limited for the year ended 31 October 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Peter Rupp
Partner
Chartered Accountants

Independent Auditor's Report to the Members of NES Fircroft Australia Pty Limited

Opinion

We have audited the financial report of NES Fircroft Australia Pty Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 October 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 October 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 October 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

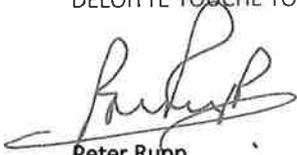
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 report 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Peter Rupp

Partner

Chartered Accountants

Perth, 1 March 2023

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Lee Fraser Coleman

Director

01 March 2023

Consolidated statement of profit or loss and other comprehensive income

	Notes	Year ended 31 Oct 2022 \$	14 months ended 31 Oct 2021 \$
Continuing operations			
Revenue	4	166,781,326	177,298,755
Cost of sales		(153,575,277)	(166,318,275)
Gross profit		13,206,049	10,980,480
Finance income	5	703,208	598,389
Other gains and losses	6	(90,021)	(339,170)
Employee costs and benefits		(6,579,330)	(4,892,388)
Group recharges		(2,964,203)	(2,085,977)
Occupancy costs		(95,269)	100,413
Administration expenses		(1,146,883)	(763,034)
Marketing expenses		(46,448)	(50,996)
Depreciation and amortisation		(314,207)	(518,226)
Other costs		(5,259)	(282,727)
Finance costs	5	(836,811)	(645,026)
Profit before tax		1,830,826	2,101,738
Income tax expense	7	(740,728)	(932,701)
Profit for the year from continuing operations		1,090,098	1,169,037
PROFIT FOR THE YEAR		1,090,098	1,169,037
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		85,765	(13,878)
Other income/(expenses)		(6,175)	27,016
Other comprehensive income for the year		79,590	13,138
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,169,688	1,182,175
Profit (loss) for the year attributable to:			
- Owners of parent		1,169,688	1,182,175
- Non-controlling interest		-	-
		1,169,688	1,182,175
Total comprehensive income attributable to:			
- Owners of parent		1,169,688	1,182,175
- Non-controlling interest		-	-
		1,169,688	1,182,175

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of financial position

	Notes	31 Oct 2022 \$	31 Oct 2021 \$
Assets			
Current assets			
Cash and cash equivalents	20	6,143,120	964,134
Trade and other receivables	8	20,493,053	21,630,685
Deferred tax assets	9	1,304,301	1,152,864
Other assets	10	2,336,979	1,298,212
Current tax assets		1,134,545	-
Intercompany receivables	21	8,534,517	12,221,805
Total current assets		39,946,515	37,267,700
Non-current assets			
Plant and equipment	11	50,145	39,046
Right-of-use assets	12	418,670	734,046
Total non-current assets		468,815	773,092
Total assets		40,415,330	38,040,792
Liabilities			
Current liabilities			
Current tax liabilities		-	166,622
Trade and other payables	13	15,341,969	11,610,245
Lease liabilities	14	314,141	353,874
Other borrowings	15	5,423,732	7,749,283
Intercompany payables	21	1,940,474	65,921
Provisions	16	2,238,864	2,201,057
Total current liabilities		25,259,180	22,147,002
Non-current liabilities			
Lease liabilities	14	85,020	399,161
Provisions	16	6,813	-
Total non-current liabilities		91,833	399,161
Total liabilities		25,351,013	22,546,163
Net assets		15,064,317	15,494,629
Equity			
Issued capital	17	10,000	10,000
Reserves	18	(23,941)	(103,531)
Retained earnings		15,078,258	15,588,160
Total equity		15,064,317	15,494,629

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share Capital	Foreign Translation Reserve	Retained earnings	Attributable to owners of parent	Total equity
	\$	\$	\$	\$	\$
Balance at 1 September 2020	10,000	(116,669)	26,919,123	26,812,454	26,812,454
Profit for the 14 months period	-	-	1,169,037	1,169,037	1,169,037
Other comprehensive income, net of income tax	-	13,138	-	13,138	13,138
Total comprehensive income for the year	-	13,138	1,169,037	1,182,175	1,182,175
Payment of dividends	-	-	(12,500,000)	(12,500,000)	(12,500,000)
Balance at 31 October 2021	10,000	(103,531)	15,588,160	15,494,629	15,494,629
Profit for the year	-	-	1,090,098	1,090,098	1,090,098
Other comprehensive income, net of income tax	-	79,590	-	79,590	79,590
Total comprehensive income for the year	-	79,590	1,090,098	1,169,688	1,169,688
Payment of dividends	-	-	(1,600,000)	(1,600,000)	(1,600,000)
Balance at 31 October 2022	10,000	(23,941)	15,078,258	15,064,317	15,064,317

The accompanying notes form part of these consolidated financial statements.

NES Fircroft Australia Pty Ltd
Consolidated statement of cash flows
For the year ended 31 October 2022

Consolidated statement of cash flows

	Notes	Year ended 31 Oct 2022 \$	14 months ended 31 Oct 2021 \$
Cash flows from operating activities			
Receipts from customers		166,880,191	176,751,161
Payments to suppliers and employees		(160,631,337)	(172,684,245)
Cash generated from operating activities		6,248,854	4,066,916
Interest costs paid		(790,163)	(335,031)
Income taxes paid		(2,193,330)	(3,037,520)
Net cash from operating activities	20	3,265,361	694,365
Cash flows from investing activities			
Payment for plant and equipment		(25,351)	(295,248)
Net cash from/(used in) investing activities		(25,351)	(295,248)
Cash flows from financing activities			
Interest received		703,208	374,844
Repayment of loan from related parties		5,561,841	9,547,836
Dividends paid	19	(1,600,000)	(12,500,000)
Payment of lease liabilities		(353,874)	(262,961)
Finance charge on lease liabilities		(46,648)	(86,450)
Proceeds from/(repayment of) borrowings		(2,325,551)	2,874,490
Net cash from/(used in) financing activities		1,938,976	(52,241)
Net increase in cash held during the financial period/year		5,178,986	346,876
Cash and cash equivalents at the beginning of the financial period/year		964,134	617,258
Cash and cash equivalents at the end of the financial year		6,143,120	964,134

The accompanying notes form part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

NES Fircroft Australia Pty Ltd is a proprietary company incorporated in Australia under the Corporations Act 2001.

The addresses of its registered office and principal place of business is as follows:

Registered office	Principal place of business
Level 12 Parmelia House	Level 12 Parmelia House
191 St Georges Terrace	191 St Georges Terrace
Perth WA 6000	Perth WA 6000
Australia	Australia

The principal activity of the Group is to provide human resource consulting services in the industrial, engineering, technical and information technology sectors. There have been no significant changes in the nature of these activities during the financial year.

Basis of preparation

This general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law

The financial statements comprise of the consolidated financial statements of NES Fircroft Australia Pty Ltd (the Company) and the entities it controls (together Group). For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

Financial reporting framework and statement of compliance

The Company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Rounding off of amounts

The company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest dollar, unless otherwise indicated.

Notes to the consolidated financial statements

2. Changes in accounting policies and changes in estimates

Explanation of the transition to Australian Accounting Standards - Simplified Disclosures

Previous reporting framework and transition adjustments

The entity previously prepared general purpose financial statements under Tier 2 – Reduced Disclosure Requirements. There were no transition adjustments other than a few disclosure changes on the adoption of Australian Accounting Standards – Simplified Disclosures.

3. Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. 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 years in which the estimate is revised if the revision affects only that year, or the year of the revision and future years if the revision affects both current and future years.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
4. Revenue		
Revenue recognised at a point in time		
Permanent placement revenue	3,370,276	602,014
Revenue recognised over time		
Contract revenue	163,411,050	176,696,741
	166,781,326	177,298,755

Revenue is measured at the fair value of the consideration received or receivable at the point in time and represents amounts receivable for services provided in the normal course of business, net of discounts and Goods and Services Tax (GST).

Revenue arising from placement of permanent candidates is recognised at the point in time the candidate commences full-time employment with the client. Permanent placement revenue is based on a percentage of the candidate's annual remuneration package.

Contract revenue are recognised starting from the point in time where the contract workers are provided to client and continues through the duration of the placement. Contract revenue represents the amounts billed for the services of contract workers including the payroll costs as well as percentage based margin of said contractors pay

The management considers the Group to be acting as principal based on the following factors:

- The Group has the primary responsibility in engaging with contractors in providing services to our clients;
- The Group has a direct contractual relationship with our clients; and
- The Group bears all credit risks on client receivables.

5. Finance income and costs

Finance income

Interest on financial assets measured at amortised cost:

Bank deposits	-	7
Interest on loan and receivables	703,208	598,382
	703,208	598,389

Finance costs

Interest on financial liabilities measured at amortised cost:

Interest on loan and receivables	468,403	223,545
Interest on lease liabilities	46,648	86,450
Invoice discounting charges	178,684	282,913
Other bank charges	143,076	52,118
	836,811	645,026

Net finance costs

	(133,603)	(46,637)
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Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
6. Other gains and losses		
Net foreign exchange gains/(losses)	90,021	339,170
	90,021	339,170
7. Income tax expense		
Amounts recognised in profit or loss		
Current tax	(777,787)	(2,030,799)
Prior year	(114,377)	13,857
Current tax expense	(892,164)	(2,016,942)
Origination and reversal of temporary differences	159,911	1,101,667
Change in recognised deductible temporary differences	(8,475)	(17,426)
Deferred tax benefit	151,436	1,084,241
Tax expense from continuing operations	(740,728)	(932,701)
Reconciliation of prima-facie income tax to income tax expense		
Profit before tax	1,830,826	2,101,738
Tax at the rate of 30% (2021: 30%)	(549,248)	(630,521)
Tax effect of non-deductible expenses in determining taxable profit	(68,627)	(298,610)
Over/(under) provision in prior years	(122,853)	(3,570)
Tax expense from continuing operations	(740,728)	(932,701)
8. Trade and other receivables		
Trade receivables	20,647,520	21,768,855
Other receivables	26,341	2,626
Amount due from related parties	-	96,841
Allowance for expected credit losses	(180,808)	(237,637)
	20,493,053	21,630,685
Current	20,493,053	21,630,685
Non-current	-	-

The average credit period on sales of services is 30 days (2021: 30 days). The current receivables balances from related corporate bodies are receivable on call and are non-interest bearing. These receivables that are neither past due nor impaired are from trade receivables and amount due from related corporate bodies with no financial difficulties in repaying the amount upon demand.

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
9. Deferred tax		
Provisions and accruals	1,304,301	1,152,864
Unused tax losses	-	-
Deferred tax assets	1,304,301	1,152,864
Deferred tax assets not recognised	-	-
Net deferred tax assets	1,304,301	1,152,864

	Opening balance as at 1 Nov 2021	Charged to profit or loss	Exchange differences	Closing balance as at 31 Oct 2022
	\$	\$	\$	\$
Plant and equipment	5,026	(5,026)	-	-
Accrued revenue	(365,135)	(1,364,319)	-	(1,729,454)
Doubtful debts	71,291	109,517	-	180,808
Employee leave provisions	660,317	1,578,547	-	2,238,864
Unpaid superannuation	347,008	928,187	-	1,275,195
Accrued expenses	434,357	1,947,899	-	2,382,256
Foreign exchange loss/(gain)	-	-	-	-
Tax (liabilities)/assets	1,152,864	3,194,805	-	4,347,669
Net tax (liabilities)/assets	345,859	958,441	-	1,304,301

	Opening balance as at 1 Sep 2020	Charged to profit or loss	Exchange differences	Closing balance as at 31 Oct 2021
	\$	\$	\$	\$
Plant and equipment	2,786	13,969	-	16,755
Accrued revenue	(3,601,265)	2,384,149	-	(1,217,116)
Doubtful debts	74,197	163,440	-	237,637
Employee leave provisions	2,312,308	(111,251)	-	2,201,057
Unpaid superannuation	712,562	444,130	-	1,156,692
Accrued expenses	736,358	711,499	-	1,447,857
Foreign exchange loss/(gain)	(8,204)	-	8,204	-
Tax (liabilities)/assets	228,742	3,605,936	8,204	3,842,882
Net tax (liabilities)/assets	68,623	1,084,241	1,152,864	1,152,864

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
10. Other assets		
Unbilled revenue on contractor sales	1,729,455	1,217,116
Deposits	19,552	4,312
Fringe Benefits Tax Refundable	67,505	-
Prepayment	520,467	76,784
	2,336,979	1,298,212
Current	2,336,979	1,298,212
Non-current	-	-

11. Plant and equipment

Carrying amounts

Leasehold buildings and improvements

- At cost	4,479	4,479
- Accumulated depreciation and impairment	(2,887)	(1,990)
	1,592	2,489

Plant and equipment

- At cost	62,844	38,189
- Accumulated depreciation and impairment	(15,445)	(3,508)
	47,399	34,681

Fixtures and fittings

- At cost	17,179	16,482
- Accumulated depreciation and impairment	(16,025)	(14,606)
	1,154	1,876

50,145 **39,046**

Movement in carrying amount

	Leasehold buildings and improvements	Plant and equipment	Fixtures and fittings	Total
	\$	\$	\$	\$
Balance at 1 November 2021	2,489	34,681	1,876	39,046
Additions	-	24,654	697	25,351
Other disposals	-	-	-	-
Depreciation	(897)	(11,936)	(1,419)	(14,252)
Balance at 31 October 2022	1,592	47,399	1,154	50,145

Notes to the consolidated financial statements

11. Plant and equipment (continued)

Depreciation

Depreciation of plant and equipment is recognised on a straight-line basis in accordance with accounting policy in Note 30.

The following useful lives are used in the calculation of depreciation:

- Leasehold improvements	Lease term or 5 years
- Plant and equipment	4 years
- Furniture and fittings	4 years

12. Right-of-use assets

	31 Oct 2022	31 Oct 2021
	\$	\$
Net carrying amounts		
Leasehold	418,670	734,046
	<u>418,670</u>	<u>734,046</u>
	Leasehold	Total
	\$	\$
Movement in carrying amount		
Balance at 1 November 2021	734,046	734,046
Depreciation	(315,376)	(315,376)
Balance at 31 October 2022	<u>418,670</u>	<u>418,670</u>

Depreciation

Depreciation of right-of-use assets is recognised on a straight-line basis in accordance with accounting policy in Note 30.

The following useful lives are used in the calculation of depreciation:

- Leasehold	Lease term
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Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
13. Trade and other payables		
Trade payables	4,065,378	3,375,249
Amount due to related parties	2,613,181	1,816,299
Goods and service tax payable	1,490,285	1,344,420
Sundry payables and accrued expenses	7,173,125	5,074,277
	15,341,969	11,610,245
Current	15,341,969	11,610,245
Non-current	-	-

14. Lease liabilities

Secured

Current	314,141	353,874
Non-current	85,020	399,161
	399,161	753,035

Significant lease arrangements

Lease liabilities are secured by the assets leased and represent the discounted future rentals payable by the Group for its leased office property. These leases are negotiated for an average term of 5 years, and rentals are fixed for five years.

The future minimum lease payments arising under the Group's lease contracts at the end of the reporting period are as follows:

Not later than one year	314,141	353,874
Later than one year and not later than five years	85,020	399,161
Later than five years	-	-
	399,161	753,035

Leases of low value assets

The Group leases IT equipment. These leases are of low value items; the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Low value lease recognised as an expense	9,915	14,060
	9,915	14,060

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
15. Other borrowings		
Secured - at amortised cost		
Receivables finance facility	5,423,732	7,749,283
	5,423,732	7,749,283
Current	5,423,732	7,749,283
Non-current	-	-

HSBC Bank Australia is the finance provider which provides a trade finance facility. Annual and periodic reviews take place as necessary subject to banking conditions as set out in the agreement between the parties. The trade finance facility limit during the year was \$11,228,000 (2021: \$25,000,000); unused limits as at 31 October 2022 was \$5,804,268 (31 October 2021: \$17,250,717). Additionally, the Group has a guarantee facility of \$375,000 (2021: \$275,000); unused limits as at 31 October 2022 was \$114,945 (31 October 2021: \$34,321).

16. Provisions

Carrying amounts		
Employee benefits	2,245,677	2,201,057
	2,245,677	2,201,057
Current	2,238,864	2,201,057
Non-current	6,813	-
	Employee benefits	Total
	\$	\$
Movements in provisions		
Carrying amount as at 1 November 2021	2,201,057	2,201,057
Additions	641,847	641,847
Amounts charged	(597,227)	(597,227)
Carrying amount as at 31 October 2022	2,245,677	2,245,677

The current portion for employee benefits provision is comprised of accrual on annual leave and long service leave entitlements that have vested due to employees having completed the required period of service. The Group does not expect the full amount of annual leave and long service leave balances classified as current liabilities to be settled within the next twelve months. However, these amounts are classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current provision includes accrual on long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
17. Issued capital		
10,000 fully paid ordinary shares (2021: 10,000)	10,000	10,000

The Company is incorporated under *Corporations Act 2001* and accordingly, does not have a limited amount of authorised capital and issued shares do not have a par value.

	No. of Shares	Share Capital
	No.	\$
Balance at 1 November 2021	10,000	10,000
Issue of shares	-	-
Balance at 31 October 2022	10,000	10,000

Fully paid ordinary shares carry one vote per share and carry a right to dividend.

	31 Oct 2022	31 Oct 2021
	\$	\$
18. Reserves		
Foreign currency translation	23,941	103,531
	23,941	103,531

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Company's presentation currency (i.e. Australian dollars) are recognised directly in the other comprehensive income and accumulated in the foreign currency translation reserve.

Movement in foreign currency translation reserve		
Balance at beginning of year	103,531	116,669
Exchange differences arising on translating the foreign operations	(79,590)	(13,138)
Balance at end of year	23,941	103,531

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
19. Dividends		
Ordinary dividends declared and paid	1,600,000	12,500,000
<p>On 12 October 2022, the directors declared a 100% franked dividend of \$160 per share to the holders of fully paid ordinary shares in respect to the financial year ended 31 October 2022. This dividend was paid to shareholders on 14 October 2022.</p>		
Franking credits		
Franking account balance at 31 October	1,870,336	364,501
Franking credits arising from payment/(refund) of current tax liability	(1,106,307)	307,455
Adjusted franking account balance	764,029	671,956

20. Notes to the statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

Cash and cash balances	6,143,120	964,134
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21. Related parties

NES Fircroft Australia Pty Ltd is the parent entity of the Group.

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.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties are disclosed in this note.

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
21. Related parties (continued)		
Remuneration of key management personnel		
Aggregate key management personnel compensation	1,222,364	726,838
Transactions with related parties		
During the year, entities within the Group entered into the following transactions with related parties of the Group:		
Associates		
Sales of services	(1,305,362)	(1,333,053)
Purchases of services	5,315,750	2,464,910
Franchise fees	2,546,580	1,791,423
Staff recharges	417,623	294,554
Interest recharges	(234,805)	(374,837)
Loss/(gain) on exchange on intercompany loan revaluation	163,228	351,246
Intercompany loan repayment/(borrowings)	(606,923)	8,164,238
Intercompany invoice settlement	5,528,442	731,334
Management & admin services	706,060	646,063
Payment/receipt on behalf	65,291	29,793
	12,595,884	12,765,671
	12,595,884	12,765,671
At the end of the year, the following balances were outstanding between related parties of the Group:		
Amounts owed by related parties		
Associates		
Trade and other receivables	-	96,841
Intercompany receivables	8,534,517	12,221,805
Amounts owed by related parties - Associates	8,534,517	12,318,646
Net amounts owed by related parties	8,534,517	12,318,646
Amounts owed to related parties		
Associates		
Trade and other payables	2,613,181	1,816,299
Intercompany payables	1,940,474	65,921
Amounts owed to related parties - Associates	4,553,655	1,882,220
Net amounts owed to related parties	4,553,655	1,882,220

Notes to the consolidated financial statements

22. Contingent liabilities and contingent assets

There are no unrecorded contingent assets or liabilities in place for the Group as at 31 October 2022 (31 October 2021: nil).

23. Subsidiaries

Set out below is a list of material subsidiaries of the Group:

- Fircroft (PNG) Limited - Papua New Guinea, 100% ownership interest (2021: 100%)

24. Parent entity information

Accounting policies

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Significant accounting policies of the Group are summarised in Note 30.

	31 Oct 2022	31 Oct 2021
	\$	\$
Financial position		
Assets		
Current assets	38,178,266	36,546,191
Non-current assets	469,203	773,480
Total assets	38,647,469	37,319,671
Liabilities		
Current Liabilities	25,104,180	21,768,783
Non-current liabilities	85,020	399,161
Total liabilities	25,189,200	22,167,944
Equity		
Issued capital	10,000	10,000
Retained earnings	14,480,398	14,955,091
Foreign currency translation reserve	-	-
Total equity	14,490,398	14,965,091

Notes to the consolidated financial statements

	31 Oct 2022	31 Oct 2021
	\$	\$
24. Parent entity information (continued)		
Financial performance		
Profit for the year	1,084,212	1,159,995
Other comprehensive income	(6,175)	27,016
Total comprehensive income	1,078,037	1,187,011

The parent entity does not have contingent liabilities, guarantees entered into or contractual commitment for the acquisition of plant, property or equipment.

25. Authorisation of the financial statements

The financial statements were approved by the board of directors and authorised for issue on 01 March 2023.

26. Remuneration of auditors

Deloitte and related network firms

Audit of financial reports	126,525	110,250
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27. Subsequent events

Subsequent to the end of financial year, on 2 February 2023, NES Fircroft Australia Pty Ltd executed a Share Purchase Agreement for the acquisition of shares in Evolve Scientific Recruitment Pty Ltd. The company, based in Australia, specialises in scientific and technical recruitment.

28. Financial risk management objectives and policies

The Group has limited exposure to financial risk. The group does not use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposure. The principal financial instruments of the Group comprise of receivables, payables, interest bearing liabilities and cash and cash equivalents.

The Board of Directors, as guided by the ultimate holding company, reviews and agrees policies and procedures for the management of these risks, which are executed by the Group Finance Director. The Group's principal objective is to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policies are not to engage in speculative transactions.

The key financial risks include foreign currency risk, credit risk and liquidity risk.

Notes to the consolidated financial statements

28. Financial risk management objectives and policies (continued)

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

a. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group is exposed to foreign currency risk on intercompany receivables that are denominated in foreign currency, which is disclosed in Note 21.

b. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from its receivables with intercompany and cash and bank balances.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts of its financial assets as disclosed in Note 26. These amounts do not entail further credit enhancements.

Financial assets that are neither past due nor impaired

Information regarding receivables that are neither past due nor impaired is disclosed in Note 8.

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

Notes to the consolidated financial statements

28. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Analysis of financial instruments

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year \$	More than 1 year \$	Total \$
As at 31 Oct 2022			
Trade and other payables	12,728,788	-	12,728,788
Related party payables	4,553,655	-	4,553,655
Interest bearing liabilities	5,423,732	-	5,423,732
Lease liabilities	275,938	93,136	369,074
<hr/>			
As at 31 Oct 2021			
Trade and other payables	9,793,946	-	9,793,946
Related party payables	1,882,220	-	1,882,220
Interest bearing liabilities	7,749,283	-	7,749,283
Lease liabilities	265,642	369,074	634,716
<hr/>			

Notes to the consolidated financial statements

29. Financial instruments

Classes and categories of financial instruments and their fair values

The following disclosure combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments; and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

As at 31 October 2022

	Note	FVTPL - derivatives		FVTOCI	FVTOCI - designated	Amortised cost
		designated in hedge relationships	FVTPL - mandatorily measured			
		\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	20	-	-	-	-	6,143,120
Trade and other receivables	8	-	-	-	-	20,493,053
Other assets	10	-	-	-	-	2,336,979
Intercompany receivables	21	-	-	-	-	8,534,517
Total financial assets		-	-	-	-	37,507,669
Financial liabilities						
Trade and other payables	13	-	-	-	-	(15,341,969)
Intercompany payables	21	-	-	-	-	(1,940,474)
Lease liabilities	14	-	-	-	-	(399,161)
Other borrowings	15	-	-	-	-	(5,423,732)
Total financial liabilities		-	-	-	-	(23,105,336)

Notes to the consolidated financial statements

29. Financial instruments (continued)

As at 31 October 2021

		FVTPL - derivatives designated in hedge relationships	FVTPL - mandatorily measured	FVTOCI	FVTOCI - designated	Amortised cost
	Note	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	20	-	-	-	-	964,134
Trade and other receivables	8	-	-	-	-	21,630,685
Other assets	10	-	-	-	-	1,298,212
Intercompany receivables	21	-	-	-	-	12,221,805
Total financial assets		-	-	-	-	36,114,836
Financial liabilities						
Trade and other payables	13	-	-	-	-	(11,610,245)
Intercompany payables	21	-	-	-	-	(65,921)
Lease liabilities	14	-	-	-	-	(753,035)
Other borrowings	15	-	-	-	-	(7,749,283)
Total financial liabilities		-	-	-	-	(20,178,484)

Notes to the consolidated financial statements

30. Significant accounting policies

Basis of accounting

The general purpose financial statements have been prepared on the basis of historical cost as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The consolidated financial statements are prepared and presented in Australian dollars, which is the Company's functional currency, rounded to the nearest dollar, unless otherwise stated.

The consolidated financial statements provide comparative information in respect of the previous period covering 14 months to 31 October 2021. Where necessary, comparative figures have been reclassified to conform with presentation in the current year.

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Based on cashflow forecasts prepared by the Group, the Group may require the financial support of the intermediate holding company during the next twelve months from the date of signing the Group's 31 October 2022 Financial Statements.

NES Fircroft Limited, being the intermediate parent company of the Group, has confirmed its intention to continue to provide necessary financial support to the Group for a period of at least twelve months from the date of signing the Group's 31 October 2022 Financial Statements in respect of the following:

- To enable the Group to pay its debts as and when they fall due; and
- Not require repayment of the outstanding intercompany balances unless the Group generates sufficient cash to make repayment.

NES Fircroft Limited itself has also obtained a letter of support from NES Global Talent Limited, to continue to provide financial support and to fund any obligations of NES Fircroft Limited for a period of at least 12 months from the date of these financial statements. This arises owing to the classification of intercompany borrowings in NES Fircroft Limited as current liabilities and a consequent net current liability position in the Consolidated and Company Balance Sheet of NES Fircroft Limited at 31 October 2022. NES Global Talent Limited is the ultimate holding company of both NES Fircroft Limited and the Group.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 October each year.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Basis of consolidation (continued)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash held with financial institutions. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Income tax

Current income tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent it is unpaid (or refundable).

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Income tax (continued)

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences between the carrying amount and tax losses to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity.

Deferred tax is also recognised directly in equity, or when it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its expected residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes recognised on a prospective basis.

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Plant and equipment (continued)

Depreciation of plant and equipment is calculated by reference to the historical cost of the plant and equipment and their estimated useful lives. The principal depreciation rates based on a straight line method are as follows:

- Leasehold improvements	Lease term or 5 years
- Plant and equipment	4 years
- Furniture and fittings	4 years

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

When the carrying amount of the plant and equipment is greater than its estimated recoverable amounts, an impairment charge is made to write down the carrying values to the recoverable amounts. The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Revenue

Revenue is recognised on the basis of hours worked for contractors hired out (recognised over time), on the start date for permanent placements (recognised at a point in time), and on the basis of work performed for project management services (recognised at a point in time). 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, GST and other sales-related taxes.

All revenue is generated from contractual agreements with customers. Intercompany billing on behalf of related parties is done at cost, without mark-up.

More information about the Group's revenue sources and how they are accounted for are set out in Note 4.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any impairment due to expected credit losses (ECL). An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the statement of comprehensive income.

Trade receivables are due for settlement within no more than 30 days. In general amounts receivable are collected on average within 30 to 60 days.

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially their fair value and subsequently measured at the amortised cost using the effective interest method.

Foreign currency

The financial statements of the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of these consolidated financial statements, the results and the financial position of the entity are expressed in Australian Dollars, which is the functional currency of NES Fircroft Australia Pty Ltd, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. All realised and unrealised exchange adjustment gains and losses are taken to the statement of profit or loss and other comprehensive income.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed off.

Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 immediately in the statement of profit or loss and other comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent 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 immediately in the statement of profit or loss and other comprehensive income.

Notes to the consolidated financial statements

30. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised on a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainty surrounding the obligation.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of Assets' policy.

Notes to the consolidated financial statements

31. New accounting standards and interpretation

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

NES Global Limited

Financial statements

October 31, 2021

Independent Auditor's Report

To the Shareholder of NES Global Limited

Opinion

We have audited the financial statements of NES Global Limited (the "Company"), which comprise the balance sheet as at October 31, 2021, and the statements of loss and deficit, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian 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 independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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 Matter

The financial statements of the Company for the year ended October 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on March 25, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 Canadian GAAS 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 fair presentation.

We communicate with those charged with governance 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.

Deloitte LLP

Chartered Professional Accountants

March 29, 2022

NES Global Limited

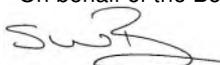
Balance sheet

As at October 31

	2021 CAD\$	2020 CAD\$
Assets		
Current		
Cash and cash equivalents	—	541,983
Accounts receivable <i>[note 10]</i>	33,636,663	13,183,365
Due from affiliated company	5,258,963	—
Income taxes recoverable	85,303	—
Current portion of restricted cash <i>[note 6]</i>	—	300,000
Prepaid expenses	66,454	117,886
Total current assets	39,047,383	14,143,234
Restricted cash <i>[note 6]</i>	—	42,723
Capital assets, net	74,653	75,325
	39,122,036	14,261,282
Liabilities and shareholders' deficit		
Current		
Bank indebtedness <i>[note 4]</i>	8,552,808	—
Accounts payable and accrued liabilities <i>[note 10]</i>	12,968,952	7,907,208
Government remittances payable	279,243	68,358
Income taxes payable	—	46,486
Current portion of deferred consideration payable <i>[note 6]</i>	—	300,000
Total current liabilities	21,801,003	8,322,052
Deferred consideration payable <i>[note 6]</i>	101,897	—
Due to affiliated companies <i>[note 5]</i>	29,990,729	18,033,453
Total liabilities	51,893,629	26,355,505
Commitments <i>[note 8]</i>		
Shareholders' deficit		
Share capital	10	10
Deficit	(12,771,603)	(12,094,233)
Total shareholders' deficit	(12,771,593)	(12,094,223)
	39,122,036	14,261,282

See accompanying notes

On behalf of the Board:



Director

NES Global Limited

Statement of loss and deficit

Year ended October 31

	2021	2020
	CAD\$	CAD\$
Sales [note 9]	158,364,570	121,167,138
Cost of sales [note 3]	148,402,328	112,136,897
Gross profit	9,962,242	9,030,241
Expenses		
Administration fees [note 5]	3,004,524	2,477,819
Advertising and promotion	84,474	98,388
Bad debt expense	198,204	95,485
Office expenses	675,313	610,824
Professional fees	599,761	287,647
Rent	181,084	149,469
Salaries and benefits [note 3]	4,306,837	3,200,275
Travel	49,245	67,393
	9,099,442	6,987,300
Income before the following	862,800	2,042,941
Interest and bank charges	1,241,076	1,253,312
Accounts payable and accrued liabilities [note 10]	33,435	42,444
Amortization of intangible assets	—	375,000
(Gain) on sale of capital assets	—	(1,300)
Provision for income taxes [note 7]	265,659	336,053
	1,540,170	2,005,509
Net (loss)/income for the year	(677,370)	37,432
Deficit, beginning of year	(12,094,233)	(12,131,665)
Deficit, end of year	(12,771,603)	(12,094,233)

See accompanying notes

NES Global Limited

Statement of cash flows

Year ended October 31

	2021 CAD\$	2021 CAD\$
Operating activities		
Net (loss)/income for the year	(677,370)	37,432
Add items not involving cash		
Amortization of capital assets	33,435	42,444
Amortization of intangible assets	—	375,000
	<u>(643,935)</u>	<u>454,876</u>
Changes in non-cash working capital balances related to operations:		
Accounts receivable	(20,453,298)	6,897,679
Prepaid expenses	51,432	(40,039)
Restricted cash	144,620	(20,627)
Accounts payable and accrued liabilities	5,061,744	(2,746,129)
Government remittances payable	210,885	(108,212)
Income taxes (receivable) payable	(131,789)	204,705
Cash (used in) provided by operating activities	<u>(15,760,341)</u>	<u>4,642,253</u>
Investing activities		
Purchase of capital assets	(32,763)	(24,801)
Cash used in investing activities	<u>(32,763)</u>	<u>(24,801)</u>
Financing activities		
Bank indebtedness, net	8,552,808	(7,058,827)
Advances from affiliated companies, net	6,698,313	2,983,358
Cash provided by (used in) financing activities	<u>15,251,121</u>	<u>(4,075,469)</u>
Net decrease (increase) in cash during the year	(541,983)	541,983
Cash, beginning of year	541,983	—
Cash, end of year	<u>—</u>	<u>541,983</u>

See accompanying notes

NES Global Limited

Notes to the financial statements

October 31, 2021

1. Nature of operations

NES Global Limited [the "Company"] is incorporated under the *Business Corporations Act* of the Province of Alberta. The Company's principal business activity is to provide engineering services across a range of core sectors including oil and gas, construction, infrastructure, rail, power generation, and information technology. NES Global Limited., a United Kingdom company, is the sole shareholder of its Canadian subsidiary [which bears the same name], NES Global Limited. 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, certain co-investors, and management. 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 Limited is the parent company for which group financial statements as at October 31, 2021 are drawn up. Copies of the financial statements are available from Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Part II of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Private Enterprises" [ASPE], which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada and includes the significant accounting policies described hereafter.

Revenue recognition

The revenue for temporary placements is recognized as the service is rendered on the basis of hours worked for contractors hired out. Revenue for services related to permanent placements is recognized once the chosen candidate has started the position.

Cash and cash equivalents

Cash includes cash on deposit with financial institutions and investments with a maturity of approximately three months or less from the date of acquisition.

Capital assets

Office equipment and furniture is stated at acquisition cost. Amortization of office equipment is provided on a straight-line basis over an estimated useful life of three years whereas amortization of office furniture is provided on a straight-line basis over an estimated useful life of five years.

Notes to the financial statements

October 31, 2021

Invoice discounting

The Company has an agreement with HSBC whereby its trade receivables are discounted with recourse. On the basis that the benefits and risks attaching to the debts remain with the Company, the gross debts are included as an asset within trade receivables (net of any provisions and discounts) and the proceeds received are included within cash and cash equivalents. The net cash advances or repayments are presented as financing cash flows. Interest and bank charges are recognised in the statement of income and deficit as they accrue.

Impairment – intangible assets subject to amortization

Intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a write-down of the asset and a charge to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Income taxes

Income taxes are accounted for using the income taxes payable method, and future income tax assets and liabilities are not recognized.

Financial instruments

The Company initially records a financial instrument at its fair value, except for related party transactions, which are recorded at the carrying or exchange amount depending on the circumstances.

Subsequently, the Company measures financial instruments as follows:

- investments in equity instruments that are quoted in an active market at fair value;
- all other investments in equity instruments at cost less impairment;
- all other financial assets, which include cash and cash equivalents, accounts receivable and accrued receivables and advances to affiliated companies, at amortized cost;
- all financial liabilities, which include bank indebtedness, accounts payable and accrued liabilities, and advances from affiliated companies, at amortized cost.

Use of estimates

The preparation of financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities revenue and expenses and disclosure of contingent assets and liabilities. Management makes accounting estimates when determining the estimated useful life of the Company's equipment and customer relationships and the related amortization expense, in the valuation of the Company's potentially uncollectible accounts receivable and in the estimation of the Company's significant accrued liabilities. Actual results could differ from those estimates. Management has determined there are no uncollectible accounts receivable as at October 31, 2021.

Notes to the financial statements

October 31, 2021

3. COVID-19 global pandemic

In March 2020, the World Health Organization announced a global pandemic in relation to the COVID-19 virus, disrupting the day-to-day activities of both individuals and businesses around the world. In response, many governments worldwide, including Canada, have enacted emergency measures to combat the spread of the virus. These measures included the implementation of travel bans, self-imposed quarantine periods, social distancing, and restrictions on gatherings, all to slow the spread of the virus.

In light of the uncertain and rapidly evolving situation relating to the spread of COVID-19, in March 2020, the Company took precautionary measures intended to reduce costs and minimize the risk of the virus to its employees and the communities in which it operates. In addition, governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. As the duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions, it is not possible, at this time, to estimate the length and severity of the impact that COVID-19 could have on the Company, as the impact will depend on future developments, which are highly uncertain and cannot be currently predicted.

During the year, under the Canadian Emergency Wage Subsidy Program, the Company applied for and received \$1,056,165 [2020 - \$3,432,194] which was used to subsidize employee salary expenses. There is no repayment obligation in respect of this assistance.

4. Bank indebtedness

The Company has financing agreements whereby certain trade debts are subject to an invoice discounting agreement which is secured against the associated accounts receivable with a maximum of \$12,000,000. The Company's cash is held by the same financial institution providing the facility. As at October 31, 2021, the amounts drawn on this facility of \$8,685,394 [2020 – \$455,633] were included with the Company's cash balance of \$132,586 [2020 - \$86,350] and presented net in bank indebtedness [2020: Cash and Cash Equivalents]. The credit risk remains with the Company and accordingly the accounts receivable and draws under the facility are separately presented.

5. 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. As of October 31, 2021, \$3,004,524 [2020 – \$2,657,626] were due to related parties and are presented within accounts payable and accrued liabilities.

The advances from affiliated companies, companies under common management and control, are composed of advances from the parent company and other affiliated companies. The advances from affiliated companies are unsecured and have no specified terms of repayment. The affiliated companies have represented that they will not call for repayment of the respective advances within the next 12-month period ending November 1, 2022, and accordingly they have been presented as being non-current.

NES Global Limited

Notes to the financial statements

October 31, 2021

	2021	2020
	CAD\$	CAD\$
NES Group Limited	(10,900,729)	471,785
Redbock LLC	101,659	109,755
NES Global Limited (UK)	(19,710,214)	(18,659,929)
NES Global, LLC	(41,517)	(339,305)
NES Advantage Solution Group AS	642,622	397,636
NES Global Limited (Hong Kong)	(12,407)	(13,395)
Fircroft Inc. (USA)	(71,637)	-
Fircroft Trinidad Ltd.	1,494	-
	(29,990,729)	(18,033,453)

During the year the Company was required to pay various fees and interest, to its parent company totaling \$3,935,069 [2020 - \$3,450,651].

The fees include franchise fees of \$2,396,388 [2020 - \$2,273,495], administrative support fees of \$608,136 [2020 - \$384,130], and interest of \$930,545 [2020 - \$793,026]. These amounts are recorded as administration fees and interest and bank charges respectively, on the statement of income and deficit.

6. Intangible assets

Intangible assets as at October 31 consisted of the following:

	2021		
	Cost	Accumulated amortization	Net book value
	CAD\$	CAD\$	CAD\$
Customer relationships	14,486,558	14,486,558	-
	2020		
	Cost	Cost	Net book value
	CAD\$	CAD\$	CAD\$
Customer relationships	14,486,558	14,486,558	-

On September 29, 2017, the Company acquired certain customer relationships from Ziegler's Oilfield Consulting Limited, in exchange for consideration of \$1,500,000. Under the terms of the agreement, the Company is required to pay equal instalments of \$300,000 over a five-year period, on the anniversary of the agreement.

NES Global Limited

Notes to the financial statements

October 31, 2021

7. Income taxes

The provision for income taxes differs from the amounts that would be obtained from applying the statutory income tax rate to income before income taxes as follows:

	2021 CAD\$	2020 CAD\$
(Loss)/income before income taxes	(411,711)	373,485
Statutory income tax rate	23%	24.6%
Computed income tax recovery	(94,694)	91,877
Increase in income taxes resulting from		
Difference in amortization for accounting and income tax purposes	(72,080)	13,150
Non-deductible expenses	432,433	246,244
Gain on disposal of capital assets	-	320
Adjustments in respect of income tax of prior years	-	(15,538)
Provision for income taxes	265,659	336,053

8. Commitments

The Company rents its operating premises in Bonnyville and Calgary, Alberta. The Bonnyville lease expires in September 2022 and the two Calgary leases expire in November/December 2024. The leases require that the Company bears its proportionate share of overall operating expenses in addition to basic rent. The future minimum lease payments are as follows:

	CAD\$
2022	120,049
2023	65,622
2024	65,622
2025	7,276
2026	-
Thereafter	-
	258,569

9. Economic dependence

The Company has three clients who account for 47% [2020 – 55%] of the Company's sales.

Notes to the financial statements

October 31, 2021

10. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, and advances to/from affiliated companies.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause the financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is represented by the carrying value of its cash and accounts receivable. The Company's cash is on deposit with a Canadian chartered bank and therefore it is management's opinion that the Company is not subject to significant credit risk with respect to cash. The Company is exposed to credit risk on accounts receivable from customers. In order to reduce its credit risk, the Company carries out, on a continuing basis, credit checks on its customers before credit is granted, a review of outstanding amounts and maintains provisions for estimated uncollectible accounts. Approximately 28% [2020 – 28%] of the Company's accounts receivable is from one client.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's bank indebtedness bears interest at bank prime plus 0.08% resulting in an exposure to interest rate movements.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages this risk by preparing and monitoring forecasts of cash flows from operations, anticipating investing, and financing activities and generally holding assets that can be readily converted into cash.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The advances from affiliated companies are transacted in US dollars and British pounds and consequently the Company's cash and advances from affiliated companies are exposed to foreign currency fluctuations. As at October 31, 2021, approximately \$51,695 [2020 - \$13,674] of the Company's cash and \$627,550 [2020 -\$603,778] of the Company's advances from affiliated companies are exposed to fluctuations in the US dollar, \$1,211,639 [2020 – \$736,588] of the Company's advances from the parent company are exposed to fluctuations in the US dollar and approximately \$19,961 (2020 \$18,112) of the Company's advances from affiliated companies are exposed to fluctuations in the EURO and approximately \$90,941 (2020 - \$9,255) of the Company's advances from affiliated companies are exposed to fluctuations in the British pound.

Market risk

The Company does not own any publicly traded securities and as such is not subject to market risk.

NES Global Limited

Financial statements

October 31, 2022

Independent Auditor's Report

To the Shareholder of
NES Global Limited

Opinion

We have audited the financial statements of NES Global Limited (the "Company"), which comprise the balance sheet as at October 31, 2022, the statements of net income (loss) and deficit, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian 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 independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASPE, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 Canadian GAAS 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, 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 fair presentation.

We communicate with those charged with governance 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.

Deloitte LLP

Chartered Professional Accountants
April 17, 2023

NES Global Limited

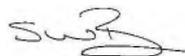
Balance sheet

As at October 31,

	Notes	2022	2021
Assets			
Current			
Accounts receivable	9	43,499,051	33,636,663
Due from affiliated company		—	5,258,963
Income taxes recoverable	5	—	85,303
Prepaid expenses		115,134	66,454
Total current assets		43,614,185	39,047,383
Capital assets, net	8	280,259	74,653
		43,894,444	39,122,036
Liabilities and shareholders' deficit			
Current			
Bank indebtedness	3	16,557,528	8,552,808
Accounts payable and accrued liabilities	9	13,409,772	12,968,952
Government remittances payable		465,181	279,243
Income taxes payable	5	364,822	—
Total current liabilities		30,797,303	21,801,003
Deferred consideration payable		—	101,897
Due to affiliated companies	4	25,753,013	29,990,729
Total liabilities		56,550,316	51,893,629
Commitments	6		
Shareholders' deficit			
Share capital		10	10
Deficit		(12,655,882)	(12,771,603)
Total shareholders' deficit		(12,655,872)	(12,771,593)
		43,894,444	39,122,036

See accompanying notes

On behalf of the Board:



Director

NES Global Limited

Statement of Net income (loss) and deficit

Year ended October 31,

	Notes	2022	2021
Sales	7	234,946,659	158,364,570
Cost of sales		219,647,104	148,402,328
Gross profit		15,299,555	9,962,242
Expenses			
Administration fees	4	4,168,014	3,004,524
Advertising and promotion		100,436	84,474
Bad debt expense		6,073	198,204
Office expenses		1,015,024	675,313
Professional fees		406,879	599,761
Rent		199,733	181,084
Salaries and benefits		6,067,871	4,306,837
Travel		197,586	49,245
		12,161,616	9,099,442
Income before the following		3,137,939	862,800
Interest and bank charges	4	2,351,832	1,241,076
Amortization of Capital assets		45,422	33,435
Gain on sale of capital assets		(5,500)	—
Provision for income taxes	5	630,464	265,659
		3,022,218	1,540,170
Net income (loss) for the year		115,721	(677,370)
Deficit, beginning of year		(12,771,603)	(12,094,233)
Deficit, end of year		(12,655,882)	(12,771,603)

See accompanying notes

NES Global Limited

Statement of cash flows

Year ended October 31,

	2022	2021
Operating activities		
Net income (loss) for the year	115,721	(677,370)
Add items not involving cash		
Amortization of capital assets	45,422	33,435
	<u>161,143</u>	<u>(643,935)</u>
Changes in non-cash working capital balances related to operations:		
Accounts receivable	(9,862,388)	(20,453,298)
Prepaid expenses	(48,680)	51,432
Restricted cash	—	144,620
Accounts payable and accrued liabilities	338,923	5,061,744
Government remittances payable	185,938	210,885
Income taxes (receivable) payable	450,125	(131,789)
Cash (used in) provided by operating activities	<u>(8,774,939)</u>	<u>(15,760,341)</u>
Investing activities		
Purchase of capital assets	(251,028)	(32,763)
Cash used in investing activities	<u>(251,028)</u>	<u>(32,763)</u>
Financing activities		
Bank indebtedness, net	8,004,720	8,552,808
Advances from affiliated companies, net	1,021,247	6,698,313
Cash provided by financing activities	<u>9,025,967</u>	<u>15,251,121</u>
Net increase in cash during the year	<u>—</u>	<u>(541,983)</u>
Cash, beginning of year	<u>—</u>	<u>541,983</u>
Cash, end of year	<u>—</u>	<u>—</u>

See accompanying notes

NES Global Limited

Notes to the financial statements

October 31, 2022

1. Nature of operations

NES Global Limited [the "Company"] is incorporated under the *Business Corporations Act* of the Province of Alberta. The Company's principal business activity is to provide engineering services across a range of core sectors including oil and gas, construction, infrastructure, rail, power generation, and information technology. NES Global Limited, a United Kingdom company, is the sole shareholder of its Canadian subsidiary [which bears the same name], NES Global Limited. 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.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Part II of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Private Enterprises" [ASPE], which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada and includes the significant accounting policies described hereafter.

Revenue recognition

Revenue is recognized 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, GST and other sales-related taxes. All revenue is generated from contractual agreements with customers.

Cash and cash equivalents

Cash includes cash on deposit with financial institutions and investments with a maturity of approximately three months or less from the date of acquisition.

Capital assets

Office equipment and furniture is stated at acquisition cost. Amortization of office equipment is provided on a straight-line basis over an estimated useful life of three years whereas amortization of office furniture is provided on a straight-line basis over an estimated useful life of five years.

NES Global Limited

Notes to the financial statements

October 31, 2022

Invoice discounting

The Company has an agreement with HSBC whereby its trade receivables are discounted with recourse. On the basis that the benefits and risks attaching to the debts remain with the Company, the gross debts are included as an asset within trade receivables (net of any provisions and discounts) and the proceeds received are included within cash and cash equivalents. The net cash advances, or repayments are presented as financing cash flows. Interest and bank charges are recognised in the statement of income and deficit as they accrue.

Income taxes

Income taxes are accounted for using the income taxes payable method, and future income tax assets and liabilities are not recognized.

Financial instruments

The Company initially records a financial instrument at its fair value, except for related party transactions, which are recorded at the carrying or exchange amount depending on the circumstances.

Subsequently, the Company measures financial instruments as follows:

- investments in equity instruments that are quoted in an active market at fair value;
- all other investments in equity instruments at cost less impairment;
- all other financial assets, which include cash and cash equivalents, accounts receivable and accrued receivables and advances to affiliated companies, at amortized cost;
- all financial liabilities, which include bank indebtedness, accounts payable and accrued liabilities, and advances from affiliated companies, at amortized cost.

Use of estimates

The preparation of financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities revenue and expenses and disclosure of contingent assets and liabilities. Management makes accounting estimates when determining the estimated useful life of the Company's equipment and customer relationships and the related amortization expense, in the valuation of the Company's potentially uncollectible accounts receivable and in the estimation of the Company's significant accrued liabilities. Actual results could differ from those estimates. Management has determined there are no uncollectible accounts receivable as at October 31, 2022.

3. Bank indebtedness

The Company has financing agreements whereby certain trade debts are subject to an invoice discounting agreement which is secured against the associated accounts receivable with a maximum of \$18,250,000. The Company's cash is held by the same financial institution providing the facility. As at October 31, 2022, the amounts drawn on this facility of \$16,844,688 [2021 – \$8,685,394] were included with the Company's cash balance of \$287,160 [2021 - \$132,586] and presented net in bank indebtedness. The credit risk remains with the Company and accordingly the accounts receivable and draws under the facility are separately presented.

NES Global Limited

Notes to the financial statements

October 31, 2022

4. 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. As of October 31, 2022, \$Nil [2021 – \$3,004,524] were due to related parties and are presented within accounts payable and accrued liabilities.

The advances from affiliated companies, companies under common management and control, are composed of advances from the parent company and other affiliated companies. The advances from affiliated companies are unsecured and have no specified terms of repayment. The affiliated companies have represented that they will not call for repayment of the respective advances within the next 12-month period ending November 1, 2023, and accordingly they have been presented as being non-current.

	2022	2021
	CAD\$	CAD\$
NES Group Limited	(5,312,011)	(10,900,729)
Redbock LLC	112,023	101,659
NES Global Limited (UK)	(1,889,957)	(19,710,214)
NES Global, LLC	50,995	(41,517)
NES Advantage Solution Group AS	821,320	642,622
NES Global Limited (Hong Kong)	-	(12,407)
NES Holdings Limited	(19,535,383)	-
Fircroft Inc. (USA)	-	(71,637)
Fircroft Trinidad Ltd.	-	1,494
	(25,753,013)	(29,990,729)

During the year the Company was required to pay various fees and interest, to its parent company totaling \$6,010,914 [2021 - \$3,935,069].

The fees include franchise fees of \$3,237,431 [2021 – \$2,396,388], administrative support fees of \$930,582 [2021 – \$608,136], and interest of \$1,842,900 [2021 – \$930,545]. These amounts are recorded as administration fees and interest and bank charges respectively, on the statement of income and deficit.

NES Global Limited

Notes to the financial statements

October 31, 2022

5. Income taxes

The provision for income taxes differs from the amounts that would be obtained from applying the statutory income tax rate to income before income taxes as follows:

	2022	2021
	CAD\$	CAD\$
Income (loss) before income taxes	746,185	(411,711)
Statutory income tax rate	23%	23%
Computed income tax recovery	171,623	(94,694)
Increase in income taxes resulting from		
Difference in amortization for accounting and income tax purposes	(70,931)	(72,080)
Non-deductible expenses	531,041	432,433
Gain on disposal of capital assets	(1,269)	-
Provision for income taxes	630,464	265,659

6. Commitments

Leases:

The Company rents its operating premises in Bonnyville and Calgary, Alberta. The Bonnyville lease expires in September 2027 and Aspen Calgary lease expire in January 2028 and Bow Valley Calgary lease expires November 2024. The leases require that the Company bears its proportionate share of overall operating expenses in addition to basic rent. The future minimum lease payments are as follows:

	CAD\$
2023	161,673
2024	161,673
2025	141,537
2026	139,707
Thereafter	135,501
	<u>740,091</u>

Bonds:

As at October 31, 2022, the company is a co-guarantor to a series of bonds issued by an affiliated company which is under common management and control. The maturity date for these bonds is September 29, 2026. No amount for the guarantees was recognized in the financial statements.

NES Global Limited

Notes to the financial statements

October 31, 2022

7. Economic dependence

The Company has three clients who account for 57% [2021 – 47%] of the Company's sales. Management considers this to demonstrate the good ongoing relationship with existing clients which has a positive impact on the company.

8. Tangible capital assets

The movement in the year was as follows:

		2022		2021
	Cost	Accumulated Amortization	Net book Value	Net book Value
	CAD\$	CAD\$	CAD\$	CAD\$
Leasehold improvements	129,318	(15,366)	113,952	15,213
Computer equipment	167,965	(93,281)	74,684	30,572
Fixtures and fittings	186,835	(95,212)	91,623	28,868
Total	484,118	(203,859)	280,259	74,653

9. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, and advances to/from affiliated companies.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause the financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is represented by the carrying value of its cash and accounts receivable. The Company's cash is on deposit with a Canadian chartered bank and therefore it is management's opinion that the Company is not subject to significant credit risk with respect to cash. The Company is exposed to credit risk on accounts receivable from customers. In order to reduce its credit risk, the Company carries out, on a continuing basis, credit checks on its customers before credit is granted, a review of outstanding amounts and maintains provisions for estimated uncollectible accounts. Approximately 27% [2021 – 28%] of the Company's accounts receivable is from one client.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's bank indebtedness bears interest at bank prime plus 0.08% resulting in an exposure to interest rate movements.

NES Global Limited

Notes to the financial statements

October 31, 2022

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages this risk by preparing and monitoring forecasts of cash flows from operations, anticipating investing, and financing activities and generally holding assets that can be readily converted into cash.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The advances from affiliated companies are transacted in US dollars and British pounds and consequently the Company's cash and advances from affiliated companies are exposed to foreign currency fluctuations. As at October 31, 2022, approximately \$193,177 [2021 - \$51,695] of the Company's cash and \$911,406 [(2021 - \$627,550)] of the Company's advances from affiliated companies are exposed to fluctuations in the US dollar, \$2,475,596 [2021 – \$1,211,639] of the Company's advances from the parent company are exposed to fluctuations in the US dollar and approximately \$105 (2021 \$19,961) of the Company's advances from affiliated companies are exposed to fluctuations in the EURO and approximately \$8,680 (2021 - \$90,941) of the Company's advances from affiliated companies are exposed to fluctuations in the British pound.

Market risk

The Company does not own any publicly traded securities and as such is not subject to market risk.



**NES FIRCCROFT BONDCO AS//
FINANCIAL REPORT FOR THE
QUARTER & HALF YEAR
PERIOD**

30 APRIL 2023



I am delighted to announce strong results in the second quarter of 2023, continuing our trend of delivering quarterly organic growth over the prior year. Underlying EBITDA grew by 15% to over \$30m in our second fiscal quarter over the same period in 2022, of which 4% is attributable to Evolve Scientific Recruitment, a scientific and technical recruitment firm in Australia acquired by the NES Fircroft Group in February.

Organic growth of 11% in the second quarter represents an improved performance on prior year across numerous geographies and solution offerings. Most positively, this was achieved whilst delivering a greater year-on-year net fee income contribution in our diversified end markets, reinforcing our standing as a critical partner within highly technical industries.

We are proud of our best-in-class workforce, reporting a 6% increase over prior year in share of women placed in senior management positions at the second quarter end. Our ability to deliver support services to our clients and contractors in a cost-efficient manner enables us to enjoy a second quarter Underlying EBITDA to NFI conversion of 39%, consistent with prior year despite global inflationary pressures in 2023.

We continue to execute our M&A strategy with proven capabilities to act on highly accretive consolidation opportunities. During the second quarter, the Group acquired Polarities, an employment advisory business in Japan. These results do not include any profit contribution from this acquisition; however, we anticipate this add on to enhance our geographical footprint in the near future.

We look forward to continuing our delivery of essential solutions across numerous end markets, whilst we maintain the highest standards in supporting our clients in the energy transition.



TIG GILLIAM

A handwritten signature in black ink, appearing to read 'Tig', written in a cursive style.

Chief Executive Officer
29 June 2023

CEO STATEMENT



22,176
contractors supported



\$1,292.8m
revenue



1,869
global staff



\$151.0m
gross profit



54%
female employees



\$57.7m
underlying EBITDA*



133
different nationalities



86
offices

H1 METRICS

**Underlying EBITDA comprises earnings before interest, tax, depreciation, and amortisation and before loss on disposal of investments, exceptional items and management recharges. This is considered a better approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit. Reported figures are from continuing operations for the Group.*

Net debt increased by 18% on the first quarter 2023 to \$266m, representing the funding of the Evolve acquisition via our working capital facilities, and investment in the 5% organic net fee income growth on the prior quarter. It is pleasing to see an improved operating cash performance over prior year in both the second quarter and half year (18% and 17% respectively); we continue to maintain our very strong focus on cash collection and receivables, whilst securing additional working capital facility headroom globally with new and existing lenders.



STEPHEN BUCKLEY

Chief Financial Officer
29 June 2023

LTM EBITDA*	\$116.0m
Net Interest-Bearing Debt	\$266.2m
NIBD / EBITDA Ratio	2.29x
Covenant	4.75x
Q2 organic 2023 EBITDA* growth over Q2 2022	11%
Q2 2023/H1 2023 EBITA **	\$27.6m / \$52.4m
LTM EBITA **	\$106.2m

CFO STATEMENT

*Underlying EBITDA comprises earnings before interest, tax, depreciation, and amortisation and before loss on disposal of investments, exceptional items and management recharges. This is considered a better approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit. Reported figures are from continuing operations for the Group.

**Underlying EBITA comprises earnings before interest, tax, and acquisition related amortisation and before loss on disposal of investments, exceptional items and management recharges. This is considered a better approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit. Reported figures are from continuing operations for the Group.

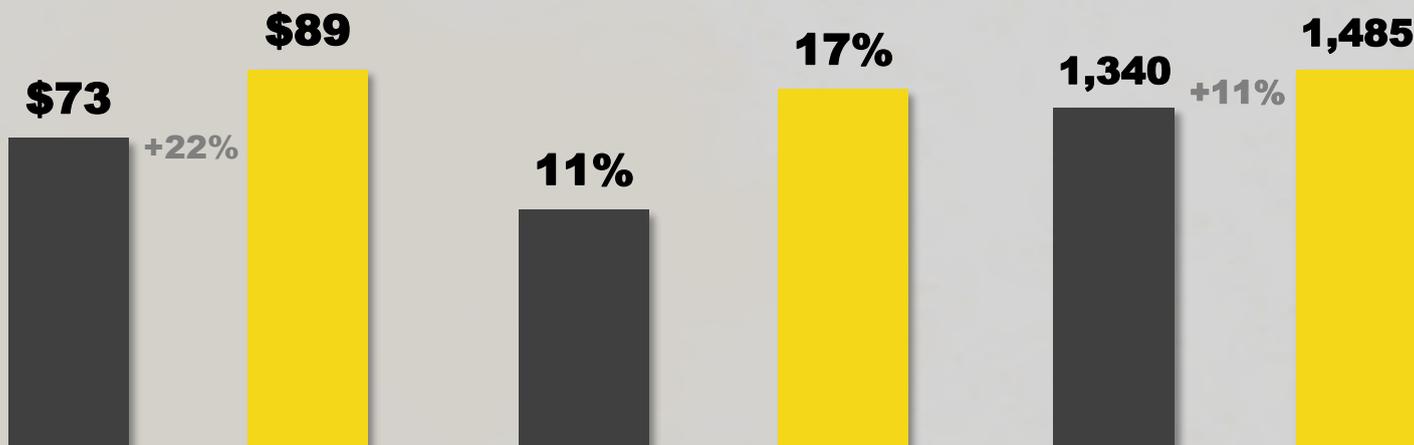


SUSTAINABILITY

NFI GENERATED FROM NON OIL AND GAS PROJECTS
TARGET - 10% YOY GROWTH

SHARE OF WOMEN PLACED IN SENIOR MANAGEMENT
TARGET - 20% BY FY2025

NUMBER OF CONTRACTORS PLACED WITHIN ENERGY TRANSITION / RENEWABLES
TARGET - 10% YOY GROWTH



LTM Apr 2022 LTM April 2023

H1 2022 H1 2023

LTM Apr 2022 LTM Apr 2023

PEOPLE

Over 50% female workforce at 30 April 2023

The Group continues to invest in management development initiatives and has introduced and extended emerging talent and coaching programmes to encourage, grow and sustain diversity across all management levels. Initiatives include the expansion of manager coaching and roll out of leadership labs modular development programme.

Emerging talent programmes support target of female diversity in senior management roles (increased from 11% to 17% female diversity in senior management roles when comparing H1 2022 to H1 2023)

Internal colleague diversity and inclusion networks established.

COMMUNITY

Supported our 22,000+ candidates in securing their next employment opportunity.

Our offices around the world continue to organise events to raise money for local charities, including a global relay where all offices took part in a walk/run/cycle challenge in support of 9 charities chosen by staff. Our donations to cancer support charities also continue to fully fund the salaries of two cancer nurses.

PLANET

Providing workforce solutions to our clients in the energy transition/renewables sectors (11% growth in renewable placements over last twelve months)

Off-setting carbon footprint of all staff business travel

Expanding measurement and reporting of our scope 1, 2 and 3 carbon emissions

Supplementing existing ISO certification of our Environmental Management System with planned GreenMark accreditation across our regional hub offices in 2023

SUSTAINABILITY PROGRESS



FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

All financial statements are presented on an unaudited basis

	H1 2023 \$'000	H1 2022 \$'000
Revenue	1,292,779	1,110,554
Cost of sales	(1,141,778)	(980,493)
Gross profit	151,001	130,061
Administrative expenses	(93,316)	(79,499)
Operating profit before management recharges, loss on disposal of investments, exceptional items, depreciation and amortisation	57,685	50,562
Management recharges	(531)	(525)
Exceptional items	(1,196)	(4,045)
Loss on disposal of investments	(506)	-
Depreciation	(4,654)	(4,506)
Amortisation of intangible assets	(8,291)	(9,031)
Operating profit	42,507	32,455
Finance (costs)/income	(38,429)	17,463
Profit before tax	4,078	49,918
Tax charge	(11,440)	(6,102)
(Loss)/profit from continuing operations	(7,362)	43,816
Profit from discontinued operations	513	581
(Loss)/profit for the period	(6,849)	44,397
Attributable to:		
Owners of the Company	(10,059)	42,831
Non-controlling interests	3,210	1,566
	(6,849)	44,397

CONSOLIDATED INCOME STATEMENT

All financial statements are presented on an unaudited basis

	Q2 2023 \$'000	Q2 2022 \$'000
Revenue	670,342	576,230
Cost of sales	(592,215)	(508,498)
Gross profit	78,127	67,732
Administrative expenses	(47,650)	(41,163)
Operating profit before management recharges, exceptional items, depreciation and amortisation	30,477	26,569
Management recharges	(309)	(257)
Exceptional items	(794)	(2,394)
Depreciation	(2,564)	(2,069)
Amortisation of intangible assets	(4,292)	(4,497)
Operating profit	22,518	17,352
Finance (costs)/income	(19,387)	15,608
Profit before tax	3,131	32,960
Tax charge	(6,199)	(3,338)
(Loss)/profit from continuing operations	(3,068)	29,622
Loss from discontinued operations	-	(238)
(Loss)/profit for the period	(3,068)	29,384
Attributable to:		
Owners of the Company	(4,791)	28,604
Non-controlling interests	1,723	780
	(3,068)	29,384

CONSOLIDATED BALANCE SHEET

All financial statements are presented on an unaudited basis

	30 April 2023 \$'000	30 April 2022 \$'000
Non-current assets	218,902	228,152
Current assets		
Trade and other receivables	563,931	523,725
Cash and bank balances	84,568	79,762
	648,499	603,487
Total assets	867,401	831,639
Current liabilities		
Trade and other payables	(318,300)	(324,781)
Borrowings	(151,031)	(144,883)
	(469,331)	(469,664)
Non-current liabilities		
Borrowings	(292,000)	(268,496)
Other non-current liabilities	(15,280)	(10,852)
	(307,280)	(279,348)
Total liabilities	(776,611)	(749,012)
Net assets	90,790	82,627
Equity		
Share capital	3	1
Share premium	178,801	219,999
Retained earnings	(327,879)	(319,508)
Translation reserve	(26,586)	(36,660)
Merger reserve	258,341	217,144
Shareholders' funds	82,680	80,976
Non-controlling interests	8,110	1,651
Total equity	90,790	82,627

NES Fircroft Bondco AS purchased the NES Fircroft Limited group in September 2022. As the comparative period is prior to the transaction taking place, 30 April 2022 figures are stated at the NES Fircroft Limited level of consolidation

CONSOLIDATED CASH FLOW

All financial statements are presented on an unaudited basis

	H1 2023 \$'000	H1 2022 \$'000
(Loss)/profit for the period	(6,849)	44,397
Adjustments for:		
Income tax	11,440	6,680
Loss on disposal of investments	506	-
Finance costs/(income)	38,429	(16,567)
Depreciation and amortisation	12,995	13,936
Operating cash flows before movements in working capital (Earnings before interest, tax, loss on disposal of investment, depreciation, and amortisation)	56,521	48,446
Increase in receivables	(23,171)	(52,758)
(Decrease)/increase in payables	(3,167)	4,865
Cash generated from operations	30,183	553
Taxation paid	(14,207)	(7,044)
Net cash inflow/(outflow) from operating activities	15,976	(6,491)
Purchases of fixed assets	(1,659)	(1,382)
Deferred consideration paid on previous acquisitions	(6,375)	-
Cash outflow on disposal of investments	(1,157)	-
Acquisition of subsidiary undertaking	(21,936)	-
Net cash outflow from investing activities	(31,127)	(1,382)
Bank interest and charges	(8,203)	(4,277)
Bank loan repayments	(17,625)	(10,006)
Lease payments	(4,583)	(4,779)
Dividends paid to non-controlling interest	(801)	-
Net cash outflow from financing activities	(31,212)	(19,062)
Net decrease in cash and cash equivalents	(46,363)	(26,935)
Net exchange rate movements	(87)	951
Cash and cash equivalents at beginning of period	(13,769)	(33,604)
Cash and cash equivalents at end of period	(60,219)	(59,588)
Cash and cash equivalents		
IDF and SSRCF	(144,787)	(139,350)
Cash and bank balances	84,568	79,762
Cash and cash equivalents at end of quarter	(60,219)	(59,588)

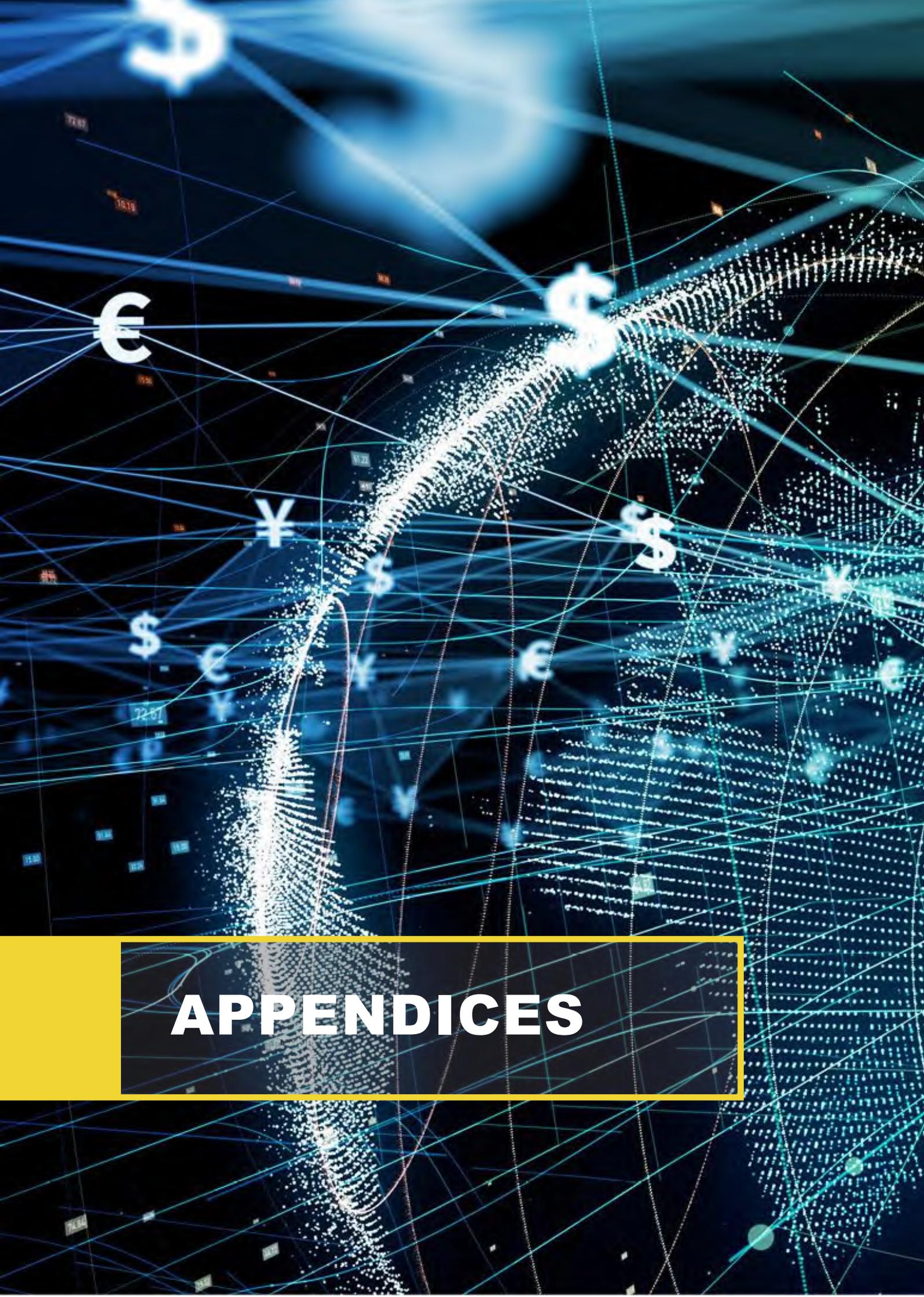
NES Fircroft Bondco AS purchased the NES Fircroft Limited group in September 2022. As the comparative period is prior to the transaction taking place, H1 2022 figures are stated at the NES Fircroft Limited level of consolidation

CONSOLIDATED CASH FLOW

All financial statements are presented on an unaudited basis

	Q2 2023 \$'000	Q2 2022 \$'000
(Loss)/profit for the quarter	(3,068)	29,384
Adjustments for:		
Income tax	6,199	3,519
Finance costs/(income)	19,387	(14,708)
Depreciation and amortisation	6,856	6,760
Operating cash flows before movements in working capital (Earnings before interest, tax, depreciation, and amortisation)	29,374	24,955
Increase in receivables	(18,177)	(20,067)
Increase in payables	5,191	7,640
Cash generated from operations	16,388	12,528
Taxation paid	(8,469)	(4,288)
Net cash inflow from operating activities	7,919	8,240
Purchases of fixed assets	(772)	(707)
Deferred consideration paid on previous acquisitions	(2,375)	-
Acquisition of subsidiary undertaking	(21,936)	-
Net cash outflow from investing activities	(25,083)	(707)
Bank interest and charges	(4,939)	(2,196)
Bank loan repayments	(17,625)	(4,855)
Lease payments	(2,767)	(2,465)
Dividends paid to non-controlling interest	(801)	-
Net cash outflow from financing activities	(26,132)	(9,516)
Net decrease in cash and cash equivalents	(43,296)	(1,983)
Net exchange rate movements	393	3
Cash and cash equivalents at beginning of quarter	(17,316)	(57,608)
Cash and cash equivalents at end of quarter	(60,219)	(59,588)
Cash and cash equivalents		
IDF and SSRCF	(144,787)	(139,350)
Cash and bank balances	84,568	79,762
Cash and cash equivalents at end of quarter	(60,219)	(59,588)

NES Fircroft Bondco AS purchased the NES Fircroft Limited group in September 2022. As the comparative period is prior to the transaction taking place, Q2 2022 figures are stated at the NES Fircroft Limited level of consolidation



APPENDICES

APPENDIX 1

DISCONTINUED OPERATIONS

In early 2022, geopolitical tensions around the Russia and Ukraine conflict escalated and continue to cause uncertainty within the region. Immediately following the Russian invasion, the board resolved to cease all operations in Russia. On 13 December 2022, a sale of Fircroft Kazakhstan CIS LLP and Fircroft Kazakhstan LLP was agreed for proceeds of \$nil, resulting in a loss on disposal of \$506,000.

As the operations represent a separate major line of business, they have been classified as discontinued operations and have been presented separately in the consolidated income statement. The results of the discontinued operations, which have been included in the profit for the period, were as follows:

	H1 2023	H1 2022	Q2 2023	Q2 2022
	\$'000	\$'000	\$'000	\$'000
Revenue	4,323	83,663	-	43,029
Expenses	(3,760)	(81,208)	-	(41,992)
Depreciation and amortisation	(50)	(400)	-	(194)
Finance costs	-	(896)	-	(900)
Attributable tax expense	-	(578)	-	(181)
Profit/(loss) attributable to discontinued operations	513	581	-	(238)

APPENDIX 2

GROSS TO NET DEBT ANALYSIS

All financial statements are presented on an unaudited basis

	H1 2023
	\$'m
Bond	300.0
IDF	108.5
RCF	36.2
Lease Liability	14.6
Gross Debt	459.3
Cash	(84.6)
Net Debt	374.7
Less:	
IDF	(108.5)
Net Interest-Bearing Debt	266.2

APPENDIX 3

ACQUISITION OF SUBSIDIARY

All financial statements are presented on an unaudited basis

On 2 February 2023, the Group acquired 100% of the issued share capital of Evolve Scientific Recruitment Pty Limited in exchange for AUD 32,258,000. Evolve specialises in scientific and technical recruitment.

The transaction with Evolve qualified as a business combination as defined in IFRS 3. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	\$'000
Property and equipment	674
Identifiable intangible assets	9,747
Trade and other receivables	3,954
Cash and other equivalents	882
Trade and other payables	(2,159)
Deferred tax liabilities on intangible assets	(40)
Total identifiable assets acquired, and liabilities assumed	13,058
Goodwill	9,760
<u>Total consideration transferred</u>	<u>22,818</u>
Net cash outflow arising on acquisition:	
Cash consideration paid	(22,818)
Cash and cash equivalent balances acquired	882
	<u>(21,936)</u>

As the fair value of net assets acquired were less than the consideration paid for the business, goodwill of \$9,760,000 has been recognised in the period.

Evolve contributed \$9,288,000 revenue, \$595,000 profit after tax to the Group's loss after tax for the period between the date of acquisition and the reporting date. If the acquisition of Evolve had been completed on 1 November 2022, Group revenues for the period to 30 April 2023 would have been \$1,300,615,000, adjusted Group EBITDA would have been \$59,399,000 and Group loss after tax would have been \$6,390,000.

FOR FURTHER INFORMATION

TIG GILLIAM//

CHIEF EXECUTIVE OFFICER (CEO)

STEPHEN BUCKLEY//

CHIEF FINANCIAL OFFICER (CFO)

For administrative queries, please contact:

MARK LE VESCONTE//

GROUP FINANCE DIRECTOR

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E: mark.levesconte@nesfircroft.com

SCHEDULE 3: MONTHLY REPORTS FOR THE GUARANTORS NOT PROVIDING HISTORICAL ACCOUNTS

- 3A. Monthly reports covering November 2020 to October 2021 NES UK Limited
- 3B. Monthly reports covering November 2020 to October 2021 NES Finance Limited
- 3C. Monthly reports covering November 2020 to October 2021 NES Global Talent Finance US LLC
- 3D. Monthly reports covering November 2020 to October 2021 NES Global Talent US Inc
- 3E. Monthly reports covering November 2020 to October 2021 Redbock LLC
- 3F. Monthly reports covering November 2020 to October 2021 NES Managed Services Limited
- 3G. Monthly reports covering November 2020 to October 2021 NES Global Talent Finco Limited
- 3H. Monthly reports covering November 2020 to October 2021 NES Holdings Limited
- 3I. Monthly reports covering November 2020 to October 2021 NES Global Pty Limited
- 3J. Monthly reports covering November 2020 to October 2021 NES Advantage Solutions Group AS
- 3K. Monthly reports covering November 2020 to October 2021 NES Fircroft Limited
- 3L. Monthly reports covering November 2021 to October 2022 NES UK Limited
- 3M. Monthly reports covering November 2021 to October 2022 NES Finance Limited
- 3N. Monthly reports covering November 2021 to October 2022 NES Global Talent Finance US LLC
- 3O. Monthly reports covering November 2021 to October 2022 NES Global Talent US Inc
- 3P. Monthly reports covering November 2021 to October 2022 Redbock LLC
- 3Q. Monthly reports covering November 2021 to October 2022 NES Managed Services Limited
- 3R. Monthly reports covering November 2021 to October 2022 NES Global Talent Finco Limited
- 3S. Monthly reports covering November 2021 to October 2022 NES Holdings Limited
- 3T. Monthly reports covering November 2021 to October 2022 NES Global Pty Limited
- 3U. Monthly reports covering November 2021 to October 2022 NES Advantage Solutions Group AS
- 3V. Monthly reports covering November 2021 to October 2022 NES Fircroft Limited

Monthly reports for the guarantors not providing historical accounts November 2020 to October 2022

- 3A. Monthly reports covering November 2020 to October 2021 NES UK Limited
- 3B. Monthly reports covering November 2020 to October 2021 NES Finance Limited
- 3C. Monthly reports covering November 2020 to October 2021 NES Global Talent Finance US LLC
- 3D. Monthly reports covering November 2020 to October 2021 NES Global Talent US Inc
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- 3S. Monthly reports covering November 2021 to October 2022 NES Holdings Limited
- 3T. Monthly reports covering November 2021 to October 2022 NES Global Pty Limited
- 3U. Monthly reports covering November 2021 to October 2022 NES Advantage Solutions Group AS
- 3V. Monthly reports covering November 2021 to October 2022 NES Fircroft Limited

Definitions

Net Financial Debt - current and non-current liabilities, excluding balances with Group companies, after deducting cash and cash equivalents, a measure of the company's liquidity to meet its debt obligations

EBITDA - operating profit before management recharges, gain on bargain purchase, exceptional items, depreciation and amortisation for the year/period, which is the key measure of the company's profitability used by management.

3A. Monthly reports covering November 2020 to October 2021 NES UK Limited

Income Statement

NES UK Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	2,153	2,231	2,502	2,965	3,280	2,758	2,820	3,233	3,546	3,378	4,096	4,191	37,152
Cost of sales	(1,768)	(1,833)	(2,043)	(2,477)	(2,832)	(2,368)	(2,374)	(2,721)	(2,923)	(2,774)	(3,409)	(3,631)	(31,152)
Gross profit	385	398	459	487	448	390	446	512	623	604	687	560	6,000
Administrative expenses	(271)	(260)	(310)	(305)	(290)	(282)	(294)	(313)	(345)	(382)	(362)	(314)	(3,729)
EBITDA	115	137	149	182	157	108	152	199	278	222	324	246	2,271
Exceptional items	0	(113)	0	0	0	0	0	0	0	0	0	(127)	(240)
Depreciation	(28)	(29)	(30)	(28)	(30)	(29)	(30)	(30)	(30)	(29)	(27)	(28)	(346)
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(95)	(20)	(81)	(89)	(74)	(90)	(46)	(83)	(313)	55	(51)	1,725	839
Profit before tax	(8)	(25)	38	66	54	(10)	76	86	(64)	249	246	1,816	2,524
Taxation	0	0	0	0	0	0	0	0	0	0	0	(47)	(47)
Profit after tax	(8)	(25)	38	66	54	(10)	76	86	(64)	249	250	1,770	2,481

Balance sheet

NES UK Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	6,099	6,104	6,101	6,079	6,071	6,031	6,015	6,004	5,970	5,952	5,911	5,872	5,872
Trade and other receivables	6,192	6,907	5,721	6,987	8,211	7,718	8,116	6,734	7,424	9,019	11,667	13,230	13,230
Amounts due from group undertakings	110,494	111,293	116,910	115,521	117,323	117,570	120,251	118,353	118,773	115,865	118,799	121,570	121,570
Cash	10	142	34	54	(2,949)	116	133	135	103	106	84	1	1
Total current assets	116,695	118,341	122,666	122,562	122,586	125,404	128,500	125,222	126,300	124,991	130,549	134,801	134,801
Trade and other payables	(3,053)	(2,975)	(3,302)	(2,670)	(3,550)	(3,864)	(3,641)	(4,164)	(5,935)	(6,503)	(9,083)	(10,687)	(10,687)
Amounts owed to group undertakings	(53,057)	(54,176)	(56,120)	(56,240)	(57,167)	(56,419)	(58,151)	(56,865)	(55,372)	(55,750)	(55,081)	(55,557)	(55,557)
Tax	0	0	0	0	0	0	0	0	0	0	0	(27)	(27)
Borrowings < 1 year	(3,699)	(2,479)	(3,115)	(3,118)	(227)	(4,164)	(4,949)	(1,244)	(3,661)	(571)	(4,859)	(5,003)	(5,003)
Total current liabilities	(59,809)	(59,630)	(62,538)	(62,027)	(60,944)	(64,447)	(66,741)	(62,273)	(64,967)	(62,824)	(69,023)	(71,273)	(71,273)
Other non current liabilities	(537)	(557)	(519)	(524)	(536)	(479)	(486)	(497)	(433)	(439)	(434)	(384)	(384)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(537)	(557)	(519)	(524)	(536)	(479)	(486)	(497)	(433)	(439)	(434)	(384)	(384)
Net assets/(liabilities)	62,449	64,259	65,710	66,090	67,178	66,509	67,288	68,457	66,869	67,680	67,003	69,015	69,015
Share capital	9	9	9	9	9	9	9	9	9	9	9	9	9
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	75,106	75,125	75,206	75,312	75,410	75,442	75,561	75,690	75,669	75,961	76,253	78,065	78,065
Translation reserves	(12,630)	(10,819)	(9,431)	(9,139)	(8,129)	(8,811)	(8,132)	(7,073)	(8,620)	(8,081)	(9,031)	(8,811)	(8,811)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	62,485	64,314	65,783	66,181	67,289	66,639	67,437	68,626	67,058	67,889	67,230	69,262	69,262
Net Financial Debt	(7,278)	(5,869)	(6,903)	(6,258)	(7,261)	(8,391)	(8,943)	(5,770)	(9,926)	(7,406)	(14,293)	(16,099)	(16,099)

3C. Monthly reports covering November 2020 to October 2021 NES Global Talent Finance US LLC

Income Statement

NES Global Talent Finance US LLC

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0							
Administrative expenses	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(30)
EBITDA	(3)	(3)	(3)	(3)	(3)	(30)							
Exceptional items	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	7	6	20	11	11	4	0	(26)	(44)	(31)	(4)	(52)	(96)
Profit before tax	5	4	17	9	9	2	(2)	(29)	(47)	(33)	(6)	(55)	(126)
Taxation	(1)	0	(2)	(4)	(2)	0	0	0	9	0	0	0	0
Profit after tax	4	4	15	4	7	2	(2)	(29)	(38)	(33)	(6)	(55)	(126)

Balance sheet

NES Global Talent Finance US LLC

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	0												
Trade and other receivables	3,596	5,062	7,217	8,769	10,231	12,382	13,927	15,386	17,533	19,068	20,523	22,926	22,926
Amounts due from group undertakings	269,012	269,011	268,323	268,323	268,323	267,635	267,635	267,635	266,947	266,947	266,947	266,259	266,259
Cash	5	5	5	5	5	11	4	3	3	3	14	18	18
Total current assets	272,612	274,078	275,544	277,096	278,559	280,028	281,566	283,023	284,483	286,017	287,483	289,203	289,203
Trade and other payables	(1,462)	(2,923)	(7)	(1,461)	(2,915)	(15)	(1,465)	(2,915)	(12)	(1,458)	(2,905)	(19)	(19)
Amounts owed to group undertakings	(4,843)	(4,842)	(9,896)	(9,985)	(9,985)	(15,040)	(15,130)	(15,166)	(20,264)	(20,385)	(20,411)	(25,758)	(25,758)
Tax	1	0	(1)	(5)	(7)	(7)	(7)	(7)	3	3	3	3	3
Borrowings < 1 year	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)	(2,752)
Total current liabilities	(9,054)	(10,516)	(12,655)	(14,202)	(15,658)	(17,813)	(19,353)	(20,839)	(23,025)	(24,592)	(26,064)	(28,527)	(28,527)
Other non current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings > 1 year	(262,958)	(262,958)	(262,270)	(262,270)	(262,270)	(261,582)	(261,582)	(261,582)	(260,894)	(260,894)	(260,894)	(260,206)	(260,206)
Creditors due greater than one year	(262,958)	(262,958)	(262,270)	(262,270)	(262,270)	(261,582)	(261,582)	(261,582)	(260,894)	(260,894)	(260,894)	(260,206)	(260,206)
Net assets/(liabilities)	600	604	620	624	631	633	631	602	564	531	525	470	470
Share capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	600	604	620	624	631	633	631	602	564	531	525	470	470
Translation reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	600	604	620	624	631	633	631	602	564	531	525	470	470
Net Financial Debt	(267,164)	(268,627)	(265,024)	(266,483)	(267,939)	(264,344)	(265,802)	(267,253)	(263,652)	(265,099)	(266,534)	(262,956)	(262,956)

3D. Monthly reports covering November 2020 to October 2021 NES Global Talent US Inc

Income Statement

NES Global Talent US Inc

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(30)
EBITDA	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(30)
Exceptional items	0	0	0	0	0	(724)	0	0	0	0	0	0	(724)
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(711)	(740)	(739)	(669)	(739)	(710)	(744)	(721)	(737)	(743)	(715)	(2,256)	(10,225)
Profit before tax	(714)	(743)	(742)	(671)	(742)	(1,437)	(746)	(724)	(739)	(746)	(718)	(2,259)	(10,979)
Taxation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit after tax	(714)	(743)	(742)	(671)	(742)	(1,437)	(746)	(724)	(739)	(746)	(718)	(2,259)	(10,979)

Balance sheet

NES Global Talent US Inc

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	146,479												
Trade and other receivables	0	0	0	0	0	0	0	0	0	0	0	0	0
Amounts due from group undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current assets	0												
Trade and other payables	(980)	(989)	(998)	(1,011)	(1,021)	(1,755)	(1,771)	(1,786)	(1,802)	(1,817)	(1,833)	(1,848)	(1,848)
Amounts owed to group undertakings	(181,056)	(181,789)	(182,522)	(183,181)	(183,912)	(184,615)	(185,346)	(186,054)	(186,778)	(187,508)	(188,210)	(190,453)	(190,453)
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(182,036)	(182,778)	(183,520)	(184,192)	(184,933)	(186,370)	(187,116)	(187,840)	(188,579)	(189,325)	(190,042)	(192,301)	(192,301)
Other non current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	0												
Net assets/(liabilities)	(35,557)	(36,299)	(37,041)	(37,713)	(38,454)	(39,891)	(40,637)	(41,361)	(42,100)	(42,846)	(43,563)	(45,822)	(45,822)
Share capital	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	(42,193)	(42,936)	(43,678)	(44,349)	(45,091)	(46,528)	(47,274)	(47,998)	(48,737)	(49,482)	(50,200)	(52,459)	(52,459)
Translation reserves	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	(35,557)	(36,299)	(37,041)	(37,713)	(38,454)	(39,891)	(40,637)	(41,361)	(42,100)	(42,846)	(43,563)	(45,822)	(45,822)
Net Financial Debt	(980)	(989)	(998)	(1,011)	(1,021)	(1,755)	(1,771)	(1,786)	(1,802)	(1,817)	(1,833)	(1,848)	(1,848)

3E. Monthly reports covering November 2020 to October 2021 Redbock LLC

Income Statement

Redbock LLC

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	2,935	3,369	3,329	3,325	3,822	3,923	3,510	3,903	4,009	3,823	3,882	4,048	43,877
Cost of sales	(2,018)	(2,319)	(2,291)	(2,235)	(2,600)	(2,626)	(2,405)	(2,647)	(2,693)	(2,642)	(2,647)	(2,816)	(29,937)
Gross profit	917	1,050	1,038	1,090	1,223	1,297	1,105	1,256	1,316	1,181	1,235	1,232	13,940
Administrative expenses	(590)	(647)	(655)	(624)	(687)	(658)	(643)	(706)	(690)	(721)	(648)	(679)	(7,947)
EBITDA	328	403	383	466	536	639	462	550	626	460	587	553	5,992
Exceptional items	0	0	(318)	(318)	(318)	(614)	(392)	(392)	(392)	(435)	(399)	(160)	(3,736)
Depreciation	(14)	(14)	(14)	(13)	(14)	(14)	(14)	(14)	(14)	(14)	(13)	(13)	(195)
Amortisation	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)
Finance costs	10	1	(27)	26	(2)	16	2	(1)	(6)	(92)	(20)	(1,080)	(1,141)
Profit before tax	323	389	23	161	202	26	57	143	212	(82)	154	(700)	909
Taxation	(0)	4	1	(0)	(0)	(0)	(0)	(0)	(1)	(0)	(0)	(0)	1
Profit after tax	322	393	23	161	201	26	57	143	212	(82)	154	(700)	910

Balance sheet

Redbock LLC

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	469	463	448	434	419	405	390	375	360	345	332	318	318
Trade and other receivables	5,507	4,752	5,414	5,896	6,284	6,678	6,140	6,507	6,362	6,371	6,469	6,773	6,773
Amounts due from group undertakings	7,515	8,679	9,402	9,049	9,427	9,589	9,779	10,637	11,759	12,235	11,872	11,929	11,929
Cash	607	995	379	1,027	238	104	1,043	815	714	894	851	174	174
Total current assets	13,629	14,426	15,196	15,973	15,949	16,372	16,961	17,960	18,836	19,500	19,193	18,875	18,875
Trade and other payables	(1,823)	(2,192)	(2,579)	(2,859)	(2,300)	(2,006)	(2,098)	(2,532)	(2,805)	(3,136)	(2,265)	(2,326)	(2,326)
Amounts owed to group undertakings	(890)	(933)	(972)	(991)	(1,005)	(1,082)	(1,130)	(1,159)	(1,159)	(1,182)	(1,202)	(1,405)	(1,405)
Tax	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(2,717)	(3,127)	(3,554)	(3,852)	(3,309)	(3,091)	(3,231)	(3,695)	(3,967)	(4,321)	(3,469)	(3,734)	(3,734)
Other non current liabilities	(297)	(283)	(588)	(892)	(1,196)	(1,795)	(2,173)	(2,551)	(2,928)	(3,305)	(3,682)	(3,786)	(3,786)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(297)	(283)	(588)	(892)	(1,196)	(1,795)	(2,173)	(2,551)	(2,928)	(3,305)	(3,682)	(3,786)	(3,786)
Net assets/(liabilities)	11,085	11,478	11,502	11,663	11,864	11,890	11,947	12,090	12,301	12,219	12,373	11,673	11,673
Share capital	1	1	1	1	1	1	1	1	1	1	1	1	1
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	11,084	11,477	11,501	11,662	11,863	11,889	11,946	12,089	12,300	12,218	12,372	11,672	11,672
Translation reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	11,085	11,478	11,502	11,663	11,864	11,890	11,947	12,090	12,301	12,219	12,373	11,673	11,673
Net Financial Debt	(1,516)	(1,483)	(2,790)	(2,726)	(3,261)	(3,700)	(3,231)	(4,270)	(5,021)	(5,549)	(5,098)	(5,942)	(5,942)

3F. Monthly reports covering November 2020 to October 2021 NES Managed Services Limited

Income Statement

NES Managed Services Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	681	715	627	790	957	1,092	1,016	1,258	1,327	1,485	1,844	1,772	13,565
Cost of sales	(134)	(103)	(176)	(156)	(118)	(197)	(167)	(118)	(289)	(214)	(188)	(437)	(2,299)
Gross profit	547	612	452	634	839	894	849	1,140	1,039	1,271	1,656	1,335	11,267
Administrative expenses	(420)	(374)	(224)	(316)	(442)	(457)	(708)	(588)	(507)	(764)	(884)	(551)	(6,236)
EBITDA	127	238	228	318	397	437	141	552	531	507	772	784	5,031
Exceptional items	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(4)
Amortisation	(9)	(24)	(19)	(19)	(21)	(22)	(22)	(23)	(25)	(25)	(33)	(28)	(270)
Finance costs	0	(0)	0	0	5	0	19	(1)	8	4	4	407	448
Profit before tax	117	213	209	298	381	415	137	528	514	485	743	1,163	5,204
Taxation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit after tax	117	213	209	298	381	415	137	528	514	485	743	1,163	5,204

Balance sheet

NES Managed Services Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	981	1,071	1,127	1,198	1,253	1,265	1,308	1,417	1,415	1,431	1,404	1,437	1,437
Trade and other receivables	599	756	724	855	1,035	1,028	2,291	3,761	5,339	7,101	6,785	7,460	7,460
Amounts due from group undertakings	59,426	58,905	59,224	59,214	59,124	58,032	57,658	57,252	56,589	56,228	55,900	59,267	59,267
Cash	241	477	163	(307)	135	21	180	230	(236)	313	1,724	439	439
Total current assets	60,267	60,137	60,111	59,762	60,294	59,081	60,129	61,244	61,693	63,643	64,410	67,166	67,166
Trade and other payables	(1,669)	(1,432)	(1,392)	(1,574)	(1,724)	(1,331)	(1,977)	(2,403)	(2,580)	(3,065)	(3,351)	(3,991)	(3,991)
Amounts owed to group undertakings	(48,158)	(47,780)	(47,360)	(46,540)	(46,383)	(45,307)	(45,461)	(45,492)	(45,607)	(46,473)	(46,418)	(47,347)	(47,347)
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(49,827)	(49,212)	(48,752)	(48,114)	(48,107)	(46,637)	(47,439)	(47,895)	(48,187)	(49,538)	(49,769)	(51,338)	(51,338)
Other non current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	0												
Net assets/(liabilities)	11,421	11,995	12,486	12,846	13,440	13,709	13,998	14,765	14,920	15,536	16,045	17,266	17,266
Share capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	10,929	11,142	11,351	11,650	12,030	12,445	12,582	13,110	13,624	14,109	14,853	16,016	16,016
Translation reserves	492	853	1,135	1,196	1,410	1,263	1,416	1,655	1,296	1,427	1,192	1,250	1,250
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	11,421	11,995	12,486	12,846	13,440	13,709	13,998	14,765	14,920	15,536	16,045	17,266	17,266
Net Financial Debt	(1,428)	(955)	(1,228)	(1,881)	(1,589)	(1,310)	(1,798)	(2,174)	(2,816)	(2,752)	(1,627)	(3,551)	(3,551)

3H. Monthly reports covering November 2020 to October 2021 NES Holdings Limited

Income Statement

NES Holdings Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA	0	0	0	0	0	0	0	0	0	0	0	0	0
Exceptional items	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	483	(252)	(77)	327	86	768	224	51	1,139	282	874	(5,573)	(1,669)
Profit before tax	483	(252)	(77)	327	86	768	224	51	1,139	282	874	(5,573)	(1,669)
Taxation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit after tax	483	(252)	(77)	327	86	768	224	51	1,139	282	874	(5,573)	(1,669)

Balance sheet

NES Holdings Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	174,357												
Trade and other receivables	0	0	0	0	0	0	0	0	0	0	0	0	0
Amounts due from group undertakings	126,690	121,230	126,789	127,334	127,840	133,384	133,979	134,504	140,097	140,723	141,238	147,091	147,091
Cash	323	6,289	1,235	1,146	46	32	244	407	621	228	199	(1,928)	(1,928)
Total current assets	127,014	127,519	128,024	128,480	127,885	133,416	134,223	134,911	140,718	140,951	141,437	145,163	145,163
Trade and other payables	(20)	(26)	(32)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Amounts owed to group undertakings	(437,198)	(436,589)	(445,806)	(439,136)	(436,105)	(440,868)	(441,451)	(442,088)	(446,756)	(446,707)	(446,150)	(455,618)	(455,618)
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(437,218)	(436,615)	(445,838)	(439,137)	(436,106)	(440,869)	(441,452)	(442,089)	(446,757)	(446,708)	(446,151)	(455,619)	(455,619)
Other non current liabilities	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(131)												
Net assets/(liabilities)	(135,978)	(134,870)	(143,588)	(136,430)	(133,994)	(133,226)	(133,003)	(132,952)	(131,813)	(131,531)	(130,488)	(136,230)	(136,230)
Share capital	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	(135,729)	(135,981)	(136,059)	(135,731)	(135,645)	(134,877)	(134,654)	(134,603)	(133,464)	(133,182)	(132,139)	(137,881)	(137,881)
Translation reserves	0	0	0	0	0	0	0	0	0	0	(0)	(0)	(0)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	(134,078)	(134,330)	(134,408)	(134,080)	(133,994)	(133,226)	(133,003)	(132,952)	(131,813)	(131,531)	(130,488)	(136,230)	(136,230)
Net Financial Debt	173	6,132	1,072	1,014	(86)	(99)	112	275	489	96	67	(2,059)	(2,059)

3I. Monthly reports covering November 2020 to October 2021 NES Global Pty Limited

Income Statement

NES Global Pty Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	3,863	4,303	4,065	4,588	5,138	5,986	5,290	6,104	6,195	6,036	5,960	6,791	64,318
Cost of sales	(3,478)	(3,882)	(3,672)	(3,962)	(4,616)	(5,078)	(4,728)	(5,416)	(5,586)	(5,473)	(5,315)	(5,895)	(57,101)
Gross profit	385	421	392	626	522	908	561	688	609	563	645	896	7,217
Administrative expenses	(308)	(356)	(363)	(418)	(370)	(632)	(390)	(262)	(392)	(387)	(399)	(428)	(4,706)
EBITDA	76	66	30	208	152	276	171	426	217	176	246	468	2,511
Exceptional items	(10)	(10)	(50)	(11)	(16)	112	(10)	(10)	(24)	0	(0)	0	(29)
Depreciation	(24)	(26)	(28)	(24)	(27)	(26)	(27)	(27)	(22)	(19)	(19)	(20)	(287)
Amortisation	(0)	(0)	(0)	(0)	(0)	0	0	0	0	0	0	0	(0)
Finance costs	25	(89)	(90)	(48)	(72)	(29)	(121)	(102)	48	(38)	(95)	(637)	(1,250)
Profit before tax	68	(60)	(138)	125	36	333	13	287	219	118	133	(189)	945
Taxation	(20)	18	3	0	(10)	(17)	(4)	(47)	(66)	(35)	(40)	57	(161)
Profit after tax	47	(42)	(135)	125	26	316	9	240	153	83	93	(132)	784

Balance sheet

NES Global Pty Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	243	249	390	365	344	314	293	279	248	226	205	193	193
Trade and other receivables	7,454	7,068	8,016	8,564	8,897	9,980	11,306	12,114	11,670	12,583	12,739	14,848	14,848
Amounts due from group undertakings	9,145	8,948	9,875	9,727	9,761	10,206	10,956	11,622	11,645	11,999	11,834	13,453	13,453
Cash	1,361	739	412	279	871	472	597	518	385	490	429	761	761
Total current assets	17,960	16,755	18,303	18,569	19,529	20,658	22,858	24,254	23,700	25,072	25,002	29,062	29,062
Trade and other payables	(4,272)	(4,086)	(4,044)	(4,411)	(4,758)	(5,531)	(5,621)	(5,284)	(4,281)	(4,157)	(3,202)	(5,226)	(5,226)
Amounts owed to group undertakings	(10,947)	(11,637)	(12,424)	(12,579)	(12,956)	(13,626)	(14,006)	(14,699)	(14,542)	(15,396)	(15,662)	(17,930)	(17,930)
Tax	(145)	(133)	(137)	(136)	(148)	(161)	(142)	(185)	(246)	(278)	(313)	(268)	(268)
Borrowings < 1 year	(3,098)	(1,458)	(2,484)	(2,083)	(2,267)	(1,575)	(3,298)	(4,187)	(4,559)	(5,076)	(5,555)	(5,479)	(5,479)
Total current liabilities	(18,461)	(17,315)	(19,088)	(19,209)	(20,129)	(20,893)	(23,067)	(24,356)	(23,628)	(24,906)	(24,733)	(28,902)	(28,902)
Other non current liabilities	(0)	(0)	(67)	(61)	(55)	(48)	(43)	(37)	(30)	(24)	(18)	(12)	(12)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(0)	(0)	(67)	(61)	(55)	(48)	(43)	(37)	(30)	(24)	(18)	(12)	(12)
Net assets/(liabilities)	(258)	(311)	(462)	(335)	(312)	31	41	140	290	368	456	340	340
Share capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	301	258	122	246	272	608	616	728	880	962	1,055	922	922
Translation reserves	(558)	(569)	(585)	(581)	(584)	(577)	(575)	(588)	(590)	(594)	(599)	(582)	(582)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	(258)	(311)	(462)	(335)	(312)	31	41	140	290	368	456	340	340
Net Financial Debt	(6,153)	(4,938)	(6,319)	(6,412)	(6,358)	(6,844)	(8,508)	(9,176)	(8,732)	(9,044)	(8,660)	(10,224)	(10,224)

3J. Monthly reports covering November 2020 to October 2021 NES Advantage Solutions Group AS

Income Statement

NES Advantage Solutions Group AS

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	347	293	305	323	353	391	377	530	411	424	435	464	4,654
Cost of sales	(36)	0	(24)	(33)	(45)	(30)	(17)	(141)	(38)	(48)	(14)	(45)	(473)
Gross profit	310	293	281	290	308	361	359	389	373	376	421	419	4,181
Administrative expenses	(261)	(274)	(274)	(295)	(339)	(364)	(356)	(386)	(375)	(361)	(418)	(417)	(4,119)
EBITDA	49	19	7	(4)	(31)	(3)	3	3	(2)	15	3	2	62
Exceptional items	(7)	(11)	0	0	23	19,143	0	(38,286)	0	0	0	0	(19,138)
Depreciation	(6)	(7)	(7)	(7)	(7)	(7)	(8)	(7)	(7)	(18)	(8)	(9)	(101)
Amortisation	(19)	(20)	0	0	0	0	0	0	0	0	0	0	(39)
Finance costs	10	(2)	49	11	15	11	4	5	10	2	5	(2,720)	(2,600)
Profit before tax	27	(21)	49	0	0	19,143	0	(38,286)	(0)	(1)	(1)	(2,727)	(21,817)
Taxation	(5)	(5)	(5)	(5)	(5)	181	(5)	(377)	(5)	(5)	(5)	(5)	(246)
Profit after tax	22	(26)	44	(5)	(5)	19,324	(5)	(38,664)	(5)	(6)	(6)	(2,732)	(22,063)

Balance sheet

NES Advantage Solutions Group AS

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	67,281	67,332	67,358	67,351	67,341	88,763	88,788	45,909	45,886	45,898	45,897	45,926	45,926
Trade and other receivables	415	476	362	476	290	570	452	417	446	658	412	683	683
Amounts due from group undertakings	12,268	12,133	12,868	13,035	14,100	14,014	14,887	15,170	13,328	14,022	14,857	15,443	15,443
Cash	42	98	182	163	125	105	285	61	86	76	243	255	255
Total current assets	12,726	12,707	13,412	13,673	14,516	14,690	15,624	15,648	13,861	14,756	15,512	16,381	16,381
Trade and other payables	(2,147)	(1,577)	(1,694)	(1,798)	(1,683)	(1,986)	(1,991)	(1,806)	(1,723)	(1,831)	(1,856)	(2,015)	(2,015)
Amounts owed to group undertakings	(18,293)	(19,408)	(20,369)	(20,848)	(21,773)	(22,097)	(23,368)	(23,382)	(21,484)	(22,078)	(22,222)	(25,996)	(25,996)
Tax	(45)	(52)	(59)	273	267	767	790	430	417	403	(263)	(278)	(278)
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(20,484)	(21,037)	(22,123)	(22,373)	(23,189)	(23,316)	(24,569)	(24,758)	(22,790)	(23,507)	(24,341)	(28,290)	(28,290)
Other non current liabilities	(86)	(93)	0	0	0	0	0	0	0	(17)	(17)	(18)	(18)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(86)	(93)	0	(17)	(17)	(18)	(18)						
Net assets/(liabilities)	59,437	58,909	58,648	58,651	58,667	80,137	79,843	36,799	36,957	37,131	37,051	33,999	33,999
Share capital	117	117	117	117	117	117	117	117	117	117	117	117	117
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	58,850	58,825	58,869	58,864	58,859	80,367	80,362	36,422	36,416	36,412	36,407	33,675	33,675
Translation reserves	489	(33)	(339)	(330)	(309)	(347)	(636)	260	423	601	527	207	207
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	59,456	58,909	58,648	58,651	58,667	80,137	79,843	36,799	36,957	37,131	37,051	33,999	33,999
Net Financial Debt	(2,235)	(1,624)	(1,571)	(1,362)	(1,291)	(1,114)	(916)	(1,315)	(1,220)	(1,369)	(1,893)	(2,057)	(2,057)

3K. Monthly reports covering November 2020 to October 2021 NES Fircroft Limited

Income Statement

NES Fircroft Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0												
Administrative expenses	0	0	0	0	0	(3)	6	(3)	0	0	0	86	86
EBITDA	0	0	0	0	0	(3)	6	(3)	0	0	0	86	86
Exceptional items	(7)	(5)	(76)	(218)	(16)	2	(6)	(217)	0	(15)	3	(2,585)	(3,140)
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(1,679)	(1,735)	(1,714)	(1,671)	(1,903)	(1,481)	(1,832)	(1,910)	(1,281)	(1,785)	(1,417)	(1,877)	(20,286)
Profit before tax	(1,685)	(1,740)	(1,790)	(1,890)	(1,919)	(1,483)	(1,832)	(2,130)	(1,281)	(1,800)	(1,415)	(4,376)	(23,340)
Taxation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit after tax	(1,685)	(1,740)	(1,790)	(1,890)	(1,919)	(1,483)	(1,832)	(2,130)	(1,281)	(1,800)	(1,415)	(4,376)	(23,340)

Balance sheet

NES Fircroft Limited

2021

\$'000

	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	YTD
Non-Current Assets	(19,629)	(19,784)	223,062	222,907	222,753	222,598	222,444	222,290	222,135	221,981	221,826	221,943	221,943
Trade and other receivables	1,909	1,903	2,479	2,966	3,250	4,921	5,201	5,487	6,318	5,649	5,597	6,490	6,490
Amounts due from group undertakings	260,928	260,930	260,935	262,361	270,933	271,438	271,545	271,554	270,901	271,557	271,458	271,092	271,092
Cash	0	0	0	0	7	2	16	14	6	63	45	44	44
Total current assets	262,836	262,832	263,414	265,327	274,191	276,362	276,762	277,055	277,224	277,269	277,100	277,626	277,626
Trade and other payables	(3,170)	(3,263)	(2,307)	(2,881)	(576)	(489)	(605)	(840)	(1,033)	(788)	(768)	(3,578)	(3,578)
Amounts owed to group undertakings	(273,519)	(275,008)	(278,181)	(280,855)	(293,790)	(297,378)	(299,339)	(301,373)	(302,477)	(304,411)	(305,523)	(307,732)	(307,732)
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(276,688)	(278,271)	(280,488)	(283,737)	(294,366)	(297,867)	(299,944)	(302,214)	(303,509)	(305,200)	(306,291)	(311,310)	(311,310)
Other non current liabilities	0	0	0	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	0	0	0	(399)									
Net assets/(liabilities)	(33,482)	(35,222)	205,988	204,098	202,179	200,694	198,862	196,732	195,451	193,652	192,237	187,861	187,861
Share capital	1	1	2	1	1	1	1	1	1	1	1	1	1
Share premium	219,999	219,999	462,998	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999
Retained earnings	(10,484)	(12,225)	(14,015)	(15,904)	(17,823)	(19,309)	(21,138)	(23,268)	(24,549)	(26,348)	(27,763)	(32,139)	(32,139)
Translation reserves	(242,997)	(242,997)	(242,997)	3	3	3	0	0	0	0	0	0	0
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	(33,482)	(35,222)	205,988	204,098	202,179	200,694	198,862	196,732	195,451	193,652	192,237	187,861	187,861
Net Financial Debt	(3,170)	(3,263)	(2,307)	(3,280)	(967)	(886)	(988)	(1,225)	(1,426)	(1,125)	(1,122)	(3,932)	(3,932)

3L. Monthly reports covering November 2021 to October 2022 NES UK Limited

Income Statement

NES UK Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	3,541	3,215	3,924	3,481	3,389	3,492	3,442	3,231	3,415	3,251	3,467	3,540	41,388
Cost of sales	(2,998)	(2,648)	(3,336)	(2,869)	(2,663)	(2,916)	(2,770)	(2,705)	(2,862)	(2,685)	(2,926)	(2,932)	(34,311)
Gross profit	543	567	587	612	726	576	671	526	553	566	541	609	7,077
Administrative expenses	(304)	(288)	(284)	(322)	(372)	(332)	(378)	(375)	(362)	(368)	(335)	(398)	(4,118)
EBITDA	239	279	303	290	354	244	293	151	192	198	206	211	2,960
Exceptional items	0	0	0	0	0	0	0	0	0	0	(8)	8	(0)
Depreciation	(28)	(27)	(28)	(26)	(27)	(26)	(32)	(25)	(24)	(29)	(31)	(32)	(335)
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(75)	(104)	0	(57)	(274)	(38)	(109)	(241)	47	(10)	37	1,648	824
Profit before tax	137	147	275	207	53	180	152	(115)	215	159	204	1,835	3,448
Taxation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit after tax	137	147	275	207	53	180	152	(115)	215	159	204	1,835	3,448

Balance sheet

NES UK Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	5,854	5,798	5,780	5,753	5,728	5,689	5,666	5,629	5,580	5,663	5,606	5,583	5,583
Trade and other receivables	15,745	14,965	15,702	16,603	14,617	14,682	15,047	14,274	14,963	16,792	18,617	18,487	18,487
Amounts due from group undertakings	126,050	123,653	151,517	149,455	150,451	148,016	142,665	143,645	139,860	139,177	133,245	139,110	139,110
Cash	40	(2)	2	(12)	101	88	815	174	159	303	330	401	401
Total current assets	141,835	138,616	167,220	166,046	165,169	162,786	158,528	158,093	154,983	156,272	152,192	157,999	157,999
Trade and other payables	(13,060)	(13,927)	(14,415)	(14,525)	(14,366)	(14,426)	(14,572)	(14,121)	(14,159)	(15,607)	(15,156)	(15,633)	(15,633)
Amounts owed to group undertakings	(55,454)	(53,969)	(77,849)	(77,227)	(77,417)	(76,948)	(75,599)	(76,006)	(74,692)	(74,244)	(73,310)	(75,552)	(75,552)
Tax	(27)	(26)	(27)	(26)	(26)	(26)	(24)	(25)	(24)	(24)	(23)	(23)	(23)
Borrowings < 1 year	(10,151)	(9,729)	(12,700)	(12,323)	(11,302)	(10,316)	(10,476)	(9,147)	(9,439)	(9,815)	(9,078)	(10,499)	(10,499)
Total current liabilities	(78,691)	(77,652)	(104,991)	(104,101)	(103,111)	(101,715)	(100,672)	(99,299)	(98,314)	(99,690)	(97,567)	(101,707)	(101,707)
Other non current liabilities	(484)	(469)	(479)	(413)	(416)	(398)	(331)	(326)	(315)	(258)	(249)	(250)	(250)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(484)	(469)	(479)	(413)	(416)	(398)	(331)	(326)	(315)	(258)	(249)	(250)	(250)
Net assets/(liabilities)	68,515	66,293	67,531	67,284	67,370	66,362	63,191	64,097	61,934	61,986	59,982	61,624	61,624
Share capital	9	9	9	9	9	9	9	9	9	9	9	9	9
Share premium	0	0	0	0	0	0	0	0	0	0	#NAME?	0	0
Retained earnings	77,311	77,460	77,738	77,947	78,002	78,198	78,353	78,240	78,457	78,617	78,823	80,659	80,659
Translation reserves	(8,804)	(11,175)	(10,215)	(10,672)	(10,641)	(11,844)	(15,171)	(14,151)	(16,531)	(16,639)	(18,849)	(19,043)	(19,043)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	68,515	66,293	67,531	67,284	67,370	66,362	63,191	64,097	61,934	61,986	#NAME?	61,624	61,624
Net Financial Debt	(23,681)	(24,153)	(27,618)	(27,300)	(26,010)	(25,077)	(24,589)	(23,445)	(23,778)	(25,401)	(24,175)	(26,004)	(26,004)

3N. Monthly reports covering November 2021 to October 2022 NES Global Talent Finance US LLC

Income Statement

NES Global Talent Finance US LLC

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(30)
EBITDA	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(30)
Exceptional items	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(89)	(285)	(161)	(168)	(203)	(174)	(183)	(273)	(183)	(166)	1,978	(205)	(112)
Profit before tax	(92)	(287)	(164)	(171)	(205)	(177)	(185)	(275)	(186)	(169)	1,976	(207)	(142)
Taxation	0	0	0	0	0	0	0	0	0	0	(7)	0	(7)
Profit after tax	(92)	(287)	(164)	(171)	(205)	(177)	(185)	(275)	(186)	(169)	1,969	(207)	(149)

Balance sheet

NES Global Talent Finance US LLC

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	0	0	0										
Trade and other receivables	0	0	0	0	0	0	0	0	0	0	0	0	0
Amounts due from group undertakings	274,258	305,819	293,573	273,273	287,908	312,248	330,748	380,348	414,160	292,160	265,342	3,895	3,895
Cash	13	21	4	20	16	7	49	29	11	28	319	113	113
Total current assets	274,271	305,841	293,577	273,293	287,924	312,255	330,797	380,377	414,171	292,188	265,661	4,008	4,008
Trade and other payables	(1,509)	(2,999)	(27)	(1,418)	(2,810)	(34)	(1,522)	(3,010)	(42)	(1,930)	(3,819)	(49)	(49)
Amounts owed to group undertakings	(228)	(295)	(228)	(7,851)	(295)	(14,267)	(59,005)	(99,873)	(139,404)	(30,807)	(415)	(3,633)	(3,633)
Tax	3	3	3	3	3	3	3	3	3	3	(4)	(4)	(4)
Borrowings < 1 year	(11,952)	(42,252)	(33,878)	(4,752)	(25,752)	(39,752)	(12,252)	(19,752)	(17,857)	(2,752)	(2,752)	(0)	(0)
Total current liabilities	(13,687)	(45,543)	(34,131)	(14,018)	(28,854)	(54,050)	(72,776)	(122,632)	(157,300)	(35,486)	(6,989)	(3,687)	(3,687)
Other non current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings > 1 year	(260,206)	(260,206)	(259,519)	(259,519)	(259,519)	(258,831)	(258,831)	(258,831)	(258,143)	(258,143)	(258,143)	(0)	(0)
Creditors due greater than one year	(260,206)	(260,206)	(259,519)	(259,519)	(259,519)	(258,831)	(258,831)	(258,831)	(258,143)	(258,143)	(258,143)	(0)	(0)
Net assets/(liabilities)	378	91	(73)	(243)	(449)	(625)	(810)	(1,086)	(1,272)	(1,440)	528	321	321
Share capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	378	91	(73)	(243)	(449)	(625)	(810)	(1,086)	(1,272)	(1,440)	528	321	321
Translation reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	378	91	(73)	(243)	(449)	(625)	(810)	(1,086)	(1,272)	(1,440)	528	321	321
Net Financial Debt	(273,652)	(305,434)	(293,417)	(265,666)	(288,061)	(298,606)	(272,553)	(281,560)	(276,028)	(262,793)	(264,399)	60	60

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Income Statement

NES Global Talent US Inc

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(30)
EBITDA	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(30)
Exceptional items	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(3,344)	(734)	1,882	(670)	(742)	(714)	(731)	(721)	(734)	(741)	(711)	(3,387)	(11,348)
Profit before tax	(3,346)	(737)	1,879	(672)	(744)	(717)	(734)	(724)	(737)	(744)	(714)	(3,390)	(11,378)
Taxation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit after tax	(3,346)	(737)	1,879	(672)	(744)	(717)	(734)	(724)	(737)	(744)	(714)	(3,390)	(11,378)

Balance sheet

NES Global Talent US Inc

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	146,479												
Trade and other receivables	0	0	0	0	0	0	0	0	0	0	0	0	0
Amounts due from group undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current assets	0												
Trade and other payables	(1,864)	(1,879)	(1,895)	(1,910)	(1,926)	(1,941)	(1,957)	(1,972)	(1,988)	(2,003)	(2,019)	(2,034)	(2,034)
Amounts owed to group undertakings	(193,784)	(194,505)	(192,611)	(193,267)	(193,996)	(194,697)	(195,415)	(196,123)	(196,845)	(197,573)	(198,271)	(201,646)	(201,646)
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(195,648)	(196,384)	(194,505)	(195,177)	(195,921)	(196,638)	(197,372)	(198,096)	(198,832)	(199,576)	(200,290)	(203,680)	(203,680)
Other non current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	0												
Net assets/(liabilities)	(49,169)	(49,905)	(48,026)	(48,698)	(49,442)	(50,159)	(50,893)	(51,616)	(52,353)	(53,097)	(53,811)	(57,201)	(57,201)
Share capital	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637	6,637
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	(55,805)	(56,542)	(54,663)	(55,335)	(56,079)	(56,796)	(57,530)	(58,253)	(58,990)	(59,733)	(60,447)	(63,837)	(63,837)
Translation reserves	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	(49,169)	(49,905)	(48,026)	(48,698)	(49,442)	(50,159)	(50,893)	(51,616)	(52,353)	(53,097)	(53,811)	(57,201)	(57,201)
Net Financial Debt	(1,864)	(1,879)	(1,895)	(1,910)	(1,926)	(1,941)	(1,957)	(1,972)	(1,988)	(2,003)	(2,019)	(2,034)	(2,034)

3P. Monthly reports covering November 2021 to October 2022 Redbock LLC

Income Statement

Redbock LLC

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	4,006	3,759	3,947	3,806	4,560	3,902	3,863	4,301	4,122	4,511	4,297	4,309	49,386
Cost of sales	(2,688)	(2,564)	(2,746)	(2,620)	(3,145)	(2,702)	(2,701)	(3,009)	(2,878)	(3,140)	(3,003)	(2,945)	(34,140)
Gross profit	1,318	1,195	1,201	1,187	1,415	1,201	1,162	1,292	1,245	1,371	1,294	1,364	15,245
Administrative expenses	(627)	(683)	(685)	(664)	(722)	(605)	(635)	(702)	(665)	(734)	(687)	(716)	(8,125)
EBITDA	691	512	516	523	693	596	528	591	579	636	607	648	7,120
Exceptional items	(365)	(365)	(31)	(31)	(31)	(151)	(31)	(31)	(31)	(31)	(31)	(31)	(1,162)
Depreciation	(12)	(13)	(13)	(11)	(13)	(12)	(13)	(12)	(13)	(13)	(12)	(13)	(168)
Amortisation	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)
Finance costs	14	(28)	8	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(422)	(421)
Profit before tax	328	105	479	477	647	430	481	545	533	590	561	181	5,357
Taxation	(0)	(0)	(0)	(3)	(0)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(7)
Profit after tax	328	105	479	475	646	428	481	544	533	590	561	181	5,350

Balance sheet

Redbock LLC

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	305	291	277	265	251	238	224	211	197	184	170	157	157
Trade and other receivables	7,833	7,285	7,695	8,256	8,399	8,244	7,574	6,796	7,404	7,504	7,213	7,253	7,253
Amounts due from group undertakings	11,461	11,307	12,078	11,898	12,209	12,261	11,979	15,815	14,620	15,432	15,746	16,305	16,305
Cash	762	1,627	1,463	1,649	1,138	1,233	2,828	1,127	2,244	1,871	2,004	1,942	1,942
Total current assets	20,056	20,218	21,236	21,804	21,746	21,739	22,380	23,738	24,268	24,806	24,963	25,500	25,500
Trade and other payables	(2,957)	(2,631)	(3,151)	(2,990)	(2,239)	(2,129)	(2,269)	(3,026)	(3,032)	(2,912)	(2,462)	(2,715)	(2,715)
Amounts owed to group undertakings	(1,451)	(1,471)	(1,460)	(1,686)	(1,704)	(1,725)	(1,742)	(1,769)	(1,769)	(1,792)	(1,811)	(1,870)	(1,870)
Tax	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(4,411)	(4,105)	(4,614)	(4,679)	(3,946)	(3,857)	(4,015)	(4,800)	(4,805)	(4,708)	(4,278)	(4,589)	(4,589)
Other non current liabilities	(4,181)	(4,530)	(4,546)	(4,562)	(4,733)	(4,373)	(4,362)	(4,377)	(4,355)	(4,387)	(4,400)	(4,431)	(4,431)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(4,181)	(4,530)	(4,546)	(4,562)	(4,733)	(4,373)	(4,362)	(4,377)	(4,355)	(4,387)	(4,400)	(4,431)	(4,431)
Net assets/(liabilities)	11,769	11,874	12,353	12,827	13,318	13,747	14,228	14,772	15,305	15,895	16,455	16,637	16,637
Share capital	1	1	1	1	1	1	1	1	1	1	1	1	1
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	11,768	11,873	12,352	12,826	13,317	13,746	14,227	14,771	15,304	15,894	16,454	16,636	16,636
Translation reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	11,769	11,874	12,353	12,827	13,318	13,747	14,228	14,772	15,305	15,895	16,455	16,637	16,637
Net Financial Debt	(6,380)	(5,538)	(6,238)	(5,906)	(5,837)	(5,272)	(3,807)	(6,280)	(5,147)	(5,433)	(4,862)	(5,208)	(5,208)

3Q. Monthly reports covering November 2021 to October 2022 NES Managed Services Limited

Income Statement

NES Managed Services Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	1,759	1,509	2,038	1,802	2,069	2,247	2,428	2,074	2,157	2,358	2,312	2,377	25,129
Cost of sales	(246)	(357)	(454)	(366)	(284)	(484)	(514)	(414)	(518)	(446)	(515)	(417)	(5,015)
Gross profit	1,513	1,152	1,584	1,436	1,785	1,763	1,913	1,660	1,639	1,912	1,797	1,960	20,114
Administrative expenses	(853)	(659)	(767)	(697)	(997)	(770)	(829)	(850)	(861)	(940)	(853)	(924)	(9,999)
EBITDA	660	493	817	739	788	993	1,084	810	779	972	945	1,036	10,115
Exceptional items	0	0	0	0	0	0	0	0	0	0	(9,401)	0	(9,401)
Depreciation	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(0)	(2)
Amortisation	(28)	(28)	(28)	(28)	(29)	(29)	(27)	(28)	(27)	(27)	(27)	(27)	(332)
Finance costs	5	13	(166)	91	12	216	619	(190)	455	21	(940)	181	316
Profit before tax	636	478	622	802	771	1,180	1,676	592	1,206	965	(9,424)	1,190	695
Taxation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit after tax	636	478	622	802	771	1,180	1,676	592	1,206	965	(9,424)	1,190	695

Balance sheet

NES Managed Services Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	1,420	1,379	1,336	1,359	1,350	1,308	1,229	1,238	1,176	1,167	1,110	1,105	1,105
Trade and other receivables	7,851	7,849	8,785	5,991	8,389	10,020	7,475	10,066	10,054	7,396	10,170	8,090	8,090
Amounts due from group undertakings	60,154	59,020	61,086	74,496	74,679	73,262	70,008	72,369	70,450	73,698	58,988	57,238	57,238
Cash	(8)	769	125	2,211	79	(8)	4,550	42	83	104	23	3,827	3,827
Total current assets	67,997	67,637	69,996	82,698	83,147	83,274	82,033	82,476	80,587	81,197	69,180	69,155	69,155
Trade and other payables	(3,711)	(3,659)	(4,197)	(3,614)	(4,154)	(4,572)	(5,376)	(4,254)	(4,650)	(5,006)	(4,260)	(4,829)	(4,829)
Amounts owed to group undertakings	(48,012)	(47,846)	(48,727)	(61,366)	(60,485)	(59,354)	(56,673)	(57,283)	(54,622)	(53,944)	(52,948)	(51,205)	(51,205)
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(51,723)	(51,505)	(52,923)	(64,980)	(64,638)	(63,926)	(62,049)	(61,537)	(59,272)	(58,950)	(57,208)	(56,033)	(56,033)
Other non current liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	0												
Net assets/(liabilities)	17,694	17,512	18,409	19,078	19,858	20,656	21,213	22,177	22,491	23,414	13,083	14,227	14,227
Share capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	16,444	16,922	17,544	18,347	19,117	20,298	21,974	22,565	23,772	24,737	15,313	16,504	16,504
Translation reserves	1,250	590	865	731	741	359	(760)	(388)	(1,281)	(1,323)	(2,231)	(2,276)	(2,276)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	17,694	17,512	18,409	19,078	19,858	20,656	21,213	22,177	22,491	23,414	13,083	14,227	14,227
Net Financial Debt	(3,719)	(2,890)	(4,072)	(1,403)	(4,075)	(4,580)	(826)	(4,212)	(4,568)	(4,902)	(4,237)	(1,001)	(1,001)

3S. Monthly reports covering November 2021 to October 2022 NES Holdings Limited

Income Statement

NES Holdings Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA	0	0	0	0	0	0	0	0	0	0	0	0	0
Exceptional items	0	(0)	0	0	0	0	0	0	0	0	132,077	29,862	161,939
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	489	1,478	108	642	490	979	1,520	73	1,473	548	(2,657)	832	5,974
Profit before tax	489	1,478	108	642	490	979	1,520	73	1,473	548	129,420	30,694	167,913
Taxation	0	0	0	0	0	0	0	0	0	0	0	364	364
Profit after tax	489	1,478	108	642	490	979	1,520	73	1,473	548	129,420	31,058	168,277

Balance sheet

NES Holdings Limited

2022

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	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	174,357	174,721	174,721										
Trade and other receivables	0	0	0	0	0	0	0	0	0	12	0	0	0
Amounts due from group undertakings	123,757	118,313	118,818	126,898	119,780	120,269	120,775	143,214	178,219	213,724	264,190	153,407	153,407
Cash	102	3,007	35	43	303	102	(7,950)	249	48	48	2,146	739	739
Total current assets	123,859	121,320	118,853	126,941	120,083	120,371	112,825	143,463	178,267	213,784	266,337	154,147	154,147
Trade and other payables	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Amounts owed to group undertakings	(433,981)	(429,964)	(427,389)	(434,834)	(427,824)	(427,133)	(417,729)	(448,294)	(481,626)	(516,594)	(439,727)	(296,844)	(296,844)
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(433,982)	(429,965)	(427,390)	(434,835)	(427,825)	(427,134)	(417,730)	(448,295)	(481,627)	(516,595)	(439,728)	(296,845)	(296,845)
Other non current liabilities	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(131)												
Net assets/(liabilities)	(135,897)	(134,419)	(134,310)	(133,668)	(133,516)	(132,537)	(130,679)	(130,606)	(129,133)	(128,585)	834	31,892	31,892
Share capital	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	(137,548)	(136,070)	(135,961)	(135,319)	(134,829)	(133,850)	(132,330)	(132,257)	(130,784)	(130,236)	(817)	30,241	30,241
Translation reserves	(0)	(0)	(0)	(0)	(338)	(338)	0	0	0	0	0	0	0
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	(135,897)	(134,419)	(134,310)	(133,668)	(133,516)	(132,537)	(130,679)	(130,606)	(129,133)	(128,585)	834	31,892	31,892
Net Financial Debt	(30)	2,875	(97)	(88)	171	(30)	(8,081)	118	(84)	(84)	2,015	608	608

3T. Monthly reports covering November 2021 to October 2022 NES Global Pty Limited

Income Statement

NES Global Pty Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	5,822	4,578	4,584	4,496	5,478	5,566	5,046	4,814	4,715	4,829	4,551	4,282	58,764
Cost of sales	(5,184)	(3,943)	(3,971)	(3,866)	(4,798)	(4,985)	(4,527)	(4,345)	(4,317)	(4,382)	(4,098)	(3,825)	(52,241)
Gross profit	639	635	613	631	680	580	520	469	398	448	454	458	6,523
Administrative expenses	(390)	(383)	(362)	(389)	(413)	(366)	(352)	(384)	(145)	(166)	(177)	(139)	(3,666)
EBITDA	248	253	251	242	267	214	168	84	253	282	276	319	2,857
Exceptional items	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	(19)	(18)	(21)	(19)	(21)	(21)	(20)	(49)	(24)	(21)	(20)	(14)	(225)
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	13	(15)	(175)	(74)	(94)	(127)	7	(53)	14	(17)	(29)	(1,783)	(2,378)
Profit before tax	243	219	54	149	152	66	155	(18)	242	244	227	(1,479)	254
Taxation	97	(66)	(16)	(45)	(45)	(20)	(46)	6	(74)	(73)	(77)	523	164
Profit after tax	340	153	38	105	106	47	109	(12)	168	171	150	(956)	418

Balance sheet

NES Global Pty Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	232	201	216	191	175	162	132	115	200	182	159	41	41
Trade and other receivables	14,946	13,623	12,596	12,629	13,887	15,037	14,227	13,317	12,603	12,104	12,244	10,903	10,903
Amounts due from group undertakings	13,832	13,258	14,330	14,345	14,818	15,609	14,440	13,822	14,264	15,182	13,040	13,949	13,949
Cash	1,055	1,451	706	787	738	290	497	262	456	800	408	561	561
Total current assets	29,833	28,332	27,632	27,761	29,443	30,936	29,164	27,402	27,322	28,086	25,691	25,413	25,413
Trade and other payables	(6,017)	(4,227)	(3,817)	(4,320)	(4,012)	(5,311)	(4,883)	(3,923)	(3,741)	(3,662)	(4,279)	(4,074)	(4,074)
Amounts owed to group undertakings	(18,552)	(18,440)	(18,829)	(18,705)	(19,546)	(20,140)	(19,351)	(19,858)	(19,324)	(19,796)	(15,667)	(17,552)	(17,552)
Tax	(171)	(226)	(247)	(283)	(337)	(370)	(390)	(391)	(447)	(526)	(587)	(25)	(25)
Borrowings < 1 year	(5,480)	(5,638)	(4,916)	(4,501)	(5,470)	(4,966)	(4,271)	(2,948)	(3,407)	(3,507)	(4,407)	(3,951)	(3,951)
Total current liabilities	(30,219)	(28,531)	(27,809)	(27,809)	(29,365)	(30,787)	(28,895)	(27,120)	(26,919)	(27,491)	(24,939)	(25,601)	(25,601)
Other non current liabilities	(6)	0	0	0	(10)	(10)	(10)	(10)	(65)	(61)	(56)	(9)	(9)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(6)	0	0	0	(10)	(10)	(10)	(10)	(65)	(61)	(56)	(9)	(9)
Net assets/(liabilities)	(161)	2	40	143	244	301	392	386	538	716	856	(156)	(156)
Share capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	391	543	581	684	779	824	930	916	1,082	1,253	1,403	446	446
Translation reserves	(552)	(542)	(541)	(541)	(535)	(523)	(538)	(529)	(544)	(538)	(547)	(602)	(602)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	(161)	2	40	143	244	301	392	386	538	716	856	(156)	(156)
Net Financial Debt	(10,618)	(8,641)	(8,273)	(8,317)	(9,090)	(10,368)	(9,056)	(7,010)	(7,204)	(6,956)	(8,920)	(7,497)	(7,497)

3U. Monthly reports covering November 2021 to October 2022 NES Advantage Solutions Group AS

Income Statement

NES Advantage Solutions Group AS

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	491	500	465	620	572	532	488	491	476	443	483	441	6,003
Cost of sales	(29)	(69)	(49)	(60)	(93)	(16)	(16)	(16)	(22)	0	0	(1)	(371)
Gross profit	462	432	416	560	479	516	472	475	454	443	483	440	5,631
Administrative expenses	(453)	(435)	(406)	(552)	(470)	(506)	(463)	(43)	(537)	(437)	(475)	(433)	(5,210)
EBITDA	10	(3)	9	8	9	9	9	432	(83)	6	8	7	421
Exceptional items	0	0	0	0	0	0	0	5,825	(5,753)	0	0	0	72
Depreciation	(9)	(8)	(9)	(8)	(9)	(9)	(8)	(8)	(8)	(8)	(7)	(7)	(97)
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(2)	14	4	5	0	1	1	2,437	6,225	(0)	(0)	(91)	8,593
Profit before tax	(1)	2	5	5	0	2	2	8,686	381	(2)	1	(91)	8,990
Taxation	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(187)	208	(4)	(4)	(4)	(25)
Profit after tax	(7)	(3)	0	1	(5)	(3)	(3)	9,093	(4)	(6)	(4)	(95)	8,964

Balance sheet

NES Advantage Solutions Group AS

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	45,911	45,838	45,850	45,829	45,832	45,845	45,771	45,738	45,714	45,700	45,699	45,653	45,653
Trade and other receivables	602	704	418	473	361	573	272	202	187	286	166	351	351
Amounts due from group undertakings	16,101	15,600	15,935	16,515	17,028	17,686	16,981	27,048	26,305	26,717	26,728	26,603	26,603
Cash	139	154	214	144	59	89	114	38	105	193	77	179	179
Total current assets	16,841	16,457	16,567	17,131	17,448	18,348	17,367	27,288	26,598	27,195	26,971	27,132	27,132
Trade and other payables	(2,248)	(2,206)	(1,943)	(2,065)	(2,040)	(2,181)	(1,968)	(1,442)	(1,381)	(1,396)	(1,306)	(1,396)	(1,396)
Amounts owed to group undertakings	(26,574)	(25,260)	(25,930)	(26,146)	(26,670)	(27,752)	(25,941)	(28,367)	(27,624)	(28,213)	(28,072)	(28,096)	(28,096)
Tax	(283)	(265)	(278)	(277)	(287)	(300)	(278)	(229)	(223)	(229)	(233)	(225)	(225)
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	(29,105)	(27,731)	(28,150)	(28,488)	(28,997)	(30,233)	(28,188)	(30,038)	(29,228)	(29,838)	(29,611)	(29,718)	(29,718)
Other non current liabilities	(17)	(15)	(14)	(12)	(11)	(10)	(8)	(7)	(6)	(5)	(3)	(2)	(2)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(17)	(15)	(14)	(12)	(11)	(10)	(8)	(7)	(6)	(5)	(3)	(2)	(2)
Net assets/(liabilities)	33,630	34,550	34,253	34,459	34,272	33,950	34,942	42,981	43,078	43,053	43,055	43,065	43,065
Share capital	117	117	117	117	117	117	117	117	117	117	117	117	117
Share premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	36,316	36,313	36,312	36,312	36,306	36,301	36,297	44,355	44,350	44,343	44,338	44,242	44,242
Translation reserves	(2,804)	(1,881)	(2,177)	(1,970)	(2,151)	(2,469)	(1,472)	(1,492)	(1,389)	(1,408)	(1,400)	(1,294)	(1,294)
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	33,630	34,550	34,253	34,459	34,272	33,950	34,942	42,981	43,078	43,053	43,055	43,065	43,065
Net Financial Debt	(2,410)	(2,332)	(2,020)	(2,211)	(2,279)	(2,402)	(2,140)	(1,641)	(1,504)	(1,437)	(1,466)	(1,445)	(1,445)

3V. Monthly reports covering November 2021 to October 2022 NES Fircroft Limited

Income Statement

NES Fircroft Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost of sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross profit	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	(22)	(17)	(22)	(9)	(21)	(34)	(34)	(34)	(34)	(16)	(30)	(34)	(305)
EBITDA	(22)	(17)	(22)	(9)	(21)	(34)	(34)	(34)	(34)	(16)	(30)	(34)	(305)
Exceptional items	(47)	0	(16)	0	(1,220)	(10)	(63)	0	(906)	(90)	17,798	(9)	15,438
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortisation	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance costs	(1,770)	(1,029)	(1,968)	(1,285)	(1,597)	(1,253)	(511)	(2,087)	(553)	(2,384)	(6,738)	(5,489)	(26,663)
Profit before tax	(1,839)	(1,045)	(2,006)	(1,294)	(2,838)	(1,296)	(608)	(2,120)	(1,492)	(2,489)	11,029	(5,532)	(11,529)
Taxation	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit after tax	(1,839)	(1,045)	(2,006)	(1,294)	(2,838)	(1,296)	(608)	(2,120)	(1,492)	(2,489)	11,029	(5,532)	(11,529)

Balance sheet

NES Fircroft Limited

2022

\$'000

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	YTD
Non-Current Assets	221,632	221,466	221,299	221,133	220,966	220,800	220,800	220,800	220,869	220,875	223,277	220,801	220,801
Trade and other receivables	2,070	2,060	2,052	2,045	2,037	2,030	1,862	1,687	1,522	1,542	1,427	75	75
Amounts due from group undertakings	256,371	256,113	255,849	256,750	250,326	241,423	253,629	294,594	334,870	383,666	431,973	251,496	251,496
Cash	471	46	103	149	2,103	1,064	39	26	100	108	30,112	2,123	2,123
Total current assets	258,911	258,218	258,004	258,944	254,466	244,517	255,530	296,307	336,492	385,317	463,512	253,694	253,694
Trade and other payables	(3,189)	(1,834)	(1,021)	(1,156)	(2,398)	(1,564)	(1,515)	(1,952)	(2,929)	(3,266)	(3,611)	(2,861)	(2,861)
Amounts owed to group undertakings	(289,748)	(291,290)	(293,728)	(295,660)	(292,775)	(285,021)	(296,691)	(339,151)	(379,921)	(430,904)	(436,126)	(294,300)	(294,300)
Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings < 1 year	0	0	0	0	0	0	0	0	0	0	(64,000)	187	187
Total current liabilities	(292,938)	(293,124)	(294,749)	(296,816)	(295,173)	(286,585)	(298,206)	(341,104)	(382,850)	(434,169)	(503,737)	(296,974)	(296,974)
Other non current liabilities	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)	(399)
Borrowings > 1 year	0	0	0	0	0	0	0	0	0	0	0	0	0
Creditors due greater than one year	(399)												
Net assets/(liabilities)	187,207	186,162	184,156	182,862	179,860	178,333	177,725	175,605	174,113	171,624	182,653	177,122	177,122
Share capital	1	1	1	1	1	1	1	1	1	1	1	1	1
Share premium	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999	219,999
Retained earnings	(32,793)	(33,838)	(35,844)	(37,138)	(40,140)	(41,667)	(42,275)	(44,395)	(45,887)	(48,376)	(37,347)	(42,878)	(42,878)
Translation reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Merger reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital and reserves	187,207	186,162	184,156	182,862	179,860	178,333	177,725	175,605	174,113	171,624	182,653	177,122	177,122
Net Financial Debt	(3,117)	(2,187)	(1,317)	(1,405)	(695)	(899)	(1,875)	(2,324)	(3,228)	(3,556)	(37,898)	(950)	(950)