



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	984 460 228
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	NES ADVANTAGE GROUP AS
Forretningsadresse:	Snarøyveien 36 1364 FORNEBU

Regnskapsår

Årsregnskapets periode:	01.11.2022 - 31.10.2023
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Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Caitlin Barnett
Dato for fastsettelse av årsregnskapet:	30.04.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 15.06.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating revenue	2	65 466 000	58 828 000
Sum inntekter		65 466 000	58 828 000
Kostnader			
Salary costs	3	56 372 000	53 874 000
Avskrivning på varige driftsmidler og immaterielle eiendeler		0	52 000
Annen driftskostnad	3	6 006 000	2 483 000
Sum kostnader		62 378 000	56 409 000
Driftsresultat		3 088 000	2 419 000
Finansinntekter og finanskostnader			
Other Financial income	4	23 536 000	25 566 000
Sum finansinntekter		23 536 000	25 566 000
Other Financial Expenses	4	25 404 000	14 771 000
Sum finanskostnader		25 404 000	14 771 000
Netto finans		-1 868 000	10 795 000
Ordinært resultat før skattekostnad		1 220 000	13 214 000
Income Tax Expense		287 000	2 921 000
Ordinært resultat etter skattekostnad		933 000	10 293 000
Årsresultat		933 000	10 293 000
Overføringer og disponeringer			
Konsernbidrag	4,7	1 026 000	8 087 000
Overføringer til/fra annen egenkapital	6	-93 000	2 206 000
Sum overføringer og disponeringer		933 000	10 293 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	4 999 000	4 996 000
Sum immaterielle eiendeler		4 999 000	4 996 000
Varige driftsmidler			
Machinery and Equipments			0
Sum varige driftsmidler			0
Finansielle anleggsmidler			
Investering i datterselskap	8	389 968 000	389 968 000
Sum finansielle anleggsmidler		389 968 000	389 968 000
Sum anleggsmidler		394 967 000	394 964 000
Omløpsmidler			
Varer			
Fordringer			
Trade Debtors			22 000
Other short term receivables		876 000	810 000
Pension Prepayment	3		139 000
Konsernfordringer	4,9	268 824 000	251 848 000
Sum fordringer		269 700 000	252 819 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalent	10	4 801 000	4 604 000
Sum bankinnskudd, kontanter og lignende		4 801 000	4 604 000
Sum omløpsmidler		274 501 000	257 423 000
SUM EIENDELER		669 468 000	652 387 000

BALANSE - EGENKAPITAL OG GJELD



Balanse

Beløp i: NOK	Note	2023	2022
Egenkapital			
Innskutt egenkapital			
Selskapskapital	6	1 000 000	1 000 000
Sum innskutt egenkapital		1 000 000	1 000 000
Opptjent egenkapital			
Other Equity	6	370 487 000	370 580 000
Sum opptjent egenkapital		370 487 000	370 580 000
Sum egenkapital		371 487 000	371 580 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	242 000	
Sum avsetninger for forpliktelser		242 000	
Annen langsiktig gjeld			
Sum langsiktig gjeld		242 000	0
Kortsiktig gjeld			
Leverandørgjeld		733 000	1 442 000
Tax Payable	5	0	0
Social Security, employee related tax		6 447 000	5 954 000
Kortsiktig konserngjeld	7,9	280 760 000	265 992 000
Other current liabilities		5 960 000	4 160 000
Accrued salary		3 838 000	3 260 000
Sum kortsiktig gjeld		297 738 000	280 808 000
Sum gjeld		297 980 000	280 808 000
SUM EGENKAPITAL OG GJELD		669 467 000	652 388 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 529814

Enheten

Organisasjonsnummer: 984 460 228
Organisasjonsform: Aksjeselskap
Foretaksnavn: NES ADVANTAGE SOLUTIONS GROUP AS
Forretningsadresse: Snarøyveien 36
1364 FORNEBU

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Morselskap i konsern: Ja
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Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av
årsregnskapet til konsernet: -
Har utarbeidet 'land-for-land' rapport: Ja

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Caitlin Barnett
Dato for fastsettelse av årsregnskapet: 30.04.2024

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja

Grunnlag for avgivelse

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Brønnøysundregistrene, 11.07.2024



Organisasjonsnr: 984 460 228
NES ADVANTAGE SOLUTIONS GROUP AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Operating revenue	2	65 466 000	58 828 000
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Salary costs	3	56 372 000	53 874 000
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Organisasjonsnr: 984 460 228
NES ADVANTAGE SOLUTIONS GROUP AS

BALANSE

Beløp i: NOK Note 2023 2022

BALANSE - EIENDELER

Anleggsmidler

Immaterielle eiendeler

Utsatt skattefordel 5 4 999 000 4 996 000
Sum immaterielle eiendeler 4 999 000 4 996 000

Varige driftsmidler

Machinery and Equipments 0
Sum varige driftsmidler 0

Finansielle anleggsmidler

Investering i datterselskap 8 389 968 000 389 968 000
Sum finansielle anleggsmidler 389 968 000 389 968 000

Sum anleggsmidler 394 967 000 394 964 000

Omløpsmidler

Varer

Fordringer

Trade Debtors 22 000
Other short term receivables 876 000 810 000
Pension Prepayment 3 139 000
Konsernfordringer 4,9 268 824 000 251 848 000
Sum fordringer 269 700 000 252 819 000

Bankinnskudd, kontanter og lignende

Cash and cash equivalent 10 4 801 000 4 604 000
Sum bankinnskudd, kontanter og lignende 4 801 000 4 604 000

Sum omløpsmidler 274 501 000 257 423 000

SUM EIENDELER 669 468 000 652 387 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital 6 1 000 000 1 000 000
Sum innskutt egenkapital 1 000 000 1 000 000

Opptjent egenkapital

Other Equity 6 370 487 000 370 580 000



Sum opptjent egenkapital		370 487 000	370 580 000
Sum egenkapital		371 487 000	371 580 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	3	242 000	
Sum avsetninger for forpliktelser		242 000	
Annen langsiktig gjeld			
Sum langsiktig gjeld		242 000	0
Kortsiktig gjeld			
Leverandørgjeld		733 000	1 442 000
Tax Payable	5	0	0
Social Security, employee related tax		6 447 000	5 954 000
Kortsiktig konserngjeld	7,9	280 760 000	265 992 000
Other current liabilities		5 960 000	4 160 000
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SUM EGENKAPITAL OG GJELD		669 467 000	652 388 000



Organisasjonsnr: 984 460 228
NES ADVANTAGE SOLUTIONS GROUP AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

1

Regnskapsprinsipper

1 Accounting principles The financial statement consists of a profit and loss statement, balance sheet, cash flow analysis and notes. The financial statement is in accordance with the Norwegian Corporation Law, the Norwegian Accounting Act and the generally accepted accounting principles in Norway. The financial statement is based on the basic principles and classification of liabilities according to the definition in the Accounting Act. In use of accounting principles and presentation of transactions and other circumstances we emphasise importance to economic reality, not only legal form. Contingent liabilities that are probable and quantifiable will be charged as an expense. There are no changes in the accounting principles. The fiscal period starts on November 1 and ends at October 31.

a) Foreign currency Transaction in foreign currency is converted to NOK on the transaction date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date. Changes to exchange rates are recognised in the income statement as they occur during the accounting period. b) Revenue Service is booked as income in the same period it is performed. The payment of the company's services is based on hourly rates. Loss identified in service contract is booked at the time when identified. All the operations in the company consist of work hours performed by own employees. The basis for income is mainly number of hours worked. c) Tax The tax expense consist of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax asset are recorded in the balance sheet when it is more likely than not that the tax asset will be utilised. Tax payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions. d) Classification and valuation of fixed assets Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. The depreciation period for real property acquired after 2009 is divided into the part that represents the building and the part that represents fixed technical installations. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present. e) Accounts receivable Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. f) Shares in subsidiaries Subsidiaries are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless an impairment has been necessary. An impairment to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such impairment must be considered as necessary in accordance with good accounting practice. Impairments are reversed when the basis for the impairment is no longer present. Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that



dividends/group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company. l Accounting principles (continued) g) Consolidated financial statements NES Advantage Solutions Group AS' ultimate parent company is NES Global Talent Limited, a company incorporated in England and Wales. NES Advantage Solutions Group AS uses the exception rule in the Accounting Act § 3-7 first paragraph when it comes to preparing the consolidated financial statements. NES Global Talent Limited prepares the consolidated financial statements. h) Pension The company has made contributions to individual pension plans. These contributions have been made to the pension plan for full-time employees and equal 3-5% of the employee's salary. The pension premiums are charged to expenses as they are incurred. i) Cash flow The cash flow statement is prepared in accordance with the indirect method.

Note
3

Antall årsverk i regnskapsåret
56.00

Note
3

Spesifisering av resultatregnskapet

Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	47714000.00	45842000.00
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	4743000.00	5024000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	3472000.00	2659000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	443000.00	349000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	56372000.00	53872000.00

Note

Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn



NES GLOBAL TALENT LIMITED

Annual report and consolidated financial statements
for the year ended 31 October 2023

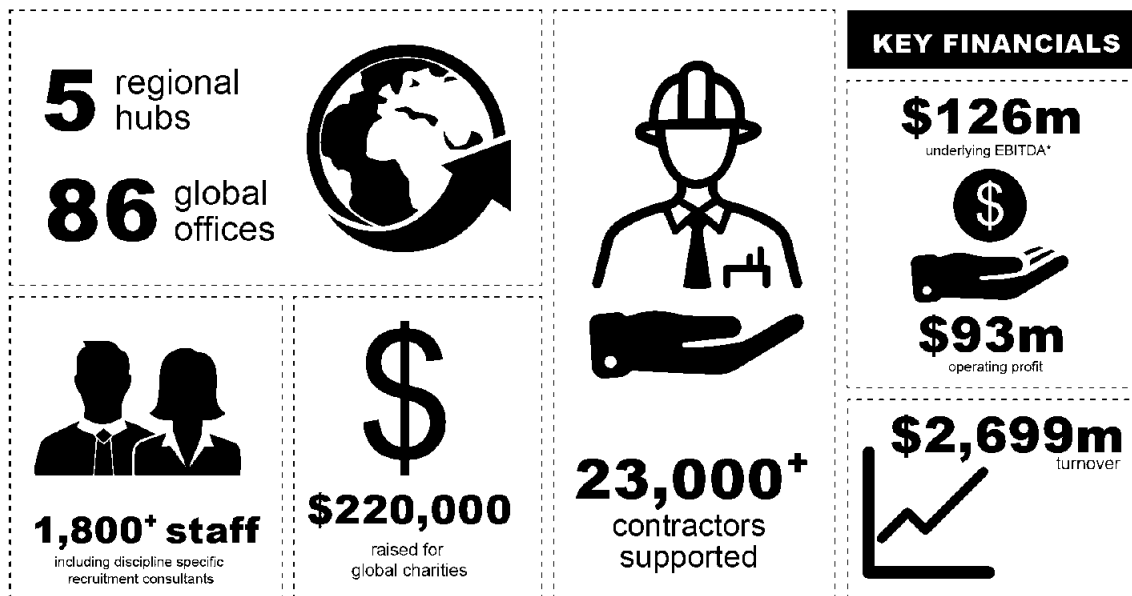
Registered number: 08240307





NES GLOBAL TALENT AT A GLANCE

As one of the world's largest engineering workforce providers, NES Global Talent is a trusted staffing partner delivering compliant global workforce solutions that enhance the people, clients and communities we work with. We specialise in contract, permanent placement and managed services to assist clients and candidates across some of the world's most challenging projects and operations.



*Underlying EBITDA reflects the operating profit before management recharges, exceptional items, depreciation and amortisation. Please see note 29 for further details.

INTRODUCTION//

NES Global Talent is a leading global workforce specialist supplying, on a contract and permanent basis, highly qualified engineers, project management, project engineering and other related services to the Renewables, Power, Life Sciences, Chemicals, Oil, Gas, Infrastructure and Mining markets. We also deliver fully outsourced human capital solutions including Managed Services Programmes (MSPs) and Recruitment Process Outsourcing (RPO), through our NES Advantage brand. NES Global Talent supports clients with all their staffing requirements whether they are looking for one candidate or a strategic partner to manage the entire recruitment process on their behalf.

Trusted staffing partner delivering compliant global workforce solutions that enhance the people, clients and communities we work with.

STRATEGY AND OBJECTIVES//

Our priority and value lie in providing the skilled engineers needed to help clients move to cleaner, more efficient low carbon solutions and achieve their net zero commitments by 2050. Natural Gas and Liquefied Natural Gas (LNG) projects will form an increasing part of our energy portfolio in the future. Gas and LNG provide a more positive environmental outlook due to lower emissions, and also provide a solid economic outlook from a future energy perspective.

A key part of our oil strategy is to work with clients to reduce carbon emissions. For example, we have already gained extensive experience of providing hundreds of contractors working on projects where electrification and carbon capture processes are an integral part of the project.

With the skills, expertise and dedication of more than 1,800 colleagues worldwide, we are well placed to continue to build on the progress we have made this year and take advantage of the opportunities that 2024 will offer.





Officers and Professional Advisers

DIRECTORS//

F.A. Braun
S.W. Buckley
B.W.D. Connolly
S.F. Coton
T.I. Gilliam
A.J.W. Hoffman
K.E. Kjelstad
T.J. Pryma

REGISTERED OFFICE//

Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP

AUDITOR//

Deloitte LLP
Statutory Auditor
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

DNB Bank
Dronning Eufemias gate 30
0191 Oslo
Norway

1 NES GLOBAL TALENT LIMITED



Strategic Report

For the year ended 31 October 2023

The Directors present the Strategic report on the Group for the year ended 31 October 2023.

BUSINESS MODEL

NES Global Talent Limited and its subsidiary undertakings ('NES Global Talent' or the 'Group') is a leading global specialist workforce solutions provider supplying, on a contract and permanent basis, highly qualified engineers, project management, project engineering and other related technical disciplines to the oil and gas, power, life sciences, chemicals, manufacturing, infrastructure and mining markets. In addition, NES Global Talent provides outsourced human capital services to clients for the management of permanent recruitment and contingent workforces. These programmes are commonly referred to as Managed Services Programmes (MSPs) and Recruitment Process Outsourcing (RPO).

The Group has 86 physical offices serving a blue-chip client base and thousands of contractors around the world. NES Global Talent supports contractors of 139 different nationalities as at 31 October 2023 and continues to produce strong results and industry leading margins.

STRATEGY AND OBJECTIVES

Our priority and value lies in providing the skilled engineers needed to help clients move to cleaner, more efficient low carbon solutions and achieve their net zero commitments by 2050.

Our combined discipline specific consultants and world class contractor support services will differentiate our solutions from generalist competitors on a global basis.

Our long term vision is to make the newly combined group the unquestioned global leader in each of our markets. We will continue to provide staffing expertise across our traditional sectors such as oil and gas, but also look to extend the value of our brand into new fields such as alternative energy solutions, renewables, chemicals and life sciences.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk

As part of its ordinary activities, the Group is exposed to a number of financial risks including liquidity risk, credit risk, interest rate risk and exchange rate risk. The Group has policies and procedures in place to monitor and manage these risks. These risks are kept under constant review.

Liquidity risk relates to the Group's ability to meet the cash flow requirements of its operations, while avoiding excessive levels of debt and/or breach of its debt covenants. The Group's borrowings are principally in the form of short and medium-term credit facilities which can be drawn upon on demand when needed and a senior secured bond. The Board closely monitors the amount of facilities drawn, particularly with respect to complying with all covenant restrictions.

Credit risk relates principally to trade receivables from customers. The Group assesses all customers, sets appropriate credit limits before trading commences and has detailed policies and procedures to monitor each situation. Credit insurance is taken out for larger customers to further mitigate the risk of bad debts.

Management continuously assesses the interest rate risk and exchange rate risk that the Group is subject to. The level of debt is well covered by operating earnings and given the potential level of interest rates the Group might face, it has adequate earnings. The Group has a number of overseas operations resulting in foreign currency denominated receivables and payables. The Group's exposure to foreign currency risk is continually monitored by management with appropriate steps taken to minimise the risk of adverse currency movements. See note 19 for more details.

2 NES GLOBAL TALENT LIMITED



Strategic Report (continued)

For the year ended 31 October 2023

PRINCIPAL RISKS AND UNCERTAINTIES

Competitor risk

There are a number of other companies that provide services that are similar to those of the Group, and therefore could compete in the Group's chosen markets, resulting in loss of revenue and pressure on operating margins. In order to assess this risk, a regular review of all of the Group's markets is undertaken and the activities of competitors are closely monitored. The development of innovative products and services and building close relationships with our customers (clients and contractors) are seen as key to maintaining the Group's competitive advantage.

Market risk

NES Global Talent provides human capital services, and as such, we are affected by the labour market and hiring practices and regulations in the geographies, sectors and disciplines where we compete. Although clients always have need for human capital services, the size of the addressable market can vary with economic conditions in the geographies, sectors and disciplines where we compete. See the Strategy and Objectives section on page 2 for more details.

These risks are kept under constant review.

BUSINESS REVIEW

The Group delivered a year of continued growth across all sectors, this resulted in a 16% increase in full yearly revenues to \$2.7 billion (2022: \$2.3 billion) from continuing operations. Gross profit from continuing operations amounted to \$318 million (2022: \$277 million), up 15% on the prior year. Underlying EBITDA from continuing operations increased by 16% to \$126 million (2022: \$109 million), see note 29 for further details.

Due to the year on year growth the Group was able to expand its overseas operations, successfully completing two acquisitions; Evolve Scientific Recruitment Pty Limited and Polarities Co. Limited. Evolve Scientific Recruitment Pty Limited is based in Australia, specialising in scientific and technical recruitment. Polarities Co Limited is a Japanese based entity specialising in the improvement of business operations. The transactions allow the Group to gain synergies from knowledge sharing, whilst also allowing for expansion into new markets. Both transactions were funded solely by the Group's workings capital facilities.

The Group's senior secured bond which was initially secured on the 29 September 2022 was successfully listed on the Oslo Bors Stock Exchange on 25 August 2023. Interest is incurred on the bond at a rate of 11.75% per annum. The Group's revolving credit facility was increased to \$84 million. Subsequent to the year end the revolving credit facility was increased by a further \$6 million bringing the total availability on this facility to \$90 million.

The combination of the above acquisitions and increase to available facilities provides the Group with a strong foundation to deliver the continued growth we are forecasting for 2024 and beyond.

The audited primary statements and the accompanying notes of the Company and the Group for the year ended 31 October 2023 are set out on pages 20 to 74.

3 NES GLOBAL TALENT LIMITED



Strategic Report (continued)

For the year ended 31 October 2023

KEY PERFORMANCE INDICATORS

The directors consider that the Group's key performance indicators are those that communicate the underlying financial performance of the Group. These consist of revenue and underlying EBITDA. Underlying EBITDA is considered a better approximation of cash generated in trade as it is calculated by excluding all exceptional expenditure and non-cash items from operating profit including management recharges, depreciation and amortisation. The figures stated below are from continuing operations (see note 29 for further information)

	31 October 2023 \$m	31 October 2022 \$m
Revenue	2,698.9	2,332.3
Gross profit	318.4	276.6
Underlying EBITDA	126.0	108.8
Management recharges	(1.0)	(0.9)
Net exceptional items	(5.4)	3.9
Depreciation	(10.1)	(8.3)
Amortisation of intangible assets	(16.6)	(17.4)
Operating profit	92.9	86.1

The year ended 31 October 2023 saw the Group produce underlying EBITDA of \$126.0 million (2022: \$108.8 million). Turnover increased to \$2,698.9 million (2022: \$2,332.3 million).

The loss after taxation for the year of \$46.4 million (2022: loss of \$11.7 million) has arisen due to non-cash expenses, \$126.9 million finance costs, \$0.6 million finance income, \$10.0 million depreciation and \$16.6 million amortisation charges.

Upon the acquisition of the share capital in Fircroft Engineering Services Limited in 2020, \$27.2 million of intangible assets were recognised by the Group, of which \$3.0 million was amortised through the income statement in the current year (2022: \$3.1 million). \$11.5 million was amortised through the income statement during the year on customer relationship intangible assets recognised in respect of the acquisitions of NES Advantage Group AS (formerly Frontica Advantage Group AS) and Bedrock Petroleum Consultants LLC during 2018 (2022: \$12.7 million). A further \$0.6 million (2022: \$Nil) was amortised through the income statement during the year on customer relationships in relation to the acquisition of Evolve Scientific Recruitment Pty Limited which occurred in February 2023. Our relationships with these customers remain strong with no impairment charge recorded in the current year after conducting a full review.

There were expenses of \$5.4 million (2022: gain \$3.9 million) derived from exceptional items incurred in the year. See note 5 for more details.

4 NES GLOBAL TALENT LIMITED



Strategic Report (continued)

For the year ended 31 October 2023

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Climate Related Financial Disclosure Regulations

Effective for the first time this year, The Climate-related Financial Disclosure Regulations 2022 ("CFD") have been introduced in the UK to report on material climate-related matters and their impact on the Group. For the year ended 31 October 2023, the Group meets the relevant threshold of having more than 500 employees and a turnover of greater than £500 million. The following climate-related financial disclosures made by NES Global Talent Limited comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Environmental Governance

The Board has primary oversight for the Group's performance, including ESG considerations, and monitors risks and opportunities, including climate-related ones on a monthly basis. The Board considers climate-related issues when reviewing and guiding strategy, risk management policies, annual budget and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance and overseeing major capital expenditures.

Any new emerging risks or changes in risk profile are considered at the Risk and Audit Committee meetings and a decision is made on whether they should be included in the Group's risk register. The ESG Committee was established at the beginning of 2021. The Committee has ownership and responsibility for the execution of the Group's ESG strategy and consists of key stakeholders from across the Group including members of the Executive Board and members of the Operating Board. Tig Gilliam (CEO) is the Chair of the ESG Committee and is responsible for informing the Board of the Committee's findings and of any required actions. Climate-related risks are identified, assessed and managed in line with the Group's risk management process which allows for both a holistic, top-down and bottom-up view on key risks and opportunities.

Initiatives cover actions to both mitigate climate risk and capture related opportunities. Our sector diversification initiative identifies recruitment opportunities in the energy transition and green economy sectors – specifically those which arise from climate change and a transition to a low-carbon economy, including our Renewables sector and Carbon Capture projects.

Strategy

We have made a commitment to reach net zero by 2050 across scope 1 and 2 GHG emissions. The Group recognises that climate change, specifically the transition to a low carbon economy, will change the landscape in which the business operates.

We have assessed the potential impacts of climate change, such that we would be reasonably able to influence upcoming decisions around strategies, capital allocations, costs and revenues. The Transition risk assessment leveraged the 2021 Climate Biennial Exploratory Scenario (CBES) to review risks and opportunities. It used both the Early Action and Late Action scenarios where global warming is limited to 1.8°C by 2050. Under the Early Action scenario climate policy is ambitious from the beginning whereas under the Late Action policies are assumed to be delayed and are therefore more sudden and disorderly. The wider implications related to the Group are broadly categorised as the following:

- Energy transition skills: The demand for energy transition skills could increase, creating a widening gap between demand for talent and availability.
- Clients decarbonising their operations: Clients could face more pressure to decarbonise, and therefore would need to hire individuals with energy transition skills. This is already underway for the Oil & Gas sector, that is under increasing pressure to reduce emissions from their operations.

5 NES GLOBAL TALENT LIMITED



Strategic Report (continued)

For the year ended 31 October 2023

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (CONTINUED)

Strategy (Continued)

As the energy transition develops, the Group has put in place actions to strengthen our energy transition skills recruitment and support both clients and candidates in navigating a changing market. This could have the potential of increasing revenues, where the Group is able to increase the number of placements for companies seeking energy transition and other sustainability skills.

As a people-focused business, some risks are centred around our people wanting to work for environmentally conscious businesses. We believe that our employee engagement and D&I initiatives will communicate our sustainability progress to current and prospective employees which may give us access to a wider talent pool.

The Group is well positioned to capitalise on the related climate-change opportunities and mitigate risks:

1. Our strategy to expand and diversify the business by industry sectors, professional disciplines, geography and brands means the Group will reduce exposure to high carbon emitting industries. And it enables the Group to move into new markets and new professional disciplines alongside the transition to a low carbon economy.
2. Our strategy to position the business to be scalable efficiently and highly flexible to react to market conditions means the Group has the ability to respond quickly to changes in market conditions is critical to managing the business through economic cycles. This allows us to adapt rapidly to any shock from climate related risks or quickly capitalise on opportunities.
3. Our strategy develop our people drives our inclusive growth model. The Group has limited physical/capital assets and our employees are the key to our long-term success. We will ensure that our own employees are supported through any climate-related disruption to their specialist recruitment areas, including through training and development focused on energy transition sectors and jobs.

We have assessed the items above against the physical and transitional climate-related issues described below and concluded the existing overall business strategy is well positioned to mitigate any risks faced by the Group and maximise the opportunities.

Our strength is in the flexibility of our business strategy and we have an opportunity to assist in enabling workforce solutions for customers and candidates focused on sustainability.



Strategic Report (continued)

For the year ended 31 October 2023

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (CONTINUED)

Risks and opportunities

The table below details the impact and resilience of the business against each risk and opportunity. Timeframes have been determined based on dual materiality analysis prepared.

Risk	Likelihood	Impact	Resilience and response
Acute physical: Reduced revenue due to workforce disruption during extreme weather events. Timeframe: Medium term 5-10 years.	Likely	Low	The Group is well mitigated against this risk. We have virtual working in place globally, and our employees can work and communicate with clients and candidate from either the office or home.
Chronic physical: Increased costs or reduced revenues from disruption to operations in high climate risk locations. Timeframe: Medium term 5-10 years.	Likely	Low	The majority of the Group's offices are located in countries where, generally, vulnerability to climate change is relatively low and readiness to improve resilience in the context of climate change is relatively high. We operate office leases offering lots of flexibility for relocating offices.
Regulation: Failure to comply with current and emerging GHG regulation. Timeframe Medium term 5-10 years.	Possible	Low	The Group has a legal and compliance team that monitor emerging regulatory obligations. NES Fircroft is currently in compliance with all mandatory regulation and is reviewing emerging regulation such as updates to EU Corporate Sustainability Reporting Directive (CSRD).
Market: Increased costs because of higher energy prices. Timeframe Short term 0-5 years.	Possible	High	The Group has a target to be Net Zero by 2050. A key element of this is to reduce energy consumption and reduce GHG emissions, thus reducing our reliance and exposure to energy price fluctuations and the cost of carbon offsets.
Reputation: Reduced revenue from decreased demand for services if the Group were to fail to meet stakeholder expectations around decarbonisation. Timeframe Medium term 5-10 years.	Possible	High	The Group has a target to be net zero by 2050 and has comprehensive GHG emissions disclosures. The Group is making good progress in assessing our carbon emissions. We are already Carbon Neutral in respect of our Scope 1 & 2 emissions.
Client disruption: Reduced revenue from decreased demand for services from clients in high emission sectors. Timeframe Medium term 5-10 years.	Possible	High	The Group's strategy is to expand and diversify its client base by industry sectors. There is an associate opportunity for increased demand in recruitment services – and therefore greater revenues – from clients that will grow and have strong business performance during the energy transition, for example those in the renewables energy and carbon capture sectors.

7 NES GLOBAL TALENT LIMITED



Strategic Report (continued)

For the year ended 31 October 2023

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (CONTINUED)

Risks and opportunities (continued)

Opportunity	Likelihood	Impact	Resilience and response
Products & services: Increased revenue from increased demand for energy transition services. Timeframe Short term 0-5 years.	Likely	High	The Group is expanding its business in the renewables and energy transition sectors and has made strong progress in growing it year on year.
Resource efficiency: Reduced operating costs through energy efficiency gains and reduced business travel spend. Timeframe Short term 0-5 years.	Possible	Low	The Group has a target to be Net Zero by 2050 and this is already driving efficiency across offices. Our hub location received external Green Mark Level 1 sustainability certification in 2023. These activities will drive some cost savings such as reduced business travel with alternative technology options. The Group is already taking advantage of these opportunities.

Metrics and targets

In preparing the Annual Report, the directors have considered the impact of climate change on the Group and have concluded that there is no material impact on financial reporting judgements and estimates. This is consistent with the assertion that risks associated with climate change are not expected to have a material impact on the longer-term viability of the Group.

In response to the identified environmental risks and opportunities, the Group is committed to identifying carbon reduction measures to reduce our exposure to future carbon pricing and energy cost increases. As part of our reduction planning we are progressing our Green Mark accreditation to support us towards a journey to Net Zero emissions. To help mitigate physical risks to our data centres we are transitioning to cloud-based hosting. This will increase geographical diversity of data storage and backup, reducing our reliance on any one specific data centre location.

Our internal metrics and targets help us measure and manage financial risk associated with potential future carbon-related risks and opportunities, in particular the client disruption and products and services outlined above. Short-term targets to 2025 used to manage risks and opportunities include:

- 10% year on year increase in gross profit from diversified sector/non oil and gas business (reported metric of 34% increase to \$106m gross profit for the year ended 31 October 2023, increased from \$79m at 31 October 2022); and
- 10% year on year increase in contactor placements on Renewables and Carbon Capture projects (reported metric 22% increase to 1,763 placements reported at 31 October 2023, increased from 1,445 at 31 October 2022).

In 2023, we completed our reporting of scope 1,2 and 3 emissions globally, following improvements made to our data collection systems. These now include purchased goods and services, capital goods, and waste, across our global operations. The business has achieved its target of being Carbon Neutral (Scope 1 and Scope 2) in 2023 and is now using the 2023 baseline global emissions balance sheet to plan accordingly to meet our Net Zero target by 2050.

8 NES GLOBAL TALENT LIMITED



Strategic Report (continued)

For the year ended 31 October 2023

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (CONTINUED)

Metrics and targets (continued)

The emissions report has been prepared based on a reporting year ending 31 October 2023, which is the same as the Group's financial reporting period. The Group's report is based on all entities and offices which are either owned or under operational control globally. The methodology used to calculate the Group's emissions is based on the Environmental Reporting Guidelines. The greenhouse gas emissions data has been prepared with reference to GHG protocol, which categorises greenhouse gas emissions into three scopes.

The Group has recorded the total global emissions, in tonnes of CO₂e (tCO₂e) and has decided to use an intensity metric of tonnes of CO₂e per USDm Revenue, which the Group believes is the most relevant indication of our growth and provides the best comparative measure over time.

	UK Operations		Global Operations	
	2023	2022	2023	2022
	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
Scope 1 - direct emissions from company owned and controlled resources	115	109	694	592
Scope 2 - indirect emissions from purchased energy	119	94	1,320	988
Scope 3 – indirect other emissions from transport	15	40	23,640	24,633
Total emissions	249	243	25,654	26,213
Intensity metric (total emissions/revenue)			9.5	11.2

People

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

With 86 offices around the globe NES Global Talent has a diverse workforce, placing contractors which amount to over 130 different nationalities and employ 54% female staff. NES Global Talent monitor the gender and nationality of our people split at different levels across the business and report to the Board on a regular basis.

Externally we also are at the forefront of driving the diversity agenda and perform an annual survey of female engineers to find out what challenges and opportunities they are facing working in the energy sector. The research is designed to highlight what the energy industry could be doing to attract and retain female engineers and educate energy hiring managers on diversity best practice. We recognise that we have a key role in supporting our clients achieve their own workforce diversity and inclusion goals and are committed to identifying a wide candidate pool for our clients including people from all backgrounds.

We seek to have a positive impact on the communities where we operate, providing employment opportunities and supporting local community initiatives and charitable activities. We have committed to donate \$10 per contractor each year to worthy causes, resulting in a pledge of over \$220,000 in 2023 to support cancer charities and youth employment initiatives globally.

9 NES GLOBAL TALENT LIMITED



Strategic Report (continued)

For the year ended 31 October 2023

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (CONTINUED)

Corporate Governance

The Board's role is to promote the long-term sustainable success of the company, generating value for its shareholders while having regard to other stakeholders, the impact of operations on the communities within which it operates and the environment.

The Board terms of reference identify certain matters that are considered to be of such materiality at a Group level that they are reserved for approval by the whole Board and cannot be delegated. The matters reserved include, among others, certain investments, changes to the company's capital structure, distributions and borrowing arrangements.

The Board of Directors for the NES Global Talent Group is comprised of five Non-Executive Directors and three Executive Directors. As at 31 October 2023, the Executive Directors comprise of the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. The assess skillset of the Board is considered to be sufficiently broad and deep, encompassing senior experience from across a wide range of industries and disciplines.

The Board believes that its composition creates a body which has varied and balanced experience and skills that are highly relevant to the Group's needs and challenges. This has served the Group well in the development and scrutiny of our strategic decision making and performance.

The Board promotes executive remuneration structures aligned to the achievements of KPIs required to deliver the long term sustainable success of the Group. Metrics which define key management remuneration are closely aligned to key milestones and performance targets which are linked to the Group's strategy. These do not differ significantly from those of the Leadership team.

NES Global Talent has dedicated compliance and risk personnel based in six locations. Our geographical spread ensures we fully understand regional legislation and can support our clients to ensure compliance and minimise risk wherever their project may be.

We operate in some parts of the world where bribery and corruption present a high risk. We have a responsibility to be ethical and lawful in all our business activities.

- Our code of conduct explicitly prohibits engaging in bribery or corruption in any form.
- Our group-wide anti-bribery and corruption policy and procedures include measures and guidance understand relevant laws and report concerns.
- We provide anti-bribery and corruption training that is mandatory for everyone across the Group on an annual basis and immediately upon joining the company.

NES Global Talent is ISO9001 accredited, all aspects of business operations are audited for compliance with this standard and the requirements of the standard are transposed to our policy and operational practices. We comply with Data Protection Laws globally; to ensure compliance, we established a detailed data strategy designed to achieve compliant, simple and effective controls to satisfy GDPR and other data protection laws in the jurisdictions where we operate.

For the year ended 31 October 2023, under The Companies (Miscellaneous Reporting) Regulations 2019, we have applied the Wates Corporate Governance Principles for Large Private Companies ("Wates Principles").

10 NES GLOBAL TALENT LIMITED



Strategic Report (continued)

For the year ended 31 October 2023

STATEMENT BY THE DIRECTORS OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

The directors understand that how we behave matters, not only to our people, but also to the many stakeholders who have an interest in our business.

We believe that productive business relationships with our suppliers, customers and other key stakeholders are key to the ongoing success of the group and that the interests of relevant parties should be considered when making decisions that may impact them.

Though engagement is carried out by those most relevant to the stakeholder or issue in question, the directors receive updates on the engagement that has been undertaken, the reoccurring questions, concerns raised and the feedback provided by the group's key stakeholders.

When making decisions the directors take the course of action that they consider best leads to the success of the group over the long-term. When doing so, they also consider the interests of the stakeholders that we interact with. The directors acknowledge that every decision made will not necessarily result in a positive outcome for all our stakeholders but by considering the group's purpose and values together with its strategic priorities the directors aim to make sure its decision is consistent and predictable.

As cross referenced in the below table, we set out throughout the Strategic Report some examples of how the directors have had regard to the matters set out in section 172(1) (a) to (f) when discharging their section 172 duty and the effect of that on certain of the decisions taken by them. By considering these matters the directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duty under section 172.

Consideration	Annual Report Reference	Page Reference
Likely consequence of any decisions in the long-term	Strategy and objectives Environment, Social and Corporate Governance Subsection: Strategy Subsection: Risks and opportunities	2 5-6 7-8
Interests of the company's employees	Environment, Social and Corporate Governance Subsection: People	9
Need to foster the company's business and relationships with suppliers, customers and others	NES Global Talent at a glance Environment, Social and Corporate Governance Subsection: Strategy Subsection: People Subsection: Corporate Governance	5 9 10
Impact of the company's operations on the community and environment	Environment, Social and Corporate Governance Subsection: Environmental Governance Subsection: People	5 9
Desirability of the company maintaining a reputation for high standards of business conduct	Environment, Social and Corporate Governance Subsection: Corporate Governance	10
Need to act fairly as between members of the company	Environment, Social and Corporate Governance Subsection: Corporate Governance	10

11 NES GLOBAL TALENT LIMITED



Strategic Report (continued)
For the year ended 31 October 2023

FUTURE OUTLOOK

At the underlying EBITDA level, management expect the business to continue to be profitable in the foreseeable future.

The Strategic Report of NES Global Talent Limited was approved by the Board of Directors and signed on its behalf on 17 June 2024 by:

S.W. Buckley
Director

12 NES GLOBAL TALENT LIMITED



Directors' Report

For the year ended 31 October 2023

The directors present their annual report on the affairs of the Group, together with the audited financial statements and auditor's report, for the year ended 31 October 2023.

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 financial risk management and future developments which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulation 2008' to be contained in a directors' report.

GOING CONCERN

After making enquiries and based on the assumptions outlined in note 2 of the financial statements, the directors have satisfied themselves that it is reasonable for them to conclude it is appropriate to adopt the going concern basis for preparing these financial statements. The business activities, performance, strategy, risks and financial position of the Group are set out elsewhere in these reports and financial statements. The directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future.

DIRECTORS

The directors who served during the year and thereafter were:

F. A. Braun (appointed 15 May 2023)
S.W. Buckley
B.W.D. Connolly
S.F. Coton
T.I. Gilliam
A.J.W. Hoffman
K. E. Kjelstad
A. C. Kramvis (resigned 12 June 2023)
T. J. Pryma

DIRECTORS INDEMNITIES

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

DIVIDENDS

Dividends of \$4.2m were paid to non-controlling interests during the year (2022: \$1.2m). The directors did not declare or pay interim ordinary dividends in respect of the year ended 31 October 2023 (2022: \$nil). The directors recommend that no final ordinary dividend be paid in respect of the year ended 31 October 2023 (2022: \$nil).

EMPLOYEES

In considering applications for employment from disabled people the Group seeks to ensure that full and fair consideration is given to the abilities and aptitudes of the applicant against the requirements of the job for which he or she has applied. Employees who become temporarily or permanently disabled are given individual consideration. Where possible equal opportunities for training, career development and promotions are given to disabled persons. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of our business and are of interest and concern to them as employees. The Group also encourages, where relevant, meetings with employees on a regular basis to discuss matters affecting them.

13 NES GLOBAL TALENT LIMITED



Directors' Report (continued)

For the year ended 31 October 2023

ENERGY AND CARBON REPORTING

The energy and carbon reporting for the period is set out and is commented on within the Strategic Report on page 5.

POLITICAL DONATIONS

No company in the Group made any political donations or incurred any political expenditure during the year (2022: \$nil).

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP as existing auditors will be deemed to be reappointed and will therefore continue in office.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are 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
17 June 2024



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 Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 the parent Company 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 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.

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

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

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

15 NES GLOBAL TALENT LIMITED



Independent Auditor's Report to the Members of NES Global Talent Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion:

- the financial statements of NES Global Talent Ltd (the 'company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and company balance sheets;
- the consolidated and company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 30, related company notes 1 to 6.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 group and 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 group's and parent 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.

16 NES GLOBAL TALENT LIMITED



Independent Auditor's Report to the Members of NES Global Talent Limited (continued)

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 within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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 group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

17 NES GLOBAL TALENT LIMITED



Independent Auditor's Report to the Members of NES Global Talent Limited (continued)

We obtained an understanding of the legal and regulatory framework that the Group 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 group's ability to operate or to avoid a material penalty. These included environmental regulations.

We discussed among the audit engagement team such as tax, IT and valuations 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 areas, and our specific procedures performed to address them are described below:

- Valuation of provisions
 - Obtained an understanding of the management review controls relating to the valuation of provisions;
 - Obtained management's provisions paper which details all categories of provisions recognised as at 31 October 2023;
 - Assessed management's policies for recognition of each category of provision and their rationale for the valuation of each provision recognised;
 - Tested a sample of provisions by assessing each item against the recognition criteria under IAS 37 and verified each selection to relevant documentation or other evidence to support the valuation of each item selected; and
 - Held independent discussions with management's tax and legal specialists in order to assess the position for certain provisions.
- 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 2023; 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 group'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.

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.

18 NES GLOBAL TALENT LIMITED



Independent Auditor's Report to the Members of NES Global Talent Limited (continued)

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 group and of the company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

17 June 2024

19 NES GLOBAL TALENT LIMITED



Consolidated Income Statement

For the year ended 31 October 2023

		31 October 2023	31 October 2022
	Notes	\$'000	\$'000
Revenue	3	2,698,935	2,332,294
Cost of sales		(2,380,489)	(2,055,644)
Gross profit		318,446	276,650
Administrative expenses	4	(225,529)	(190,528)
Operating profit before management recharges, exceptional items, depreciation and amortisation		125,973	108,805
Management recharges		(1,046)	(910)
Exceptional items		(5,390)	3,908
Depreciation		(10,049)	(8,275)
Amortisation of intangible assets		(16,571)	(17,406)
Operating profit		92,917	86,122
Finance income	6	598	8,045
Finance costs	7	(126,939)	(86,250)
(Loss)/profit before tax	8	(33,424)	7,917
Tax charge	10	(12,985)	(18,656)
Loss from continuing operations		(46,409)	(10,739)
Profit/(loss) from discontinued operations (net of tax)	26	7	(918)
Loss for the year	23	(46,402)	(11,657)
Attributable to:			
Owners of the Company		(53,465)	(23,425)
Non-controlling interests		7,063	11,768
		(46,402)	(11,657)

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



Consolidated Statement of Comprehensive Income For the year ended 31 October 2023

	31 October 2023 \$'000	31 October 2022 \$'000
<u>Loss for the year</u>	(46,402)	(11,657)
<i>Items that may be reclassified subsequently to profit and loss:</i>		
Exchange (loss)/gain on retranslation of foreign operations	(6,296)	46,424
<u>Total comprehensive (expense)/income for the year</u>	<u>(52,698)</u>	<u>34,767</u>
Attributable to:		
Owners of the Company	(58,741)	23,113
Non-controlling interests	6,043	11,654
	<u>(52,698)</u>	<u>34,767</u>



Consolidated Balance Sheet

As at 31 October 2023

		2023 \$'000	2022 \$'000
<u>Non-current assets</u>	Notes		
Goodwill	11	135,140	123,486
Intangibles	12	46,384	54,317
Property and equipment	13	18,385	14,868
Investments	15	2,101	1,857
Deferred tax asset	20	2,582	7,712
		<u>204,592</u>	<u>202,240</u>
<u>Current assets</u>			
Trade and other receivables	16	561,301	533,091
Cash and bank balances	16	90,720	94,432
Assets in disposal groups classified as held for sale	26	-	16,167
		<u>652,021</u>	<u>643,690</u>
<u>Total assets</u>		<u>856,613</u>	<u>845,930</u>
<u>Current liabilities</u>			
Trade and other payables	17	(336,573)	(316,783)
Current tax liabilities		(3,391)	(9,013)
Borrowings	18	(107,170)	(108,174)
Total liabilities associated with assets held for sale	26	-	(8,627)
		<u>(447,134)</u>	<u>(442,597)</u>
<u>Net current assets</u>		<u>204,887</u>	<u>201,093</u>
<u>Non-current liabilities</u>			
Borrowings	18	(881,788)	(805,836)
Deferred tax liabilities	20	(4,419)	(11,993)
Other non-current liabilities	21	(7,591)	(7,344)
Provisions	25	(6,057)	(9,339)
		<u>(899,855)</u>	<u>(834,512)</u>
<u>Total liabilities</u>		<u>(1,346,989)</u>	<u>(1,277,109)</u>
<u>Net liabilities</u>		<u>(490,376)</u>	<u>(431,179)</u>
<u>Equity</u>			
Share capital	22	20	20
Share premium		19,044	19,044
Retained earnings		(571,737)	(510,638)
Other reserves		28,148	28,089
		<u>(524,525)</u>	<u>(463,485)</u>
<u>Equity attributable to owners of the Company</u>		<u>(524,525)</u>	<u>(463,485)</u>
Non-controlling interests		34,149	32,306
<u>Total equity</u>		<u>(490,376)</u>	<u>(431,179)</u>

The accompanying notes are an integral part of this consolidated balance sheet. The consolidated financial statements of NES Global Talent Limited (Company number 08240307) were approved by the Board of Directors and authorised for issue on 17 June 2024. They were signed on its behalf by:

S.W. Buckley
Director

22 NES GLOBAL TALENT LIMITED



Consolidated Cash Flow Statement

For the year ended 31 October 2023

		31 October 2023 \$'000	31 October 2022 \$'000
<u>Cash inflow from operating activities</u>	Notes 23	97,583	38,457
<u>Investing activities</u>			
Purchases of property and equipment	13	(2,602)	(2,472)
Proceeds on disposal of property and equipment		62	163
Net cash outflow on disposal of subsidiary undertaking	26	(1,157)	-
Net cash outflow on acquisition of subsidiary undertaking	14	(21,948)	(375)
Purchase of intangibles		(1,789)	(1,319)
<u>Net cash outflow from investing activities</u>		<u>(27,434)</u>	<u>(4,003)</u>
<u>Financing activities</u>			
Repayment of borrowings		-	(262,958)
Interest paid		(52,032)	(26,448)
Proceeds of bond, net of fees deducted at source		-	286,464
Deferred and contingent consideration paid on previous acquisitions		(6,375)	-
Dividends paid to non-controlling interests		(4,200)	(1,162)
Refinancing fees paid directly		-	(5,566)
Finance lease payments	24	(9,770)	(8,353)
<u>Net cash used in financing activities</u>		<u>(72,377)</u>	<u>(18,023)</u>
<u>Net (decrease)/increase in cash and cash equivalents</u>		<u>(2,228)</u>	<u>16,431</u>
Net exchange rate movements	23	(457)	3,404
<u>Cash and cash equivalents at beginning of year</u>		<u>(13,765)</u>	<u>(33,600)</u>
<u>Cash and cash equivalents at end of year</u>	23	<u>(16,450)</u>	<u>(13,765)</u>

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



Consolidated Statement of Changes in Equity

For the year ended 31 October 2023

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Translation reserve \$'000	Non- controlling interests \$'000	Merger reserve \$'000	Total \$'000
<u>At 1 November 2021</u>	20	19,044	(487,213)	(19,084)	21,814	635	(464,784)
Net (loss)/profit for the year	-	-	(23,425)	-	11,768	-	(11,657)
Exchange gain/(loss) on retranslation of foreign operations	-	-	-	46,538	(114)	-	46,424
Total comprehensive income/ (expense) for the year	-	-	(23,425)	46,538	11,654	-	34,767
Dividends paid to non- controlling interests	-	-	-	-	(1,162)	-	(1,162)
<u>At 31 October 2022</u>	20	19,044	(510,638)	27,454	32,306	635	(431,179)
Net (loss)/profit for the year	-	-	(53,465)	-	7,063	-	(46,402)
Exchange loss on retranslation of foreign operations	-	-	-	(5,276)	(1,020)	-	(6,296)
Total comprehensive (expense)/income for the year	-	-	(53,465)	(5,276)	6,043	-	(52,698)
Loss reclassified to retained earnings on the winding up of foreign operations	-	-	(5,335)	5,335	-	-	-
Dividends paid to non- controlling interests	-	-	-	-	(4,200)	-	(4,200)
Adjustment arising from change in non-controlling interest (note 28)	-	-	(2,299)	-	-	-	(2,299)
<u>At 31 October 2023</u>	20	19,044	(571,737)	27,513	34,149	635	(490,376)

24 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements

For the year ended 31 October 2023

1 GENERAL INFORMATION

NES Global Talent Limited is a private company limited by shares, registered in England and Wales and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Strategic Report and the Directors Report on pages 2 to 14. These financial statements are presented in US dollars, because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out below in note 2.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below.

Basis of accounting

The financial statements have been prepared in accordance with United Kingdom adopted international standards.

The financial statements have been prepared on the historical cost basis unless otherwise specified under the accounting policies listed in note 2. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Going concern

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

On 14 September 2022, NES Fircroft Bondco AS 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 a fixed interest rate at 11.75%. The Group also secured committed funding via a \$72 million revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026. In the year ended 31 October 2023 the revolving credit facility was increased to \$84 million. Subsequent to year end, the revolving credit facility was increased by \$6 million to \$90 million.

The combined Group facilities in place at 31 October 2023 consist of a \$84 million revolving credit facility, \$159 million of invoice discounting facilities and a senior secured bond of \$300 million. Despite the continued increase in trade since year end, the Group had undrawn committed facilities of \$144 million at 31 May 2024, 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 2025.

25 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES

Going concern (continued)

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

Adoption of new and revised standards

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board that are mandatorily effective for an accounting period that begins on or after 1 November 2022. Their adoption has not had any material impact on the disclosures of on the amounts reported in the financial statements.

Annual Improvements to IFRS Standards 2018–2020 (May 2020)	Amendments have been made to affected Standards so that they refer to the new Framework. The Standards which are amended include IFRS 1, IFRS 9, IFRS 16 and IAS 4.
Amendments to IFRS 3 (May 2020) <i>Reference to conceptual framework</i>	The amendment to IFRS 3 has added an explicit statement to the standard stating that the acquirer in a business combination, will not recognise contingent assets as a part of the transaction.
Amendments to IAS 16 <i>PPE – Proceeds before intended use</i>	The treatment of proceeds paid before the sale of a saleable asset, the amendment amends the standard to prohibit netting early proceeds paid for the purchase an item of PPE with the cost to bring that item into its operating condition as defined in IAS16.
Amendments to IAS 37 (May 2020) <i>Onerous Contract – Cost of fulfillment</i>	Cost allocations for onerous contracts have had a refocus and now define two cost allocations; incremental (directly attributable to the contract) and other costs (indirectly attributable to the contract).

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

Amendments to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> <i>Lease Liability in a Sale and Leaseback</i>
Amendments to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 — Comparative Information</i> <i>Insurance Contracts</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IFRS 4	<i>Extension of the Temporary Exemption from Applying IFRS 9</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of accounting policies</i> <i>Non-current Liabilities with Covenants</i> <i>Classification of liabilities as current or non-current</i> <i>Classification of liabilities as current or non-current – Deferral or Effective Date</i>

26 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES

New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
	<i>International Tax Reform — Pillar Two Model Rules</i>
Amendments to IAS 8	<i>Definition of accounting estimates</i>
Amendments to IAS 21	<i>Lack of exchangeability</i>

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. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Note 6 of the Company only financial statements includes a list of investments of NES Global Talent Limited.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of incorporation or the original business combination and the minority share of changes in equity since the date of the combination. Losses applicable to the minority in excess of its interest in the subsidiary's equity are allocated against the interests of the Group, except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

Acquisitions of subsidiaries and businesses which qualify under IFRS3 are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Revenue recognition

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

27 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES

Operating profit

Operating profit is stated after charging depreciation, amortisation, exceptional items and management recharges, but before finance costs and tax.

Borrowing costs

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

Interest income and costs

Interest income and costs are recognised when it is probable that economic benefits will flow to or from the Group and the amount of revenue or cost can be measured reliably. Interest income and costs are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts and payments through the expected life of the financial asset and liability to that asset or liabilities net carrying amount on initial recognition.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated into separate cash-generating units and is tested for impairment annually, or more frequently when there is an indication that it may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets – customer relationships and brands

The Group recognises an intangible in respect of customer relationships and brands acquired in business combinations. The fair value of customer relationships has been arrived at by preparing value in use calculations to calculate the present value of future cash flows based on current trading profitability for the top customers. The fair value of a brand is calculated by projecting the revenue supported by the brand and estimating the royalty savings made through its ownership. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks.

Customer relationships and brands are amortised straight line over their useful economic lives which is eight and ten years respectively, or less if considered appropriate.

Intangible assets – computer software

The Group recognises an intangible asset in respect of computer software. An asset arising from the Group's software development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

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

28 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of each cash generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leasing

Lease contracts entered into by the Group are recognised as a right of use asset and corresponding liability at the date of which the leased asset is available for use by the Group. A right of use asset and lease liability in respect of each lease is recognised in the Group balance sheet at the present value of the lease payments that are unpaid at the commencement date. The lease payments are discounted to their present value using the Group's incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities during the year is 8.9% (2022: 8.9%). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

Lease liabilities are subsequently measured after initial recognition by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect lease payments made. The carrying amount of lease liabilities is also adjusted to reflect any reassessment or lease modifications. In the event that lease incentives are received to enter into any leases, such incentives are incorporated on initial measurement of the lease liability. Where options are present in a lease, these are reviewed on a lease by lease basis and the accounting is based on management's view regarding the probable outcome.

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

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

29 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

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

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

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

Retirement benefit costs

The Group operates defined contribution pension schemes for a number of its staff and directors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The pension balance owing at year end for staff and contractors held on the consolidated balance sheet is \$2,673,000 (2022: \$2,494,000).

Foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency). The presentational and functional currency of NES Global Talent Limited and its consolidated financial statements is US dollars.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity'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 assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in the Group's other comprehensive income and accumulated in equity.



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES

Taxation

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

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

Reserves

Translation reserve

Exchange differences relating to the translation of the net assets of the Group's subsidiaries, from their functional currencies to US dollars, are recognised directly in the translation reserve. Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation are recognised in the translation reserve.

Merger reserve

Where a merger has occurred as part of a group reconstruction, the difference between the cost of the investment and the net assets of the merged entity is taken to the merger reserve.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

31 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

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

Financial assets

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

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

Trade receivables, loans and other receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Trade receivables, loans and other receivables are assessed for indicators of impairment at each balance sheet date. They are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

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

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

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

Cash and bank balances

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

32 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES

Financial instruments (continued)

Derecognition of financial assets

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

Financial liabilities and equity

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

Equity instruments

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

Financial liabilities

Loans and borrowings

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

Derecognition of financial liabilities

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

Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The directors consider there to be no critical judgments in applying the Group's accounting policies in the current year.

Key sources of estimation uncertainty

The directors consider a key source of estimation uncertainty to relate to the level of provision required to settle outstanding legal and tax claims. Due to the complex nature of these provisions, actual costs may differ to the originally estimated provision – see note 25.

33 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

3 SEGMENTAL REPORTING

The Group reports under IFRS 8 Operating Segments which requires that the Group identifies its Chief Operating Decision Maker ("CODM"), which is currently considered to be the directors. From the information supplied to the CODM, the Group should identify the operating segments. As most customers are global, the CODM reviews performance on a global basis and therefore management consider there to be one operating segment. All revenue from this segment arises from the provision of services via contractual agreements with customers. Turnover, profit before taxation, assets and liabilities are attributable to the activity of hiring out and permanent placement of personnel to provide engineering services, and additionally for the provision of project management and project engineering services. Cost of Sales consists of the contractors' (including employed contractors) cost of supplying services and any other cost directly attributable to them.

4 ADMINISTRATIVE EXPENSES

	31 October 2023 \$'000	31 October 2022 \$'000
Staff costs (note 9)	127,249	110,192
Management recharges	1,046	910
Exceptional items (note 5)	5,390	(3,908)
Depreciation (note 13)	10,049	8,275
Amortisation of intangible assets (note 12)	16,571	17,406
Other administrative expenses	65,224	57,653
	<u>225,529</u>	<u>190,528</u>

5 EXCEPTIONAL ITEMS

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

	31 October 2023 \$'000	31 October 2022 \$'000
Deal costs	3,790	4,803
Restructuring	3,351	1,409
Legal matters	(653)	1,124
Tax matters	(1,098)	(11,244)
	<u>5,390</u>	<u>(3,908)</u>

A credit to the tax charge of approximately \$1,485,000 for the year ended 31 October 2023 (2022: \$2,010,000) is Recognised on exceptional expenditure which is allowable for tax purposes. Exceptional expenditure relating to discontinued operations not included in the above totals \$Nil (2022: \$1,569,000).

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

Restructuring – relate to various restructuring activities across the Group.

Legal and tax matters – relate to charges and credits for one-off or significant legal and tax matters. Allowance for the legal and tax claims when not settled during the year are included in the provisions balance within note 25.

34 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

6 FINANCE INCOME

	31 October 2023 \$'000	31 October 2022 \$'000
Interest receivable from related parties	598	744
Non-cash foreign exchange gains	-	7,301
	<u>598</u>	<u>8,045</u>

Finance income relating to discontinued operations not included in the above total is \$Nil (2022: \$67,000), see note 25 for further detail.

7 FINANCE COSTS

	31 October 2023 \$'000	31 October 2022 \$'000
Interest payable on bank loans, loan notes and overdrafts	107,803	81,598
Interest payable on loans from related parties	-	238
Amortisation of debt issue costs (note 18)	4,787	2,229
Debt issue costs written off (note 18)	-	1,165
Interest on lease liabilities	1,231	1,020
Non-cash foreign exchange losses	13,118	-
	<u>126,939</u>	<u>86,250</u>

Finance costs relating to discontinued operations not included in the above total \$Nil (2022: \$2,098,000)

8 LOSS BEFORE TAX FROM CONTINUING OPERATIONS

Loss before tax from continuing operations is stated after charging:

	31 October 2023 \$'000	31 October 2022 \$'000
Depreciation of right of use assets (note 13)	8,292	6,759
Depreciation of other property and equipment (note 13)	1,757	1,516
	<u>10,049</u>	<u>8,275</u>
Amortisation of intangible assets (note 12)	16,571	17,406
Gain on disposal of property and equipment (note 13)	(42)	(46)
Staff costs (note 9)	127,249	110,192
Rental of low value assets	81	75
	<u>144,807</u>	<u>136,302</u>
The analysis of auditor's remuneration is as follows:		
Auditor's remuneration for audit services – parent's consolidated financial statements	72	72
Auditor's remuneration for audit services – subsidiaries' financial statements	3,473	1,738
Total audit fees	<u>3,545</u>	<u>1,810</u>
Tax services – compliance	361	341
Tax services – advisory	111	-
Assurance services	750	-
Other fees – corporate finance services	-	890
Total non-audit fees	<u>1,222</u>	<u>1,231</u>
Total fees	<u>4,767</u>	<u>3,041</u>

35 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

9 STAFF COSTS

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

	31 October 2023 Number	31 October 2022 Number
Sales and administration	1,865	1,735

Included in the above are employees from discontinued operations totalling 11 (2022: 198)

2023 \$'000	2022 \$'000
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Their aggregate remuneration (including executive directors) comprised:

Wages and salaries	118,962	102,851
Social security costs	6,596	5,742
Pension costs	1,691	1,599
	<u>127,249</u>	<u>110,192</u>

See note 28 for details of key management compensation.

Staff costs relating to discontinued operations not included in the above total \$114,000 (2022: \$2,606,000).

10 TAX CHARGE

	31 October 2023 \$'000	31 October 2022 \$'000
Current tax expense		
Current tax on profits for the year	18,549	21,599
Current tax – prior period adjustments	(132)	(667)
Total current tax charge	<u>18,417</u>	<u>20,932</u>
Deferred tax		
Deferred tax – origination and reversal of temporary differences	(4,404)	(997)
Deferred tax – prior period adjustments	(1,029)	(219)
Total deferred tax credit	<u>(5,433)</u>	<u>(1,216)</u>
Continuing and discontinued operations		
Income tax expense from continuing operations	12,985	18,656
Income tax expense from discontinued operations	(1)	1,060
Total current tax charge	<u>12,984</u>	<u>19,716</u>

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. Current tax is calculated on the taxable income or loss for the year, using the tax rates enacted or substantially enacted at the reporting date in each jurisdiction. Current tax also includes any adjustment of taxes from previous years.

Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the future corporation tax rates substantively enacted by the balance sheet date in the respective jurisdictions.

Deferred tax assets are only recognised to the extent that it is considered probable that future taxable profits will be available to utilise the asset.

36 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

10 TAX CHARGE (CONTINUED)

On 11 July 2023, the United Kingdom enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the Group's ultimate parent will be required to pay, in the United Kingdom, top-up tax on profits of its subsidiaries located in territories outside the United Kingdom that are taxed at an effective tax rate of less than 15 per cent. The legislation will first apply to the Group's accounting period ended 31 October 2025. The group and ultimate parent company are within the scope of Pillar Two legislation, the group has opted to utilise the disclosure exemption as stated within IAS 12 regarding these amounts. The group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

The tax charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	31 October 2023 \$'000	31 October 2022 \$'000
Loss for the year	(46,402)	(11,657)
Income tax expense (including income tax on discontinued operations)	12,984	19,716
<u>(Loss)/profit before tax</u>	<u>(33,418)</u>	<u>8,059</u>
(Loss)/profit before tax multiplied by the blended (2022: standard) rate of corporation tax in the UK of 22.5% (2022: 19%)	(7,519)	1,531
Effects of:		
Expenses not deductible	3,024	1,786
Adjustments in respect of current income tax of previous years	(132)	(667)
Adjustments in respect of deferred tax on previous years	(1,029)	(219)
Interest not deductible	19,129	12,428
Deferred tax rate change adjustment	-	326
Deferred tax previously not recognised	(3,742)	(171)
Deferred tax on unremitted earnings	797	1,175
Deferred tax not provided	1,298	3,329
Adjustments in respect of withholding taxes	3,036	2,310
Adjustments in respect of other taxes	141	2,735
Effect of overseas corporation tax rates	(2,019)	(4,847)
<u>Tax charge for the year</u>	<u>12,984</u>	<u>19,716</u>



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

11 GOODWILL

	AMEA (Asia, Middle East and Australasia) \$'000	Americas \$'000	Europe \$'000	Total \$'000
Cost				
At 1 November 2021 and 31 October 2022	30,266	66,822	51,825	148,913
Additions (note 14)	11,392	-	-	11,392
At 31 October 2023	41,658	66,822	51,825	160,305
Exchange rate movements				
At 1 November 2021	(4,225)	(2,597)	(3,942)	(10,764)
Exchange rate movements	(4,136)	(2,549)	(7,978)	(14,663)
At 31 October 2022	(8,361)	(5,146)	(11,920)	(25,427)
Exchange rate movements	(102)	629	(265)	262
At 31 October 2023	(8,463)	(4,517)	(12,185)	(25,165)
Carrying amount				
At 31 October 2023	33,195	62,305	39,640	135,140
At 31 October 2022	21,905	61,676	39,905	123,486
At 1 November 2021	26,041	64,225	47,883	138,149

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for next year's cash flow and extrapolates these cash flows to a ten year period applying a growth rate of 0%.

Management considers this a prudent approach when compared to the use of a terminal value approach and expected performance of the Group in years two to ten.

The key assumptions for the value in use calculations are those regarding the discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks. The discount rates used in the 2023 impairment review were derived from a post tax discount rate, and range between 11.20% to 14.28% (2022: 13.50%). The Group has carried out a sensitivity analysis on the impairment review which shows that a possible change of 10% in the discount rate or growth rate would not indicate an impairment.



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

12 INTANGIBLES

	Computer software \$'000	Customer relationships \$'000	Brands \$'000	Total \$'000
Cost				
At 1 November 2021	11,496	386,788	4,889	403,173
Additions	1,319	-	-	1,319
Disposals	-	(11,417)	-	(11,417)
Assets reclassified as held for sale (note 26)	(142)	-	-	(142)
Exchange rate movements	(1,915)	(56,712)	(776)	(59,403)
At 31 October 2022	10,758	318,659	4,113	333,530
Acquisitions (note 14)	-	7,218	-	7,218
Additions	1,789	-	-	1,789
Disposals	(219)	(212,291)	-	(212,510)
Exchange rate movements	447	4,921	192	5,560
At 31 October 2023	12,775	118,507	4,305	135,587
Amortisation				
At 1 November 2021	(6,690)	(316,385)	(546)	(323,621)
Charge for the year (note 8 & 26)	(1,518)	(15,479)	(452)	(17,449)
Disposals	-	11,417	-	11,417
Impairment of assets held for sale (note 26)	(77)	-	-	(77)
Assets reclassified as held for sale (note 26)	142	-	-	142
Exchange rate movements	1,189	49,059	127	50,375
At 31 October 2022	(6,954)	(271,388)	(871)	(279,213)
Charge for the year (note 8 & 26)	(1,375)	(14,765)	(436)	(16,576)
Disposals	215	212,291	-	212,506
Exchange rate movements	(287)	(5,598)	(35)	(5,920)
At 31 October 2023	(8,401)	(79,460)	(1,342)	(89,203)
Carrying amount				
At 31 October 2023	4,374	39,047	2,963	46,384
At 31 October 2022	3,804	47,271	3,242	54,317
At 1 November 2021	4,806	70,403	4,343	79,552

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

Customer relationships are amortised over an eight-year period which is the estimated average length of the underlying relationships. At 31 October 2023 the remaining amortisation period for material customer relationships is between three and four years (31 October 2022: between three and four years). During the year the Group performed a review of its intangible assets and have reflected as a disposal those which are fully written down. No gain or loss is recognised on this disposal. Brands are amortised over their useful economic life, which is estimated at ten years.

In order to test for impairment of intangible assets recognised, the Group prepares cash flow forecasts derived from the most recent financial budgets approved by management. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the Group. The discount rate range used in the 2023 impairment review was 11.20% to 14.28% (2022: 13.50%).

The Group has carried out a sensitivity analysis on the impairment review which shows that a possible change of 10% in the discount rate or growth rate would not indicate impairment.

39 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

13 PROPERTY AND EQUIPMENT

	Leasehold improvements \$'000	Computer equipment \$'000	Fixtures, fittings and equipment \$'000	Motor vehicles \$'000	Right of use assets (note 24) \$'000	Total \$'000
Cost						
At 1 November 2021	1,680	3,686	2,164	197	19,859	27,586
Additions	680	1,379	413	-	9,065	11,537
Disposals	-	(61)	(1)	(120)	(6,585)	(6,767)
Assets classified as held for sale (note 26)	-	(230)	(111)	-	(522)	(863)
Exchange rate movements	(213)	(647)	(277)	(14)	(2,049)	(3,200)
At 31 October 2022	2,147	4,127	2,188	63	19,768	28,293
Acquisitions (note 14)	-	2	24	17	439	482
Additions	491	1,638	473	-	12,042	14,644
Disposals	-	-	(26)	(31)	(7,363)	(7,420)
Exchange rate movements	36	40	22	(12)	(9)	77
At 31 October 2023	2,674	5,807	2,681	37	24,877	36,076
Accumulated depreciation						
At 1 November 2021	(971)	(2,315)	(1,099)	(122)	(8,160)	(12,667)
Charge for the year (note 8 & 26)	(308)	(911)	(360)	(27)	(7,410)	(9,016)
Disposals	-	-	-	94	5,705	5,799
Impairment of assets held for sale (note 26)	-	(136)	(39)	-	(77)	(252)
Assets classified as held for sale (note 26)	-	230	111	-	416	757
Exchange rate movements	153	497	179	11	1,114	1,954
At 31 October 2022	(1,126)	(2,635)	(1,208)	(44)	(8,412)	(13,425)
Charge for the year (note 8 & 26)	(360)	(981)	(420)	(2)	(8,331)	(10,094)
Disposals	-	-	22	15	5,772	5,809
Exchange rate movements	(25)	(38)	(22)	11	93	19
At 31 October 2023	(1,511)	(3,654)	(1,628)	(20)	(10,878)	(17,691)
Carrying amount						
At 31 October 2023	1,163	2,153	1,053	17	13,999	18,385
At 31 October 2022	1,021	1,492	980	19	11,356	14,868
At 1 November 2021	709	1,371	1,065	75	11,699	14,919



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

14 ACQUISITION OF SUBSIDIARY

On 2 February 2023, the Group acquired 100% of the issued share capital of Evolve Scientific Recruitment Pty Limited in exchange for \$19,696,000 (AUD 27,834,000). The company, based in Australia, specialises in scientific and technical recruitment. The acquisition will allow the Group to gain synergies from knowledge sharing, whilst also allowing for expansion into new markets. The transaction with Evolve qualifies as a business combination as defined in IFRS3. The amounts recognised in respect of assets acquired and liabilities assumed are \$8,364,000. This results in goodwill arising of \$11,332,000.

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	476
Deferred tax asset	198
Identifiable intangible assets	7,218
Trade and other receivables	3,954
Cash and other equivalents	882
Trade and other payables	(2,159)
Deferred tax liabilities on intangible assets	(2,205)
Total identifiable assets acquired, and liabilities assumed	8,364
Goodwill	11,332
Total consideration transferred	19,696
Net cash outflow arising on acquisition:	
Cash consideration paid	(19,696)
Recognition of other receivables	(3,131)
Cash and cash equivalent balances acquired	882
	(21,945)

Recognition of other receivables relates to amounts paid and recoverable based on performance and service related conditions.

Intangible assets acquired represent \$7,218,000 customer relationships. Goodwill on acquisition totalled \$11,332,000. At 31 October 2023, goodwill relating to the transaction totalled \$10,207,000. The difference arising as a result of a foreign exchange loss of \$1,125,000 between the acquisition date and 31 October 2023.

Evolve contributed \$26,335,000 revenue, \$1,670,000 profit after tax to the Group's profit 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 31 October 2023 would have been \$2,706,996,000, adjusted Group EBITDA would have been \$126,865,000 and Group profit after tax would have been \$2,906,000.

On 19 April 2023, the Group purchased 100% of the ordinary share capital of Polarities Co Ltd. Total assets acquired and liabilities assumed were \$411,000 and \$351,000 respectively. The consideration transferred in cash and cash equivalents was \$120,000, this generated goodwill of \$60,000.

41 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

15 INVESTMENTS

	2023	2022
	\$'000	\$'000
Investments in share units of ultimate parent partnership	532	532
Investments in loan note units of ultimate parent partnership	1,569	1,325
	<u>2,101</u>	<u>1,857</u>

At 31 October 2023 the Group held 5,081 share units in NES Global Talent LP (2022: 5,081 units).

At 31 October 2023, the Group held \$1,569,000 loan note units issued by NES Global Talent LP (2022: \$1,325,000). These are warehoused in a Group trust, NES Group EBT.

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 7 of the Company financial statements.

16 OTHER CURRENT ASSETS

Trade and other receivables

	2023	2022
	\$'000	\$'000
Amounts receivable for the sale of services	461,301	441,171
Allowance for doubtful debts	(4,168)	(4,245)
	<u>457,133</u>	<u>436,926</u>
Other debtors	26,530	23,514
Amounts receivable from parent partnership (note 28)	13,344	13,029
Amounts receivable from related parties (note 28)	943	4,281
Prepayments	11,218	9,264
Accrued income	52,133	46,077
	<u>561,301</u>	<u>533,091</u>

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

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

	Net trade receivables		Expected credit loss %	
	2023	2022	2023	2022
	\$'000	\$'000		
Not past due	410,975	382,883	1%	1%
Past due 0 – 30 days	34,986	36,908	1%	1%
Past due 31 – 60 days	3,745	6,769	2%	2%
Past due 61 – 90 days	2,536	2,742	2%	2%
More than 90 days	4,891	7,624	2%	2%
	<u>457,133</u>	<u>436,926</u>		

42 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

16 OTHER CURRENT ASSETS (CONTINUED)

Trade receivables

The Group carries a provision for doubtful debts of \$4,168,000 (2022: \$4,245,000) against trade receivables of \$461,301,000 (2022: \$441,171,000). Management maintains a policy of periodically reviewing all debtor balances for recoverability. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. There has been no change in the estimation techniques during the current reporting period. Other classes within trade and other receivables do not contain impaired assets.

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

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

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does aim to remove credit risk entirely but expects to experience a certain level of credit losses. As at 31 October 2023, the Group had credit enhancement in place designed to mitigate approximately \$311,500,000 (2022: \$303,750,000). Credit enhancements are derived from insurance; the Group does not have any legal right to offset against any amounts owed by the Group to the counterparty.

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

	2023	2022
	\$'000	\$'000
AMEA (Asia, Middle East and Australasia)	245,687	192,817
Americas	132,696	144,071
Europe	82,918	104,913
	<u>461,301</u>	<u>441,171</u>

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

Cash and bank balances

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

	2023	2022
	\$'000	\$'000
Cash and bank balances	<u>90,720</u>	<u>94,432</u>



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

17 OTHER CURRENT LIABILITIES

	2023	2022
	\$'000	\$'000
Trade payables	211,429	185,143
Sales and payroll taxes and social security	42,625	42,038
Lease liabilities (note 24)	6,938	4,822
Amounts owing to parent partnership (note 28)	5,950	5,457
Amounts owing to related parties (note 28)	5,678	9,450
Accruals and deferred income	63,953	67,899
Contingent consideration	-	1,974
	<u>336,573</u>	<u>316,783</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases, contractor payroll and ongoing costs. The current financial liabilities shown above arise from the normal trading activities of the Group and are payable in line with normal terms of trade which, on average, are 20 days for trade purchases and 12 days for contractor payroll costs.

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

Amounts owed to related parties are unsecured, interest bearing and repayable on demand.

Allowance for the deal costs and restructuring costs included within exceptional items disclosed in note 5, when not settled during the year, are included in the accruals and deferred income balance.

Contingent consideration of \$1,974,000 disclosed in the prior year has been paid out in full during the year, with no liability remaining as of 31 October 2023.

Contingent consideration

The movement in contingent consideration in the year is as follows:

	\$'000
Contingent consideration at 1 November 2021	1,818
Unwinding of discounting	156
Contingent consideration at 31 October 2022	<u>1,974</u>
Unwinding of discounting	26
Amount settled	<u>(2,000)</u>
Contingent consideration at 31 October 2023	<u>-</u>



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

18 BORROWINGS

	2023 \$'000	2022 \$'000
<u>Unsecured borrowings at amortised cost</u>		
A listed loan notes issued by NES Global Talent Finance Limited	450,525	393,303
B loan notes issued by NES Global Talent Finance Limited	38,593	33,361
AA listed loan notes issued by NES Global Talent Finance Limited	106,645	93,100
	<u>595,763</u>	<u>519,764</u>
<u>Secured borrowings at amortised cost</u>		
Senior secured bond	300,000	300,000
Related capitalised costs of raising finance	(13,975)	(18,704)
Net senior bank loans	286,025	281,296
Bank overdrafts	107,170	112,950
	<u>393,195</u>	<u>394,246</u>
	<u>988,958</u>	<u>914,010</u>
<u>Total borrowings</u>		
Amount due for settlement within 12 months	107,170	108,174
Amount due for settlement after 12 months	881,788	805,836
	<u>988,958</u>	<u>914,010</u>

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

A loan notes issued by NES Global Talent Finance Limited

On 19 October 2012, NES Global Talent Finance Limited, a 100% subsidiary of NES Global Talent Limited, issued unsecured A loan notes totalling \$281,362,000. These loan notes were listed on The International Stock Exchange on 11 December 2012. The loan notes are denominated in sterling \$248,960,000 (£155,309,000) and US dollars \$32,402,000. They were issued in five equal tranches for both the sterling and US dollar denominated loan notes. The loan note instruments are due for repayment in 2032 and attract interest at varying rates between 9.75% and 10.5% depending on the tranche of loan. Payment of interest due on the A loan notes can be made in cash, settled by the issue of PIK notes or deferred until any subsequent interest payment date, with the deferred interest being added to the aggregate nominal amount and interest being payable on the new aggregate sum.

The balance at 31 October 2023 is \$450,525,000 (2022: \$393,303,000), the A loan note instrument having accrued interest of \$42,083,000 (2022: \$39,395,000) during the year and suffering from a non-cash foreign exchange loss of \$15,139,000 (2022: gain of: \$60,166,000) on conversion to USD.

B loan notes issued by NES Global Talent Finance Limited

On 19 October 2012, NES Global Talent Finance Limited issued unsecured B loan notes, denominated in sterling of \$32,953,000 (£20,557,000). These loan notes attract interest at the rate of 10.2% per annum and are due for repayment in 2032. Payment of interest due on these B loan notes can be made in cash or deferred until any subsequent interest payment date, with the deferred interest being added to the aggregate nominal amount and interest being payable on the new aggregate sum.

45 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

18 BORROWINGS

B loan notes issued by NES Global Talent Finance Limited (continued)

The balance at 31 October 2023 is \$38,593,000 (2022: \$33,361,000). There were no B loan notes redeemed during the year (2022: \$nil) and no interest was paid (2022: no interest paid). The loan notes have accrued interest of \$3,716,000 (2022: \$3,321,000) during the year. The remaining loss of \$1,516,000 (2022 gain of: \$6,026,000) is due to the non-cash foreign exchange impact on conversion to US dollars.

AA loan notes issued by NES Global Talent Finance Limited

On 6 January 2017, NES Global Talent Finance Limited issued unsecured AA loan notes totalling \$51,289,000. These loan notes were listed on The International Stock Exchange on 17 October 2017. The loan notes are denominated in sterling \$44,302,000 (£33,453,000) and US dollars \$6,987,000. They were issued in four tranches for both the sterling and US dollar denominated loan notes. The loan note instruments are due for repayment in 2032 and attract interest at varying rates between 9.75% and 10.5% depending on the tranche of loan. Payment of interest due on the AA loan notes can be made in cash, settled by the issue of PIK notes or deferred until any subsequent interest payment date, with the deferred interest being added to the aggregate nominal amount and interest being payable on the new aggregate sum.

On 30 June 2018, NES Global Talent Finance Limited issued further unsecured AA loan notes totalling \$9,185,000. The loan notes are denominated in sterling \$7,938,000 (£5,970,000) and US dollars \$1,247,000. These loan notes were listed on the International Stock Exchange on 7 September 2018. They were issued in four tranches for both the sterling and US dollar denominated loan notes under the same terms as the existing AA loan notes.

The balance at 31 October 2023 is \$106,645,000 (2022: \$93,100,000), the AA loan note instrument having accrued interest of \$9,962,000 (2022: \$9,326,000) during the year, inclusive of the issue of further loan notes. There was a foreign exchange loss in the year of \$3,583,000 (2022 gain of: \$14,241,000) on conversion to USD.

Senior term bank loan and senior secured bond

On 29 September 2022 the Group secured committed funding via a secured bond, totalling \$300,000,000. The bond, held by NES Fircroft Bondco AS was listed on Oslo Bors on 25 August 2023. The bond is due for repayment in 2026 and incurs a fixed rate of interest at 11.75%. The carrying amount of the bond per at 31 October 2023 is a reasonable approximation of fair value.

During the year, total costs of \$58,000 (2022: \$19,102,000) were capitalised in relation to raising finance for the bond. \$4,787,000 (2022: \$398,000) of capitalised costs of raising finance for the bond have been amortised to finance costs during the year. The remaining \$13,975,000 will be amortised to finance costs over the term of the bond. Note in the prior year, an additional \$1,831,000 of capitalised costs of raising finance in relation to the previous senior term bank loan facility were amortised to finance costs, with \$1,165,000 written off following the repayment of the senior term bank loan.

Bank overdrafts

During September 2022, the existing revolving credit facility was replaced by a new \$72m revolving credit facility, which was increased by \$12,000,000 to \$84,000,000 during the year. Subsequent to the reporting date, this was increased to \$90,000,000. The facility matures in September 2026. As at 31 October 2023: \$Nil, (2022: \$Nil) was drawn down.

The Group has access to various local overdraft and invoice discounting facilities, secured against trade debtors. At 31 October 2023, \$107,170,000 (2022: \$112,950,000) was drawn down on these facilities. The Group has undrawn committed facilities at 31 October 2023 of \$133,731,000 (2022: \$106,368,000).



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

19 FINANCIAL INSTRUMENTS

Significant accounting policies

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

Categories of financial instruments

	2023	2022
<u>Financial assets</u>	\$'000	\$'000
Cash	90,720	94,432
Debtors	471,420	454,235
	<u> </u>	<u> </u>
<u>Financial liabilities</u>		
Overdrafts	107,170	112,950
Liabilities measured at amortised cost	1,119,376	1,032,146
	<u> </u>	<u> </u>

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

Financial assets - Cash and cash equivalents

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

Financial assets – Trade receivables

These comprise trade and other receivables and details are given in note 16 to the consolidated financial statements.

Financial liabilities - Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 20 days and 12 days for contractor payroll costs. The carrying amount of trade payables approximates to their fair value.

Financial liabilities – Borrowings

Details of bank loans and loan notes are given in note 18 to the consolidated financial statements.

Financial risk management objectives

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

Capital and liquidity risk management

The Group manages its capital to ensure that all entities within the Group continue as a going concern. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents and equity attributable to the equity holders of the parent comprising issued share capital and retained earnings disclosed in the Statement of changes in equity and note 21.

The Group manages liquidity risks by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. The available undrawn committed facilities of the Group at 31 October 2023 are set out in note 18.

47 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

19 FINANCIAL INSTRUMENTS

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss before tax for the year ended 31 October 2023 would increase by \$770,000/decrease by \$796,000 (2022: increase by increase by \$1,062,000/decrease by \$1,380,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Foreign currency exchange risk

Due to the nature of its business, the Group engages in foreign currency denominated transactions. Further, the Group is exposed to movements in foreign currency exchange on its investments in foreign subsidiary companies. Sensitivity analysis has been performed on the impact of and exposure to foreign currency fluctuations with no significant issues arising as a result of the analysis.

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

The following significant exchange rates were applied during the year:

	Average rate		Reporting date spot rate	
	31 October 2023	31 October 2022	31 October 2023	31 October 2022
UK sterling	0.813	0.786	0.823	0.861
Euro	0.935	0.927	0.942	1.005
Australian dollar	1.507	1.413	1.569	1.558
Norwegian krone	10.456	9.264	11.145	10.330

The Group's exposure to foreign currency risk based on currency balances held as at 31 October 2023 are as follows:

	Monetary assets		Monetary liabilities	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
UK sterling	6,172	1,909	(3,481)	(4,131)
Euro	5,951	8,101	(7,137)	(2,280)
Australian dollar	19,285	1,397	(18,120)	(1,070)
Norwegian krone	12,033	7,314	(11,770)	(7,094)
Other	9,388	13,527	(6,658)	(14,331)
	<u>52,829</u>	<u>32,248</u>	<u>(47,166)</u>	<u>(28,906)</u>



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

19 FINANCIAL INSTRUMENTS

Foreign currency exchange risk (continued)

'Other' includes assets and liabilities denominated in foreign currencies other than GBP, Euros, and Australian dollars, including UAE dirham, Saudi riyals, Malaysian ringgit, Canadian dollars, Singapore dollars and Iraqi dinar.

The following table details the Group's sensitivity to a 10% increase and decrease in US Dollar year end rate against the relevant foreign currencies. This sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The numbers below represent the movement on profit and other equity where US Dollar weakens 10% against the relevant currency. For a 10% strengthening of US Dollar against the relevant currency, there would be a comparable opposite impact on the profit and other equity.

	Profit or loss and equity	
	2023	2022
	\$'000	\$'000
Sterling	(694)	(34)
Euros	(72)	57
Australian dollar	(51)	6
Norwegian krone	(79)	94

Credit risk management

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

Trade receivables consist of a large number of customers across the Group's segments and geographies. The majority of customers by value are blue chip companies within the oil and gas sector. The Group's exposure to individuals and credit risk is detailed in note 16.

20 DEFERRED TAXATION

The following are the major deferred tax assets and liabilities recognised by the Group in the year.

	Intangibles	Losses	Restricted interest	Unremitted earnings	Other short term timing differences	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 November 2021	(12,418)	947	673	(1,342)	5,254	(6,886)
Rate change adjustment	(326)	-	-	-	-	(326)
Balance sheet reclassification	-	-	-	-	(101)	(101)
Credit/(charge) to the income statement	2,035	(14)	(26)	(1,175)	396	1,216
Exchange rate movements	1,928	(6)	(129)	213	(190)	1,816
At 31 October 2022	(8,781)	927	518	(2,304)	5,359	(4,281)
Balance sheet reclassification	-	-	-	-	(622)	(622)
Credit/(charge) to the income statement	2,053	4,776	(62)	(797)	(537)	5,433
Acquired in the period	(2,164)	-	-	-	157	(2,007)
Exchange rate movements	158	(99)	(7)	(107)	(305)	(360)
At 31 October 2023	(8,734)	5,604	449	(3,208)	4,052	(1,837)

49 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

20 DEFERRED TAXATION

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

	2023	2022
	\$'000	\$'000
Deferred tax assets – non-current	2,582	7,712
Deferred tax liabilities – non-current	(4,419)	(11,993)
	<u>(1,837)</u>	<u>(4,281)</u>

At the balance sheet date, the Group has unused tax losses of \$46,437,000 (2022: \$64,432,000) and deferred interest deductions of \$79,533,000 (2022: \$68,385,000), on which deferred tax has not been recognised. These amounts can be carried forward indefinitely, however it is not probable that future taxable profits and interest income will be available against which they can be utilised.

A deferred tax liability of \$3,208,000 (2022: \$2,304,000) has been recognised at the balance sheet date in respect of expected tax liabilities on unremitted earnings. Deferred tax has not been recognised on potential withholding tax on unremitted earnings of \$3,371,000 (2022: \$2,770,000) as it is not likely that these earnings will be remitted in the foreseeable future.

21 OTHER NON-CURRENT LIABILITIES

	31 October 2023	31 October 2022
	\$'000	\$'000
Lease liabilities (note 24)	<u>7,591</u>	<u>7,344</u>

22 CALLED-UP SHARE CAPITAL

	2023	2022
	\$	\$
<i>Authorised, allotted, called-up and fully paid</i>		
889,766 ordinary A shares of £0.01 each (2022: 889,766 shares)	13,899	13,899
53,252 ordinary B1 shares of £0.01 each (2022: 53,252 shares)	862	862
12,110 ordinary B2 shares of £0.01 each (2022: 12,763 shares)	208	220
170,000 ordinary C1 shares of £0.01 each (2022: 170,000 shares)	2,580	2,580
99,327 ordinary C2 shares of £0.01 each (2022: 98,674 shares)	1,597	1,585
1 ordinary D share of £150 each (2022: 1 share)	243	243
1 ordinary E share of £150 each (2022: 1 share)	243	243
1 ordinary F share of £150 each (2022: 1 share)	243	243
	<u>19,875</u>	<u>19,875</u>



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

22 CALLED-UP SHARE CAPITAL

Dividends are payable to holders of class A, B1, B2, C1 and C2 ordinary shares pro rata to the amount paid up on their shares. Dividends are not payable to class D, E and F ordinary shares unless resolved under the articles and with the prior written consent of the Board of Directors and the holders of at least three quarters in nominal value of the class A ordinary shares.

On a winding-up or return of capital, holders of all classes of ordinary shares are first entitled to the amount paid up on their shares. Then, holders of class A, B1, B2, C1, and C2 ordinary shares are entitled to receive, pro rata to the number of shares held by them, a share in up to \$162,000,000 (£100,000,000) of the assets of NES Global Talent Limited. Then, following a distribution of up to \$16,200 (£10,000) of the assets of the company to the holders of class D, E and F ordinary shares, holders of class A, B1, B2, C1 and C2 ordinary shares will be entitled to participate, pro rata to the amount paid up on their shares, in any remaining assets.

During the current year 653 ordinary B2 shares have been converted to ordinary C2 shares (2022: 721).

23 NOTES TO THE CASH FLOW STATEMENT

	31 October 2023	31 October 2022
	\$'000	\$'000
Loss from continuing operations	(46,409)	(10,739)
Profit/(loss) from discontinued operations	7	(918)
	<u>(46,402)</u>	<u>(11,657)</u>
Adjustments for:		
Income tax charge	12,985	19,717
Finance income	(598)	(8,045)
Finance costs	126,939	86,250
Depreciation of property and equipment	10,094	9,016
Amortisation of intangibles	16,576	17,449
Fair value adjustments on assets included within discontinued operations	-	328
Gain on disposal of property and equipment	(42)	(74)
Loss on disposal of subsidiary	506	-
	<u>120,058</u>	<u>112,984</u>
Operating cash flows before movements in working capital	120,058	112,984
Increase in receivables	(14,436)	(54,169)
Increase in payables adjusted for foreign exchange losses on loan retranslations	18,160	664
	<u>123,782</u>	<u>59,479</u>
Cash generated from operations	123,782	59,479
Income taxes paid	(26,199)	(21,022)
	<u>97,583</u>	<u>38,457</u>
Cash inflow from operating activities	97,583	38,457

The cash flow statement does not differentiate between continuing and discontinuing operations. The cash flows of discontinued operations are shown separately in note 26.

The cash flow impact of operating exceptional administrative expenses was \$4,324,000 (2022: \$5,128,000).

51 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

23 NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents:

	31 October 2023 \$'000	31 October 2022 \$'000
Cash and bank balances	90,720	94,432
Bank overdrafts	(107,170)	(112,950)
Cash and bank balances attributable to discontinued operations	-	4,753
	<u>(16,450)</u>	<u>(13,765)</u>

Analysis of changes in net debt

	1 November 2022 \$'000	Cash flow \$'000	Amortisation of debt costs and interest rolled up \$'000	Capitalised costs of debt \$'000	Net cash outflow from acquisitions \$'000	Net cash outflow on disposal of subsidiary \$'000	Movements in foreign exchange \$'000	31 October 2023 \$'000
Cash and bank balances	99,185	13,463	-	-	(21,948)	(1,157)	1,177	90,720
Bank overdrafts and invoice discounting facilities	(112,950)	7,414	-	-	-	-	(1,634)	(107,170)
	<u>(13,765)</u>	<u>20,877</u>	<u>-</u>	<u>-</u>	<u>(21,948)</u>	<u>(1,157)</u>	<u>(457)</u>	<u>(16,450)</u>
A loan notes	(393,303)	-	(42,083)	-	-	-	(15,139)	(450,525)
B loan notes	(33,361)	-	(3,716)	-	-	-	(1,516)	(38,593)
AA loan notes	(93,100)	-	(9,962)	-	-	-	(3,583)	(106,645)
Senior secured bond	(281,296)	-	(4,787)	58	-	-	-	(286,025)
Net debt	<u>(814,825)</u>	<u>20,877</u>	<u>(60,548)</u>	<u>58</u>	<u>(21,948)</u>	<u>(1,157)</u>	<u>(20,695)</u>	<u>(898,238)</u>

* Net debt includes accrued interest at 31 October 2023 of \$391,717,000 (2022: \$335,956,000)

Changes in liabilities arising from financing activities

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

	1 November 2022 \$'000	Cash flows \$'000	Interest rolled up \$'000	Net lease additions \$'000	Exchange movements \$'000	31 October 2023 \$'000
Borrowings (note 18)	(819,764)	-	(55,761)	-	(20,238)	(895,763)
Lease liabilities (note 24)	(12,166)	9,770	(1,231)	(10,792)	(110)	(14,529)
Total	<u>(831,930)</u>	<u>9,770</u>	<u>(56,992)</u>	<u>(10,792)</u>	<u>(20,348)</u>	<u>(910,292)</u>

52 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

23 NOTES TO THE CASH FLOW STATEMENT

Balances at 31 October 2023 comprise:

	Current assets \$'000	Current liabilities \$'000	Non-current liabilities \$'000	Total \$'000
Cash and bank balances	90,720	-	-	90,720
Overdrafts	-	(107,170)	-	(107,170)
A loan notes	-	-	(450,525)	(450,525)
B loan notes	-	-	(38,593)	(38,593)
AA loan notes	-	-	(106,645)	(106,645)
Borrowings – senior term loan	-	-	(300,000)	(300,000)
Capitalised debt costs	-	-	13,975	13,975
At 31 October 2023	<u>90,720</u>	<u>(107,170)</u>	<u>(881,788)</u>	<u>(898,238)</u>

24 LEASES

Lease assets and liabilities recognised represent contracts entered into by the Group for its office properties and certain vehicles. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Further detail on the lease accounting policy is included in note 2. The balance sheet and the income statement show the following amounts in respect of leases during the year ended 31 October 2023:

	Leasehold offices \$'000	Motor vehicles \$'000	Total \$'000
<u>Right of use assets</u>			
At 1 November 2022	11,072	284	11,356
Additions	9,462	2,580	12,042
Additions due to acquisitions of Group companies (note 14)	402	37	439
Cost disposals	(6,178)	(1,185)	(7,363)
Depreciation charge	(7,048)	(1,283)	(8,331)
Depreciation disposals	4,724	1,048	5,772
Foreign exchange translation	75	9	84
At 31 October 2023	<u>12,509</u>	<u>1,490</u>	<u>13,999</u>



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

24 LEASES

	Leasehold offices \$'000	Motor vehicles \$'000	Total \$'000
<u>Lease liabilities</u>			
At 1 November 2022	11,873	293	12,166
Recognised during the year to 31 October 2023	9,825	2,617	12,442
Interest expense on lease liabilities	1,072	159	1,231
Lease payments	(8,359)	(1,411)	(9,770)
Lease disposals	(1,513)	(137)	(1,650)
Foreign exchange translation	105	5	110
At 31 October 2023	<u>13,003</u>	<u>1,526</u>	<u>14,529</u>

Income statement

	2023 \$'000	2022 \$'000
Interest expense (note 7)	1,231	1,020
Interest expense relating to discontinued activities (note 26)	-	45
Depreciation of right of use assets (note 8)	8,292	6,759
Expense relating to leases of low-value assets – other operating lease rent (note 8)	81	75
	<u>9,604</u>	<u>7,899</u>

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

	Leasehold offices \$'000	Motor vehicles \$'000	Total \$'000
<u>Maturity analysis of lease liabilities:</u>			
Current	6,939	933	7,872
Within one to five years	7,240	836	8,076
At 31 October 2023	<u>14,179</u>	<u>1,769</u>	<u>15,948</u>
Current	5,374	283	5,657
Within one to five years	8,041	100	8,141
At 31 October 2022	<u>13,415</u>	<u>383</u>	<u>13,798</u>

The total cash outflow in the year paid in respect of leases was \$9,770,000 (2022: \$8,353,000).



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

25 PROVISIONS

	Onerous contracts \$'000	Legal provision \$'000	Tax provision \$'000	Total \$'000
At 1 November 2022	166	8,061	1,112	9,339
Utilisations	(152)	(2,197)	(112)	(2,461)
Releases	(17)	(219)	(588)	(824)
Exchange rate movements	3	-	-	3
At 31 October 2023	-	5,645	412	6,057

Legal and tax provisions relate to potential exposures arising as a result of one-off or significant legal and tax matters (exclusive of corporation tax). The directors consider it appropriate to recognise the provisions on the basis that the likelihood of an economic outflow is probable, although significant uncertainty exists over the timing and the amount. The amount provided for is considered appropriate given the past experience of similar items and known facts at 31 October 2023. Due to the complex nature of these matters and the significant uncertainties that exist, it is not practicable to quantify the possible effects of changes to the key sources of estimation uncertainty in the calculation of the provisions nor determine a reasonable expectation of the timing of payments against the provisions.

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

Allowance for legal and tax claims included within exceptional items disclosed in note 5, when not settled during the year, are included in the provisions balance. Amounts released during the year relates to exceptional provisions no longer required.



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

26 DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARY

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, a sale of Fircroft Kazakhstan CIS LLP and Fircroft Kazakhstan LLP was agreed on 13 December 2022

In the prior year these operations were classified as a disposal group held for sale and presented separately in the statement of financial position. The proceeds of disposal were at nominal value therefore fair value adjustments on non-current assets were recognised as set out below. The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	31 October 2023 \$'000	31 October 2022 \$'000
Revenue	4,322	145,361
Expenses	(3,760)	(142,076)
Depreciation and amortisation	(50)	(784)
Finance Income	-	67
Finance costs	-	(2,098)
Attributable tax expense	1	(1,060)
Impairment on reclassification of assets to held for sale	-	(328)
Loss on disposal of subsidiary undertaking	(506)	-
Net profit/(loss) attributable to discontinued operations	<u>7</u>	<u>(918)</u>

The major classes of assets and liabilities comprising the operations classified as held for sale in the prior year are as follows:

	31 October 2022 \$'000
Property and equipment	106
Trade and other receivables	11,308
Cash and bank balances	4,753
Total assets in disposal groups classified as held for sale	<u>16,167</u>
Trade and other payables	(8,597)
Current tax liabilities	(30)
Total liabilities associated with assets held for sale	<u>(8,627)</u>
Net assets of disposal group	<u>7,540</u>

Following the classification of Fircroft Kazakhstan CIS LLP and Fircroft Kazakhstan LLP as discontinued operations, an impairment of \$Nil was recognised on 31 October 2023 (2022: \$243,000) to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell.

On the cessation of activity in Russia and Ukraine, a further write down of \$Nil (2022: \$85,000) was recognised to reduce the carrying amount of the property and equipment held in the region. This was recognised in discontinued operations in the statement of profit or loss.



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

26 DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARY

The net cash flows incurred by the disposals group were:

	31 October 2023 \$'000	31 October 2022 \$'000
Operating cashflows	(3,565)	3,042
Investing cashflows	-	(192)
Financing cashflows	(31)	(841)
Total cashflows attributable to discontinued operations	<u>(3,596)</u>	<u>2,009</u>

As referred to above, the Group disposed of its interest in Fircroft Kazakhstan LLP and Fircroft Kazakhstan CIS LLP during the year.

The net assets of Fircroft Kazakhstan LLP and Fircroft Kazakhstan CIS LLP at the date of disposal were as follows:

	Fircroft Kazakhstan LLP \$'000	Fircroft Kazakhstan CIS LLP \$'000	Total \$'000
Trade and other receivables	8,652	663	9,315
Cash	763	394	1,157
Deferred tax asset	718	-	718
Current tax liability	45	(81)	(36)
Trade and other payables	(10,044)	(604)	(10,648)
Net assets disposed of	<u>134</u>	<u>372</u>	<u>506</u>
Loss on disposal	<u>(134)</u>	<u>(372)</u>	<u>(506)</u>
Net cash outflow arising on disposal:			
Cash and cash equivalents disposed of	<u>763</u>	<u>394</u>	<u>1,157</u>
	<u>763</u>	<u>394</u>	<u>1,157</u>

27 CONTINGENT LIABILITIES

The Group issues performance and bid bond guarantees in compliance with contracts held with its clients. The amount of outstanding guarantees at the financial year end was \$8,754,000 (2022: \$8,889,000).



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

28 RELATED PARTY TRANSACTIONS

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 Company and its other related parties are disclosed below.

Transactions with parent entity

The Group has transactions with NES Global Talent LP ("the LP"), a Scottish limited partnership which owns the entire share capital of the NES Global Talent Limited (note 30).

The following are the interest paid/(received) on loans with the parent entity:

	31 October 2023 \$'000	31 October 2022 \$'000
Net interest receivable from NES Global Talent LP to the NES Global Talent Group	(374)	(335)
Interest payable on listed A loan notes, AA loan notes and B loan notes due to NES Global Talent LP (note 18)	55,761	52,031
	<u>55,387</u>	<u>51,696</u>

The following are amounts owed by the parent entity to the NES Global Talent Group:

	31 October 2023 \$'000	31 October 2022 \$'000
NES Global Talent LP	13,344	12,242

The following are amounts owed by the NES Global Talent Group to the parent entity:

	31 October 2023 \$'000	31 October 2022 \$'000
Listed A loan notes, AA loan notes and B loan notes owed to NES Global Talent LP (note 18)	(595,763)	(519,764)
Other loans to NES Global Talent LP	(5,950)	(5,457)
	<u>(601,713)</u>	<u>(525,221)</u>

During the year the Group paid \$Nil (2022: \$Nil) in its capacity as payment agent on behalf of NES Global Talent LP.

Fees incurred by the Group in the year on behalf of the LP were \$83,000 (2022: \$69,000).

In the current year \$31,000 (2022: \$29,000) of consideration was paid on behalf of NES Global Talent LP for the repurchase of B2 loan units.

The Group holds shares and loan units issued by NES Global Talent LP. Please refer to note 18 for more information.

Transactions with entities that have significant influence over the Group

AEA Investors LP manage and advise the funds which are limited partners of NES Global Talent LP.

The Group incurred fees and expenses during the year to AEA Investors LP of \$737,000 (2022: \$645,000). At the balance sheet date \$190,000 (2022: \$150,000) was owed to AEA Investors LP which is included within trade payables.

58 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

28 RELATED PARTY TRANSACTIONS

Transactions with other related parties

The following are the interest received on loans with other related parties:

	31 October 2023 \$'000	31 October 2022 \$'000
Interest receivable from Fircroft Engineering Services Holdings Limited	(219)	(166)
Interest receivable from NES Global Talent EBT	(5)	(5)
	<u>(224)</u>	<u>(171)</u>

The following are amounts owed by other related parties:

	31 October 2023 \$'000	31 October 2022 \$'000
NES Global Talent EBT	943	787

The following are amounts owed to other related parties:

	31 October 2023 \$'000	31 October 2022 \$'000
Fircroft Engineering Services Holdings Limited	(2,455)	(5,169)
Amounts owed to key management personnel	(3,223)	-
	<u>(5,678)</u>	<u>(5,169)</u>

During the year, the legal and beneficial ownership of 328 C2 units and 653 B2 units (2022: 1,336 C2 units and 572 B2 units) in NES Global Talent LP were transferred from NES Group EBT to NES Global Talent EBT. NES Group received cash of \$1,000 (2022: \$1,000) to shareholders as consideration on behalf of NES Global Talent EBT.

Fircroft Engineering Services Holdings Limited holds a direct non-controlling interest in NES Fircroft Group Limited and its subsidiaries. NES Fircroft Group Limited is a subsidiary of NES Global Talent Limited.

NES Global Talent EBT holds an indirect non-controlling interest in NES Global Talent Limited.

Amounts owed to key management personnel of \$3,223,000 relates to compensation outstanding at 31 October 2023.

Key management compensation

The compensation of the directors, who are considered to be the only key management personnel of the Group, is set out below:

	31 October 2023 \$'000	31 October 2022 \$'000
Short-term employee benefits	6,150	4,086

The highest paid director's total emoluments in the year were \$2,855,000 (2022: \$888,000) of which \$Nil (2022: \$Nil) related to pension costs.

59 NES GLOBAL TALENT LIMITED



Notes to the Consolidated Financial Statements (continued)

For the year ended 31 October 2023

28 RELATED PARTY TRANSACTIONS

During the year two (2022: two) directors accrued benefits under money purchase pension schemes.

The Group had no other material related party transactions which might reasonably be expected to influence decisions made by the users of these financial statements.

29 ALTERNATIVE PERFORMANCE MEASURES

NES Global Talent Limited discloses alternative performance measures (APMs) in addition to those normally required by IFRS as such performance measures are frequently used by analysts, investors and other stakeholders.

Alternative performance measures provide an enhanced insight into the operations, financing and future prospects of the Group.

Underlying EBITDA is defined as earnings before depreciation, amortisation, exceptional items and management recharges, interest and taxes. Underlying EBITDA from continuing operations is reconciled to profit from continuing operations in the table below.

	31 October 2023	31 October 2022
	\$'000	\$'000
Gross profit	318,446	276,650
Staff costs (note 9)	(127,249)	(110,192)
Other administrative expenses	(65,224)	(57,653)
Underlying EBITDA	125,973	108,805
Depreciation (note 13)	(10,049)	(8,275)
Amortisation of intangible assets (note 12)	(16,571)	(17,406)
Management recharges	(1,046)	(910)
Exceptional items (note 5)	(5,390)	3,908
Operating profit from continuing operations	92,917	86,122
Finance income (note 6)	598	8,045
Finance costs (note 7)	(126,939)	(86,250)
(Loss)/profit before tax from continuing operations	(33,424)	7,917
Tax charge (note 10)	(12,985)	(18,656)
Loss from continuing operations	(46,409)	(10,739)
Profit/(loss) from discontinued operations (net of tax) (note 26)	7	(918)
Loss for the year	(46,402)	(11,657)

30 ULTIMATE PARENT AND ULTIMATE CONTROLLING PARTY

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 and smallest group in which these financial statements are consolidated is NES Global Talent Limited. The address of the registered office is given on page 1.

60 NES GLOBAL TALENT LIMITED



Company Income Statement

For the year ended 31 October 2023

	2023 \$'000	2022 \$'000
Finance income	4	5
<u>Profit before taxation</u>	4	5
Tax on profit	-	-
<u>Profit for the financial year</u>	4	5

No other gains or losses were recognised in the year, and as such no separate statement of other comprehensive income has been prepared.

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

61 NES GLOBAL TALENT LIMITED



Company Balance Sheet

As at 31 October 2023

	Notes	2023 \$'000	2022 \$'000
<u>Non-current assets</u>			
Investments	3	18,941	18,941
Other non-current receivables	4	143	139
		<u>19,084</u>	<u>19,080</u>
<u>Net assets</u>			
<u>Capital and reserves</u>			
Called-up share capital	5	20	20
Share premium		19,044	19,044
Translation reserve		(16)	(16)
Profit and loss account		36	32
		<u>19,084</u>	<u>19,080</u>
<u>Shareholder's funds</u>			

The accompanying notes are an integral part of this balance sheet.

The Company financial statements of NES Global Talent Limited (Company number 08240307) were approved by the Board of Directors and authorised for issue on 17 June 2024. They were signed on its behalf by:

S.W. Buckley

Director



Company Statement Of Changes In Equity

For the year ended 31 October 2023

	Share capital \$'000	Share premium \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 November 2021	20	19,044	(16)	27	19,075
Total income for the year	-	-	-	5	5
At 31 October 2022	20	19,044	(16)	32	19,080
Total income for the year	-	-	-	4	4
At 31 October 2023	20	19,044	(16)	36	19,084



Notes to the Company Financial Statements

For the year ended 31 October 2023

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The principal accounting policies are summarised below. They have been prepared consistently throughout the year and prior year.

Cash flow statement

No cash flow statement has been prepared as there have been no cash transactions in the Company during the year.

Investments

Investments are included at cost. Provision is made for any impairment in the value of investments.

The Company assesses at each reporting date whether there is any indication that the investments of the business may be impaired. If any such indication exists, the Company estimates the recoverable amount of the investments and recognises an impairment loss for any shortfall below carrying amount.

Related party transactions

There were no transactions with related parties which would require disclosure under IAS 24 – Related Party Disclosures.

Judgements and estimates

In the application of the 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. No accounting judgements or estimates have been identified.

2 PROFIT FOR THE YEAR

The auditor's remuneration of \$1,000 (2022: \$1,000) has been borne by NES Group Limited, a fellow Group undertaking, without any right of reimbursement. There were no non-audit services provided by the auditor during the year (2022: \$nil). There are no employees other than the directors and no remuneration has been paid to the directors.

3 INVESTMENTS

	Subsidiary undertakings \$'000
<u>Cost and net book value</u>	
At 1 November 2022 and 31 October 2023	<u>18,941</u>

Further information including a list of all subsidiaries of the group is included in note 6 of the company only financial statements.

4 OTHER NON-CURRENT RECEIVABLES

	2023 \$'000	2022 \$'000
Amounts owing from parent limited partnership	<u>143</u>	<u>139</u>

Amounts owed from parent limited partnership is unsecured and there is no intention to recall within 12 months.

Interest is charged at 5% (2022: 5%) per annum.

64 NES GLOBAL TALENT LIMITED



Notes to the Company Financial Statements (continued)

For the year ended 31 October 2023

5 CALLED-UP SHARE CAPITAL

	2023	2022
<i>Authorised, allotted, called-up and fully paid</i>	\$	\$
889,766 ordinary A shares of £0.01 each (2022: 889,766 shares)	13,899	13,899
53,252 ordinary B1 shares of £0.01 each (2022: 53,252 shares)	862	862
12,110 ordinary B2 shares of £0.01 each (2022: 12,763 shares)	208	220
170,000 ordinary C1 shares of £0.01 each (2022: 170,000 shares)	2,580	2,580
99,327 ordinary C2 shares of £0.01 each (2022: 98,674 shares)	1,597	1,585
1 ordinary D share of £150 each (2022: 1 share)	243	243
1 ordinary E share of £150 each (2022: 1 share)	243	243
1 ordinary F share of £150 each (2022: 1 share)	243	243
	<u>19,875</u>	<u>19,875</u>

Dividends are payable to holders of class A, B1, B2, C1 and C2 ordinary shares pro rata to the amount paid up on their shares. Dividends are not payable to class D, E and F ordinary shares unless resolved under the articles and with the prior written consent of the Board of Directors and the holders of at least three quarters in nominal value of the class A ordinary shares.

On a winding-up or return of capital, holders of all classes of ordinary shares are first entitled to the amount paid up on their shares. Then, holders of class A, B1, B2, C1, and C2 ordinary shares are entitled to receive, pro rata to the number of shares held by them, a share in up to \$162,000,000 (£100,000,000) of the assets of NES Global Talent Limited. Then, following a distribution of up to \$16,200 (£10,000) of the assets of the company to the holders of class D, E and F ordinary shares, holders of class A, B1, B2, C1 and C2 ordinary shares will be entitled to participate, pro rata to the amount paid up on their shares, in any remaining assets.

During the current year 653 ordinary B2 shares have been converted to ordinary C2 shares.

6 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. Where percentage ownership is below 50%, the Group consolidates as a subsidiary after an assessment of power held over investee and right to return.

65 NES GLOBAL TALENT LIMITED



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Limitada (1)	Rua Nicolau Gomes Spencer, N. 1, Maculusso, Luanda, Angola	Angola	48%
North Eagle Star Limitada (1)	Rua Comandante Gika, Travessa dos Militares, No. 1, Alvalade, Luanda, Angola	Angola	98%
Evolve Scientific Recruitment Pty Limited (1)	William Buck Services (NSW) Pty Ltd, Level 29, 66 Goulburn Street, Sydney NSW 2000, Australia	Australia	100%
NES Fircroft Australia Pty Limited (1)	Parmelia House Level 12, 191 St Georges Terrace, Perth, WA 6000, Australia	Australia	100%
NES Global Pty Limited (1)	Level 29, 66 Goulburn Street, Sydney, NSW 2000, Australia	Australia	100%
Fircroft Azerbaijan LLC (1)	69 Nizami Street, Nasimi district Baku, AZ1005, Azerbaijan	Azerbaijan	100%
Fircroft Caspian Services LLC (1)	69 Nizami Street, Nasimi district Baku, AZ1005, Azerbaijan	Azerbaijan	100%
NES Bahrain WLL (1)	Office 49d, 49th Floor, Harbour Towers – West Tower, Bahrain Financial Harbour, Road 4626, Manama 346, PO Box 11782, Kingdom of Bahrain	Bahrain	49%
NES Global Technical Consultants Limited (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 Advantage Solutions Canada Limited (1)	450, 855 - 2nd Street SW Calgary, Alberta, T2P 4K7, Canada	Canada	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 804-805, Shui On Plaza, No.333 Middle HuaiHai Road, HuangPu District, Shanghai, 200021, China	China	100%

66 NES GLOBAL TALENT LIMITED



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Technical Services (Shenzhen) Co. Limited (1)	R16, 4th floor, 2nd Building, Wuhe Avenue, NanKeng, Bantian street, Longgang District, Shenzhen, 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%
Fircroft Engineering Services ApS (1)	C/o GTS Nordic ApS, Kalkbraenderilobskaj 6, 2100 Kobenhavn, Denmark	Denmark	100%
NES Global Talent Egypt (1)	3 Oraby Street, Ground Floor, Maadi, Cairo, Egypt	Egypt	100%
NES Global France SASU (1)	Spaces La Défense, Le Bélvédère, 1-7 Cours Valmy, 92 800, Puteaux, France	France	100%
Fircroft Engineering Services Limited SARL (4)	Montagne Sainte (à côté d'Air France) BP 74 19, Liberville, Gabon	Gabon	100%
NES Global Talent Limited SARL (1)	366 Rue Alfred Marche, PO Box 2164, Libreville, Gabon	Gabon	100%
NES Global Deutschland GmbH (1)	Glücksteinallee 45, D-68163 Mannheim, Germany	Germany	100%
FES Ghana Limited (1)	20 Jones Nelson Road, Accra, PO Box GP 821, Ghana	Ghana	100%
Fircroft Ghana Limited (1)	20 Jones Nelson Road, Accra, PO Box GP 821, Ghana	Ghana	100%
NES Global Talent (Ghana) Limited (1)	No. 5, 1st Ridge Link, North Ridge, Accra, Ghana	Ghana	100%
North Eagle Star Limited (1)	PO Box CT 3466, 1st Floor, Earbeam Plaza, George Walker Bush Highway, Dzorwulu, Accra, Ghana	Ghana	49%
PB Services Limited (1)	HNO.15 Kofi Dzata Dzorwulu, Kofi Dzata Street, Accra, Ghana	Ghana	100%
Red Coral Services Limited (1)	P.O Box DS 733, Dansoman, Accra, Ghana	Ghana	100%
Fircroft Guyana Inc (1)	Lot 62 Hadfield and Cross Streets, Werk-en-Rust, Georgetown, Guyana	Guyana	100%
NES Global Talent Guyana Inc (1)	Lot 62 Hadfield & Cross Street, Werk-en-Rust, Georgetown, Guyana	Guyana	100%
NES Global Limited (1)	Level 11, 535 Tower, 535 Jaffe Rd, Causeway Bay, Hong Kong	Hong Kong	100%

67 NES GLOBAL TALENT LIMITED



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Specialist Engineering Services Private Limited (1)	CB-15, A Wing 8th Floor, Reliable Tech Park, Behind Reliable Plaza, Thane - Belapur Road, Airoli, Navi Mumbai, Thane, Maharashtra, India, 400708	India	100%
PT NES Global Technical Consultant (1)	Cyber 2 Tower, 18th Floor, Jl. H.R. Rasuna Said Blok X-5 Kav, 13 Jakarta 12950, Indonesia	Indonesia	95%
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%
Al Mazaya General Services & Manpower Recruitment for Iraqis, Arabs & Foreigners LLC (1)	Al Rubaie Street, Al Zaytouna Building, Al Mazaya, Flat 21, Al Rubaie Street, Al Zayyouna 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 & Manpower recruitment for Foreigners, Arabs & Iraqis, LLC (1)	Adhamiya district, Floria Commercial Complex, Fourth Floor, Flat No 6, Baghdad, Iraq	Iraq	100%
NES Global Talent Limited (1)	The Black Church, St. Mary's Place, Dublin, D07 P4AX, Ireland	Ireland	100%
NES Fircroft Co., Limited (1)	6F Sanno 2-1-2, Ota-Ku, Tokyo 143-0023, Japan	Japan	100%
NES Global Talent KK (1)	Level 6, Fukumatsu Bldg, 7-1 Sumiyoshicho, Shinjuku-ku, Tokyo, Japan	Japan	100%
NES Polarities Co., Limited (1)	4F Omori-Kita 1-14-1, Ota-Ku, Tokyo 143-0016, Japan	Japan	100%
NES Fircroft Group Limited (5)	3rd Floor, 44 Esplanade, St Helier, Jersey,	Jersey	100%
Fircroft Kenya Limited (1)	145805, 6th Floor, Delta Corner, PWC Tower, Nairobi, 00800Kenya	Kenya	100%
NES Global Talent for Project Management WLL (1)	Unit No. 12, Eastern Plaza Complex, Plot No. 42, Block 8, East Ahmadi, Kuwait	Kuwait	49%
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%
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%
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%
Agensi Pekerjaan NES Global Talent Sdn. Bhd. (1)	Unit C-12-4, Level 12, Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, Kuala Lumpur	Malaysia	49%

68 NES GLOBAL TALENT LIMITED



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Sdn. Bhd. (1)	Unit C-12-4, Level 12, Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur Wilayah Persekutuan	Malaysia	30%
NES Global Talent S. de R.L. de C.V. (1)	Bosque de Ciruelos No.180 Piso 4, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de Mexico, 11700	Mexico	100%
NMEXSTAFF S. de R.L. de C.V.(1)	Bosque de Ciruelos No.180 Piso 4, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de Mexico, 11700	Mexico	100%
Fircroft Mozambique Limitada (1)	Rua dos Desportistas, nº 833, Edifício JAT V-1, 15º andar Maputo, Mozambique	Mozambique	100%
North Eagle Star Limitada (1)	Bairro Central, Avenida Vladimir Lenine, no. 174, 1o andar, Edifício 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 Fircroft Bondco AS (5)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Advantage Solutions AS (1)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Advantage Solutions Group AS (2)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Global Management AS (1)	Trallfa Twin Farm, 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 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%
New Eagle Services (1)	1st Floor Office No. BAZ-104 Al-Baz Commercial Centre Salalah, Oman	Oman	100%

69 NES GLOBAL TALENT LIMITED



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
New East Services Distinctive LLC (1)	Office A410, Al Assalah Towers South Ghubrah PO Box 199 Al Khuwair Muscat, Oman	Oman	100%
NES Global Limited (1)	Pacific Palms, Level 1, Harbourside West Building, Stanley Esplanade, PO Box 1140, Port Moresby, NCD, Papua New Guinea	Papua New Guinea	100%
NES Global Talent Sp. z.o.o.(1)	ul. Grzybowska 5a, 00-132, Warszawa, Polska	Poland	100%
Fircroft Portugal Limitada (2)	Rua Afonso Praça, nº 30, 1º D, 1495 – 061 Alges, Lisboa, Portugal	Portugal	100%
Fircroft Qatar LLC (6)	Office No. 1101, 11th Floor, Marina Twin Towers, Lusail, PO BOX 200183, DOHA, QATAR	Qatar	49%
NES Overseas Qatar WLL (1)	Floor 4, Office 3, Burj Al Gassar, Majlis Al Taawon Street, West Bay, PO Box 24530, Doha, Qatar	Qatar	49%
Fircroft LLC (1)	Workplace 2t, Room V, Building 12/9, 1 Tekstilshchikov Street, Tekstilshchiki Municipal District Moscow, 109390, Russia	Russia	100%
NES Global Arabia Company Limited (1)	Al Turki Business Park,9th Floor, 7448 King Saud, Ad Dawhah Al Janubiyah Dist, 34455, Dhahran, Kingdom of Saudi Arabia	Saudi Arabia	55%
NES Global Private Limited (1)	20-02, 61 Robinson Road, Singapore, 068893, Singapore	Singapore	100%
Fircroft South Africa Pty Limited (1)	Lynnwood Bridge, 4 Davenry Street, Lynnwood Manor, Pretoria, 0081, Republic of South Africa	South Africa	100%
NES Global South Africa Pty Limited (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)	302, Okpo-ro, 189, Geoje-Si, Gyeongsangnam- do, 53228, South Korea	South Korea	100%
NES Global Talent Suisse AG (1)	Seefeldstrasse 69 Zurich 8008 Switzerland	Switzerland	100%
NES Global Talent Taiwan Co. Limited (1)	10F, No. 156, Section 3, Minsheng East Road, Songshan District, Taipei City 105, Taiwan	Taiwan	100%
Fircroft Tanzania Limited (1)	357 United Nations Road, Dar es Sallam, 11102, Tanzania	Tanzania	100%
NES Global (East Africa) Limited (1)	Plot no 211 Chabruma street, Kinondoni District, P.O. BOX 4524, Dar es Salaam, Tanzania	Tanzania	100%
NES Fircroft Recruitment (Thailand) Co. Limited (1)	No. 399 Interchange Tower, 35th Floorm Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	49%
NES Fircroft Engineering (Thailand) Co. Limited (2)	399 Interchange Building, 35th Floor, Sukhumvit Road, Klongtoey-Nua, Wattana, Bangkok, 10900, Thailand	Thailand	49%

70 NES GLOBAL TALENT LIMITED



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Fircroft (Thailand) Co. Limited (1)	No. 399 Interchange Tower, 35th Floor Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	49%
Northern Engineering Services (Thailand) Company Limited (1)	No. 399 Interchange Tower, 35th Floor Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	100%
NES Global B.V. (1)	Bredaseweg 8, 4844 CL Terheijden, Netherlands	The Netherlands	100%
Fircroft Trinidad Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad & Tobago	Trinidad & Tobago	100%
NES Global Talent Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad & Tobago	Trinidad & Tobago	100%
Aim Academy Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Fircroft Engineering Services Limited (1)	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%
NES 2 Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Advantage Solutions Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Finance Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Bondco Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Midco Limited (5)	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 Global Talent Finance Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Holdco Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Holdings Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%

71 NES GLOBAL TALENT LIMITED



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
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 Fircroft Engineering Services Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Limited (7)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NESCO Holdings Limited (2)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
North Eagle Star Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Professional Laboratory Services Limited (2)	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%
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 – Sole Proprietorship 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 Petroleum Consultants, LLC (1)	800 Gessner Road, Suite 800, Houston, Texas, 77024	USA	100%
Fircroft, Inc. (1)	800 Gesner Road, Suite 800, Houston, Texas, 77204, USA	USA	100%
72 NES GLOBAL TALENT LIMITED			



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Advantage Solutions Inc.(1)	800 Gesner Road, Suite 800, Houston, Texas, 77204, USA	USA	100%
NES Global Construction LLC (1)	800 Gessner Road, Suite 800, Houston, Texas, 77024	USA	100%
NES Global Downstream LLC (1)	800 Gessner Road, Suite 800, 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 800, 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%
NES Global Technical Consultants Vietnam Ltd (1)	Level 3, Residential and commercial complex and offices, 21 Vo Truong Toan Street, Thao Dien Ward, Thu Duc City, Ho Chi Minh City, Vietnam	Vietnam	100%

Principal activities of related undertakings:

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

All subsidiary undertakings have been included in the consolidation.

73 NES GLOBAL TALENT LIMITED



Notes to the Company financial statements (continued)

For the year ended 31 October 2023

The following subsidiaries have taken advantage of an exemption from audit under section 479A of the Companies Act 2006. As the ultimate parent, NES Global Talent Limited has provided a statutory guarantee for any outstanding liabilities of these businesses.

Subsidiary	Registered number
NES Fircroft Midco Limited	12835803
NES Global Talent Holdco Limited	08240783
Aim Academy Limited	02982237
Fircroft Engineering Services Limited	01405855
Italic Managed Solutions Limited	02086868
NES 2 Limited	03295086
NES Advantage Solutions Limited	05309561
NES Finance Limited	05898983
NES Global Limited	02690805
NES Global Talent Finco Limited	08713197
NES Global Talent Holdings Limited	08233455
NES Group Limited	03685787
NES Holdings Limited	05898988
NES International Limited	01786613
NES IT Limited	01766575
NES Managed Services Limited	06990578
NES Recruitment Limited	03083611
NES Trustees Limited	03728662
NES UK Limited	01443574
NES Fircroft Engineering Services Limited	03402043
NES Fircroft Limited	12706788
NESCO Holdings Limited	03723986
North Eagle Star Limited	05920489
Professional Laboratory Services Limited	03109782

74 NES GLOBAL TALENT LIMITED



Skatteetaten

Vår dato
28.10.2022

Din/Deres dato

Saksbehandler
Kjell Knutsen

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
94897296

Org.nr
974761076

Vår referanse
2021/6432588

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off.

DELOITTE AS
Postboks 221 Sentrum
0103 OSLO

Att. Arnstein Antonsen og Siw Helene Lorentzen

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for

Selskapsnavn	Org.nr.
NES Global Talent Norway Holdings AS	914 496 640
NES Global Talent Norge AS	989 128 639
NES Global Management AS	997 373 006
NES Global Offshore AS	889 128 682
NES Global Talent Holdco AS	918 033 335
NES Advantage Solutions Group AS	984 460 228
NES Advantage Solutions AS	984 909 020
NES Fircroft Bondco	927 143 690

Vi viser til søknad av 6. oktober 2022 om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende NES-selskap:

Selskapsnavn	Org.nr.
NES Global Talent Norway Holdings AS	914 496 640
NES Global Talent Norge AS	989 128 639
NES Global Management AS	997 373 006
NES Global Offshore AS	889 128 682
NES Global Talent Holdco AS	918 033 335
NES Advantage Solutions Group AS	984 460 228
NES Advantage Solutions AS	984 909 020
NES Fircroft Bondco	927 143 690

Skatteetaten gir på bakgrunn av en konkret helhetsvurdering selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd for de angitte selskaper. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.



Bakgrunn

NES-gruppen har tidligere fått dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for selskapene nevnt ovenfor med unntak av NES Fircroft Bondco. Det søkes nå om dispensasjon også for sistnevnte.

Fra søknaden 6. oktober 2022 siteres:

Selskapene har siden 10.12.2019 vært 100% eid av britiske selskap. Flere av selskapenes styremedlemmer er utenlandske statsborgere.

I e-post av 21. oktober 2021 fra NES-konsernet v/Ståle Klungtveit ble det gitt ytterligere opplysninger om bakgrunnen for søknaden:

Selskapet vurderer det slik at ingen brukere av regnskapet vil bli vesentlig negativt berørt om regnskapene kun avlegges på engelsk. Selskapet selger tjenester hovedsakelig til olje service næringen hvor kommunikasjon med kunder og leverandører hovedsakelig er på engelsk. Engelsk er per dags dato selskapets valgte kommunikasjonsform med styret og eiere (100 % eiet av NES Global Ltd), ansatte og andre brukere. Vi viser blant annet til at kommunikasjon internt og med den internasjonale grupperingen foregår på engelsk. Vi trekker også frem at selskapet som hovedsak kommuniserer på engelsk med leverandører og kunder gjennom sitt internasjonale «shared service center». I tillegg har selskapet et nettsted (på engelsk) hvor aktuelle brukere kan oppsøke informasjon om selskapet.

I e-post av 28. oktober 2022 er det bekreftet at disse opplysningene gjelder fortsatt.

Skatteetatens vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.



Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skatteetatens vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapene selger tjenester til oljeservicenæringen hvor kommunikasjonen med kunder og leverandører hovedsakelig skjer på engelsk. Engelsk er pr. dags dato den valgte kommunikasjonsform med ansatte, styret og eiere. Flere av selskapenes styremedlemmer er utenlandske statsborgere. Skatteetaten vektlegger også at selskapene opererer i en bransje hvor engelsk ofte brukes som arbeidsspråk. Skatteetaten finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Gro Stangeland
Underdirektør
Innsats, storbedrift
Skatteetaten

Kjell Knutsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



Deloitte.

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To the General Meeting of NES Advantage Solutions Group AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of NES Advantage Solutions Group AS (the Company), which comprise the balance sheet as at 31. October 2023, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31. October 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

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

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

Responsibilities of Management for the Financial Statements

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

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Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282



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Independent auditor's report
Nes Advantage Solutions Group AS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Stavanger, 30 April 2024
Deloitte AS

Arnstein Antonsen
State Authorised Public Accountant



Independent auditor's report - NES ASG

Name	Date
Antonsen, Arnstein	2024-05-02

Identification

 bankID Antonsen, Arnstein



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**BOARD OF DIRECTORS REPORT 2023
OF
NES ADVANTAGE SOLUTIONS GROUP AS**

The business and business concept

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

NES Advantage Solutions Group AS also seconded personnel to Aker Solutions AS to work on international projects. The company's registered address and head office is at Fornebu, Oslo.

Going concern

The accounts for 2023 have been prepared on the basis of the going concern assumption. The basis for this is the company's financial position at year end, the profit and loss budget for 2024 and the financial outlook for the coming years.

Annual accounts for 2023

General

The 2023 business year was the company's twelfth year of operations.

Profit and loss account

In 2023, NES Advantage Solutions Group AS had a turnover of NOK 65.4 million and it recorded a profit for the year of NOK 0.93 million.

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

Allocated to group contribution (net of tax) NOK 1.02 million
Other equity NOK (0.09) million
Total allocations NOK 0.93 million

Cash flow

The difference between operating result and cash flow from operating activities is related to impairment of fixed assets.

Balance sheet and cash flow

The company's liquidity was good throughout the year and is good at year end.

The financial position is sound and adequate to settle short-term debt as of 31.10.23 with the company's most liquid assets.

Financial risk (interest, credit, currency)

At year end, NES Advantage Solutions Group AS had NOK 280 million in interest-bearing intercompany debt.

The company continued to hedge against foreign currency losses in line with the rest of the group undertakings. The creditworthiness of new customers is assessed before entering into major contracts.

a) Market risk

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



b) Credit risk

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

c) Liquidity risk

The company has satisfactory liquidity and working capital

Health, safety and the environment

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

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

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

The company had registered sickness absence of 702.4 days in 2023. This corresponds to 4.5 % of the available days of the company's employed personnel. No lost-time injuries or accidents at work were registered during the year.

The company does not pollute the environment.

Gender equality

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

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

With 86 offices around the globe in the wider group, Advantage Solutions Group and their related companies have a diverse workforce - employing over 130 different nationalities and 54% female staff. Advantage Solutions Group monitor the gender and nationality of their people split at different levels across the business and report to the board on a regular basis.

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

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



NES Advantage Solutions Group AS makes active efforts to ensure equal rights between men and women. Both the company's recruitment policy and wages policy reflect the fact that equal rights apply. By year end the company had 63 employees, whereof 20 men and 43 women.

The company's management does not believe it is necessary to initiate special measures to further enhance gender equality in the company.

Discrimination

NES Advantage Solutions Group AS fulfills the object in the Norwegian discrimination act including protection of equal rights and possibilities across ethnicity and origin.

Market prospects

As a management company for NES Advantage Solutions AS, the company's market prospect depends on the market prospects for NES Advantage Solutions AS.

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

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

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

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

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

NES Advantage is well positioned with its partnerships with clients within oil and gas and the renewable energy sectors, and its focus on attracting and matching qualified engineers with opportunities in the energy market. The outlook of the main client Aker Solutions remains strong with a solid secured backlog from 2022 and the temporary changes to Norway's petroleum tax regime and continued high tendering activity.

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



The Transparency Act

Our report on our commitments to the Transparency Act (Åpenhetsloven) will be published on www.nesfircroft.com within April 30, 2024.

Other matters

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

Directors' Indemnities

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

Fornebu, 30.04.2024

The board of NES Advantage Solutions Group AS

Stephen William Buckley
Chairman of the Board

Jens Michael Mellbye
Managing Director/Board member

Jens Børge Franc Iversen
Board member



NES Advantage Solutions Group AS

Annual report and financial statements
for the year ended 31 October 2023

Organisation number: 984 460 228



Profit and loss account

For the year ended 31 October 2023

	Notes	2023 NOK'000	2022 NOK'000
Operating income and operating expenses			
Operating revenues	2	65,466	58,828
Total operating revenues		<u>65,466</u>	<u>58,828</u>
Salary costs	3	(56,372)	(53,874)
Depreciation and amortisation expenses		-	(52)
Other operating costs	3	(6,006)	(2,483)
Total operating expenses		<u>(62,378)</u>	<u>(56,409)</u>
EBIT		<u>3,088</u>	<u>2,419</u>
Financial income and expenses			
Financial income	4	23,536	25,566
Financial expenses	4	(25,404)	(14,771)
Net financial items	4	<u>(1,867)</u>	<u>10,795</u>
Profit before taxation		<u>1,220</u>	<u>13,214</u>
Tax	5	(287)	(2,921)
Net profit	6	<u>934</u>	<u>10,293</u>
Attributable to:			
Group contribution submitted, net of tax	6,7	1,026	8,087
Transferred to other equity	6	(93)	2,206
Total distributed		<u>934</u>	<u>10,293</u>



Balance sheet

As at 31 October 2023

	Notes	2023 NOK'000	2022 NOK'000
Assets			
Non – current assets			
Deferred – tax assets	5	4,999	4,996
Total fixed assets		<u>4,999</u>	<u>4,996</u>
Investments in subsidiaries	8	389,968	389,968
Total financial assets		<u>389,968</u>	<u>389,968</u>
Total non-current assets		<u>394,968</u>	<u>394,965</u>
Current assets			
Accounts receivables			
Trade debtors		-	22
Other short-term receivables		876	810
Group contribution	7		11,631
Loans to group companies	9	268,824	240,217
Pension prepayments	3	-	139
Total accounts receivables		<u>269,700</u>	<u>252,819</u>
Cash and cash equivalents	10	4,801	4,604
Total current assets		<u>274,501</u>	<u>257,423</u>
Total assets		<u>669,469</u>	<u>652,388</u>
Equity			
Invested equity			
Share capital		(1,000)	(1,000)
Total invested equity	6	<u>(1,000)</u>	<u>(1,000)</u>
Retained earnings			
Other equity	6	(370,487)	(370,580)
Total retained earnings		<u>(370,487)</u>	<u>(370,580)</u>
Total equity	6	<u>(371,487)</u>	<u>(371,580)</u>



Balance sheet (continued)

As at 31 October 2023

	Notes	2023 NOK'000	2022 NOK'000
Liabilities			
Pension liabilities	3	(242)	-
Total non current liabilities		<u>(242)</u>	<u>-</u>
Short term liabilities			
Loans from group companies	9	(279,445)	(255,624)
Trade payables		(733)	(1,442)
Tax payable	5	-	-
Public duties payable		(6,447)	(5,954)
Accrued salary		(3,838)	(3,260)
Group contribution	7	(1,315)	(10,368)
Other current liabilities		(5,960)	(4,160)
Total current liabilities		<u>(297,739)</u>	<u>(280,808)</u>
Total liabilities		<u>(297,982)</u>	<u>(280,808)</u>
Total equity and liabilities		<u>(699,469)</u>	<u>(652,388)</u>

The financial statements of NES Advantage Solutions Group AS, organisation number 984 460 228, Manchester, were approved by the board of directors and authorised for issue on 30 April 2024 and signed on its behalf by:

Stephen William Buckley
Chairman of the board

Jens Michael Mellbye
Member of the board

Jens Borge Franc Iversen
Member of the board



Indirect Cash Flow

As at 31 October 2023

	Note	2023	2022
		NOK'000	NOK'000
<u>Cash flows from operating activities</u>			
Profit before tax		1,220	13,214
Ordinary depreciation		-	52
Change in inventory, trade debtors and trade creditors		(687)	3,138
Changes in accrued accounting items		(1,599)	(7,297)
<u>Net cash flows from operating activities</u>		<u>(1,066)</u>	<u>9,107</u>
<u>Cash flows from investment activities</u>			
Cash flow from investments		-	-
Purchases of property, plant and equipment		-	-
<u>Net cash flows from investment activities</u>		<u>-</u>	<u>-</u>
<u>Cash flows from financing activities</u>			
Borrowing from group companies		-	-
Group contribution paid		1,263	(8,929)
<u>Net cash flows from financing activities</u>		<u>1,263</u>	<u>(8,929)</u>
Net change in cash and cash equivalents		197	179
<u>Cash and cash equivalents at the start of the period</u>		<u>4,604</u>	<u>4,425</u>
<u>Cash and cash equivalents at the end of the period</u>		<u>4,801</u>	<u>4,604</u>



Notes to the financial statements

For the year ended 31 October 2023

1 Accounting principles

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

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

a) Foreign currency

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

b) Revenue

Service is booked as income in the same period it is performed. The payment of the company's services is based on hourly rates. Loss identified in service contract is booked at the time when identified. All the operations in the company consist of work hours performed by own employees. The basis for income is mainly number of hours worked.

c) Tax

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

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

d) Classification and valuation of fixed assets

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime. The depreciation period for real property acquired after 2009 is divided into the part that represents the building and the part that represents fixed technical installations. Property, plant and equipment are written down to a recoverable amount in the case of fall in value which is expected not to be temporary. The recoverable amount is the higher of the net sale value and value in use. Value in use is the present value of future cash flows related to the asset. Write-downs are reversed when the basis for the write-down is no longer present.

e) Accounts receivable

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

f) Shares in subsidiaries

Subsidiaries are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless an impairment has been necessary. An impairment to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such impairment must be considered as necessary in accordance with good accounting practice. Impairments are reversed when the basis for the impairment is no longer present.

Dividends, group contributions and other distributions from subsidiaries are posted to income in the same year as provided for in the distributor's accounts. To the extent that dividends/group contributions exceed the share of profits earned after the date of acquisition, the excess amounts represents a repayment of invested capital, and distributions are deducted from the investment's value in the balance sheet of the parent company.

5 NES ADVANTAGE SOLUTIONS GROUP AS



Notes to the financial statements (continued)

For the year ended 31 October 2023

1 Accounting principles (continued)

g) Consolidated financial statements

NES Advantage Solutions Group AS' ultimate parent company is NES Global Talent Limited, a company incorporated in England and Wales. NES Advantage Solutions Group AS uses the exception rule in the Accounting Act § 3-7 first paragraph when it comes to preparing the consolidated financial statements. NES Global Talent Limited prepares the consolidated financial statements.

h) Pension

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

i) Cash flow

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

2 Operating revenues

	2023	2022
	NOK'000	NOK'000
Geographic breakdown		
Canada	-	1,446
Denmark	-	360
France	-	1,303
Norway	65,466	55,516
Singapore	-	203
United Kingdom	-	-
	<u>65,466</u>	<u>58,828</u>

3 Salary costs and benefits and remuneration to the auditor

In 2023 the company employed 56 man-years.

	2023	2022
	NOK'000	NOK'000
Salary costs		
Salaries	47,714	45,842
Employment tax	4,743	5,024
Pension costs	3,472	2,659
Other benefits	443	349
Total	<u>56,372</u>	<u>53,874</u>

6 NES ADVANTAGE SOLUTIONS GROUP AS



Notes to the financial statements (continued)

For the year ended 31 October 2023

3 Salary costs and benefits and remuneration to the auditor (continued)

Pension

The company has established pension scheme that fulfil the requirements of the law. There were 63 employees enrolled at year end.

	2023	2022
	NOK'000	NOK'000
Net asset/(liability) recorded in the balance sheet as per 31. October	(242)	139
	<u>(242)</u>	<u>139</u>

	Managing Director	Board
	NOK'000	NOK'000
Remuneration to leading personnel		
Salaries	2,484	0
Pension costs	120	0
Other remuneration	19	0
Total	<u>2,623</u>	<u>0</u>

There are commitments to future termination benefits regarding hired Managing Director. This consists of three months salary and will be charged if it becomes efficient.

The auditor's remuneration for the audit of the company's financial statements pursuant to legislation was borne by NES Global Talent Norge AS, a fellow group undertaking, without any right of reimbursement.

4 Items that are aggregated in the accounts

	2023	2022
	NOK'000	NOK'000
Financial income		
Interest income from companies in the same group	23,473	13,771
Received Group Contribution	-	11,631
Other interest income	40	4
Other financial income (agio)	23	160
Total financial income	<u>23,536</u>	<u>25,566</u>
Financial costs		
Interest costs to companies in the same group	25,370	14,711
Other interest costs	8	24
Other financial costs (disagio)	26	36
Total financial costs	<u>25,404</u>	<u>14,771</u>

7 NES ADVANTAGE SOLUTIONS GROUP AS



Notes to the financial statements (continued)

For the year ended 31 October 2023

5 Tax

	2023	2022
	NOK'000	NOK'000
This year's tax expense		
Entered tax on ordinary profit/loss:		
Payable tax	-	2,281
Tax payable on group contribution	289	-
Correction OB	-	290
Changes in deferred tax	(3)	351
Tax expense on ordinary profit	287	2,921
Taxable income:		
Ordinary result before tax	1,220	13,214
Permanent differences	82	65
Changes in temporary differences	13	(2,911)
Group contribution provided	(1,315)	(10,368)
Taxable income	-	-
Payable tax in the balance:		
Payable tax on this year's result	183	2,281
Payable tax on provided Group contribution	(183)	(2,281)
Payable tax on received Group contribution	-	-
Owing assessed tax from previous years	-	-
Total payable tax in the balance	-	-



Notes to the financial statements (continued)

For the year ended 31 October 2023

5 Tax (continued)

Calculation of effective tax rate

Profit before tax	1,220	13,214
Calculated tax on profit before tax	268	2,907
Tax effect of permanent differences	18	14
Correction OB	-	(290)
Total	287	2,631
Effective tax rate	23.52%	19.91%

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

	2023 NOK'000	2022 NOK'000	Difference NOK'000
Goodwill	(1,474)	(1,843)	(369)
Accounts receivable	-	-	-
Accounting provisions	-	-	-
Pension liabilities	(242)	139	381
Total	(1,716)	(1,703)	13
Non-deductible interest carried forward	(21,008)	(21,008)	-
Basis for deferred tax assets	(22,724)	(22,711)	13
Deferred tax assets (22%)	(4,999)	(4,996)	3

6 Equity and information of shareholders

	Share capital NOK'000	Other equity NOK'000	Total NOK'000
Equity as at 01.11.2022	1,000	370,580	371,580
Result for the year	-	934	934
Correction *	-	-	-
Group contribution made this year	-	(1,026)	(1,026)
As at 31.10.2023	1,000	370,487	371,487

* Group contribution made prior year

Share capital and information of shareholders:

The share capital in NES Advantage Solutions Group AS consist of 100 shares, with a face value of NOK 10.000.

6 Equity and information of shareholders (continued)

9 NES ADVANTAGE SOLUTIONS GROUP AS



Notes to the financial statements (continued)

For the year ended 31 October 2023

Ownership structure

	Shares	Owner Share	Vote Share
NES Fircroft Holdings Norway AS	100	100%	100%
Total number of shares	100	100%	100%

Parent company

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

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

7 Group contribution

	2023 NOK'000	2022 NOK'000
Group contribution received	-	11,631
Group contribution made	(1,315)	(10,368)
Correction	-	-
Net receivable group contribution	(1,315)	1,263

8 Shares in subsidiaries

Company	Head Office	Owner - Interest	Share of voting rights	Book value NOK'000	Share of equity capital	Share of result
NES Advantage Solutions Ltd	Altrincham	100%	100%	161,300	£23,019	£2,780
NES Advantage Solutions AS	Bærum	100%	100%	228,668	NOK38,029	NOK17,109
Total				389,968		

The book value of the shares in NES Advantage Solutions Ltd and NES Advantage Solutions AS have been tested for impairment. This resulted in an impairment of the shares in NES Advantage Solutions AS of TNOK 0 per 31.10.2023.

9 Inter-company items between companies in the same group

10 NES ADVANTAGE SOLUTIONS GROUP AS



Notes to the financial statements (continued)

For the year ended 31 October 2023

	2023 NOK'000	2022 NOK'000
Receivables		
NES Advantage Limited	12,387	9,617
NES Advantage Inc	492	456
NES Advantage AS	255,945	233,435
NES Global	-	-
NES Global Talent Norge AS	-	8,341
	<u>268,824</u>	<u>251,848</u>
Liabilities		
NES Global Limited	13,357	10,350
NES Group Limited	201,115	191,161
NES Global Management AS	758	442
NES Global Talent Holdco AS	-	49,503
NES Global Canada	-	6,233
NES Fircroft Norway Holdings AS	54,215	-
NES FESL	867	-
NES Global Talent Norge AS	418	-
NES UK Limited	10,030	8,304
	<u>280,760</u>	<u>265,992</u>
Receivables and Liabilities include group contribution		
Operating income within closely related companies	65,466	58,828
Interest expense from short term liabilities	25,404	14,711
Interest income from short term receivables	(23,536)	(13,771)

10 Bank deposits

Funds standing on the tax deduction account (restricted funds) are kNOK 2,780

11 NES ADVANTAGE SOLUTIONS GROUP AS



Notes to the financial statements (continued)

For the year ended 31 October 2023

11 Going concern

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

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

The directors have a reasonable expectation that the NES Fircroft Bondco 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

12 NES ADVANTAGE SOLUTIONS GROUP AS