Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	918 033 335
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	NES GLOBAL TALENT HOLDCO AS
Forretningsadresse:	Haakon VIIs gate 10 0161 OSLO

Regnskapsår

Årsregnskapets periode:	01.11.2019 - 31.10.2020

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Ja
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:	Angela Stanford
Dato for fastsettelse av årsregnskapet:	30.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert

År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 18.09.2022

Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Personnel expenses	5		
Driftsresultat			
Finansinntekter og finanskostnader			
Financial income		390 000	19 455 000
Sum finansinntekter		**390 000**	**19 455 000**
Rentekostnad til foretak i samme konsern	4		
Annen rentekostnad	4		
Financial expenses		106 371 000	8 650 000
Sum finanskostnader		**106 371 000**	**8 650 000**
Netto finans	8	**-105 981 000**	**10 804 000**
Ordinært resultat før skattekostnad		**-105 981 000**	**10 804 000**
Tax on ordinary result	7		
Ordinært resultat etter skattekostnad		**-105 981 000**	**10 804 000**
Årsresultat	2	**-105 981 000**	**10 804 000**
Årsresultat etter minoritetsinteresser		**-105 981 000**	**10 804 000**
Totalresultat		**-105 981 000**	**10 804 000**
Overføringer og disponeringer			
Transferred to other equity	2	-105 981 000	10 804 000
Sum overføringer og disponeringer		**-105 981 000**	**10 804 000**

Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7		
Finansielle anleggsmidler			
Investering i datterselskap	1	558 987 000	655 393 000
Investering i annet foretak i samme konsern	1		
Lån til foretak i samme konsern	4		
Sum finansielle anleggsmidler		**558 987 000**	**655 393 000**
Sum anleggsmidler		**558 987 000**	**655 393 000**
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables	4		
Other short-term receivables		14 000	14 000
Konsernfordringer	4	26 255 000	19 722 000
Sum fordringer		**26 268 000**	**19 736 000**
Sum omløpsmidler		**26 268 000**	**19 736 000**
SUM EIENDELER		**585 255 000**	**675 129 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	3	930 000	930 000
Beholdning av egne aksjer	3		
Overkurs		490 230 000	490 230 000
Sum innskutt egenkapital		**491 160 000**	**491 160 000**

Balanse

Beløp i: NOK	Note	2020	2019
Opptjent egenkapital			
Other equity		-113 120 000	-7 138 000
Sum opptjent egenkapital		**-113 120 000**	**-7 138 000**
Sum egenkapital	2	**378 040 000**	**484 022 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7		
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4		
Other long term liabilities	4		
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	4		
Tax payable	7	-33 000	34 000
Kortsiktig konserngjeld	4	207 248 000	191 073 000
Sum kortsiktig gjeld		**207 215 000**	**191 107 000**
Sum gjeld		**207 215 000**	**191 107 000**
SUM EGENKAPITAL OG GJELD		**585 255 000**	**675 129 000**

NES GLOBAL TALENT LIMITED

Annual report and consolidated financial statements
for the year ended 31 October 2020

Registered number: 08240307

NES
Global Talent

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.

5
regional hubs

80+
global offices

1,350+ staff
including discipline specific recruitment consultants

1,000+ days
committed to our local charitable causes chosen by staff

17,000+ contractors supported

KEY FINANCIALS

$57.5m
Adjusted EBITDA*
-36%

$23.4m
operating profit
-42%

$1,442m
turnover
-14%

**Adjusted EBITDA reflects the operating profit before management recharges, exceptional items, gain on bargain purchase, depreciation and amortisation.*

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 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. Natural Gas and 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 1,000 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 2021 will offer.

NES Global Talent

Officers and Professional Advisers

DIRECTORS//

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

REGISTERED OFFICE//

Station House
Stamford New Road
Altrincham
Cheshire
WA14 1EP

AUDITOR//

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

BANKERS//

The Royal Bank of Scotland plc
1 Hardman Boulevard
Manchester
M3 3AQ
United Kingdom

HSBC Bank PLC
4 Hardman Square
Spinningfields
Manchester
M3 3EB
United Kingdom

Credit Suisse
11 Madison Avenue
5th Floor
New York 10010-3629
USA

Deutsche Bank
345 Park Avenue
New York 10154
USA

1 NES GLOBAL TALENT LIMITED

Strategic report
For the year ended 31 October 2020

The directors present the Strategic report on the Group for the year ended 31 October 2020.

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 over 80 physical offices in 45 countries serving a blue-chip client base and thousands of contractors around the world. NES Global Talent have placed 145 nationalities in 104 countries over the past ten years and continue 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. 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 at the present time. 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 17 for more details.

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.

Coronavirus
The Group experienced a reduction in profits as a direct result of the COVID-19 pandemic which led to short term reductions in activity levels. The Group reacted quickly to manage its cost base in line with the reduced activity levels and has taken advantage of government support schemes where available. These actions have resulted in positive cash generation and continued profitability at an EBITDA and operating profit level. The Group has significant unutilised working capital financing facilities in place which ensures that it can meet its liabilities as and when they fall due. The client base consists of customers with strong credit ratings and credit insurance is maintained for key clients, further reducing risk. The Group has a strong funding position and there have not been nor are there forecast to be any covenant breaches in the Going Concern review period. See note 2 for more details.

Brexit
Following the UK's exit from the European Union on 31 January 2020, the UK entered a transition period which ran until 31 December 2020. During the transition period, most EU law continued to apply to the UK and therefore to the Group's UK business during that period. From 1 January 2021, operative EU laws were retained in UK law by the European Union (Withdrawal) Act 2018. We have been assessing the potential impact on the Group of Brexit and the UK's future global relationships and have not identified any significant risk to our business.

BUSINESS REVIEW

On 18 September 2020, the Group acquired 90% of the issued share capital of Fircroft Engineering Services Limited (Fircroft Group) in exchange for a 10% interest in NES Global Talent Holdings Limited which acts as an intermediate holding company to the NES Group of companies. Fircroft Group supplies engineering and technical contractors to specialist technical industries such as the oil and gas, renewables, power, chemicals, ICT, mining, automotive and construction sectors. The combined NES and Fircroft Group will further strengthen and support our values of service, client focus, compliance and safety.

As per the Coronavirus Principal Risk and Uncertainty section, the COVID-19 pandemic created unprecedented challenges and uncertainty which had an impact on the Group financial performance to 31 October 2020. Despite this, the group achieved positive cash generation, closing with cash and cash equivalents of $60.9m (2019: $1.3m). Profits continued with adjusted EBITDA of $57.5 million (2019: $90.0 million) and operating profit of $23.4 million (2019: $40.6 million).

The audited primary statements and the accompanying notes of the Company and the Group for the year ended 31 October 2020 are set out on pages 15 to 67.

Strategic report (continued)
For the year ended 31 October 2020

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 adjusted EBITDA. Adjusted 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, gain on bargain purchase, depreciation and amortisation.

	31 October 2020 $m Pro forma* (unaudited)	31 October 2020 $m	31 October 2019 $m
Revenue	2,183.2	1,442.1	1,681.3
Gross profit	212.4	165.5	204.5
Adjusted EBITDA	64.7	57.5	90.0
Management recharges		(0.9)	(1.0)
Gain on bargain purchase		18.3	-
Net exceptional expenditure		(13.7)	(10.5)
Depreciation		(7.2)	(5.5)
Amortisation of intangible assets		(30.6)	(32.4)
Operating profit		23.4	40.6

*Pro forma results are prepared by aggregating the results of Fircroft Engineering Services Limited and its subsidiaries with NES Global Talent Limited from 1 November 2019 to give an indication of the performance of the Group as though the acquisition had occurred on 1 November 2019.

The year ended 31 October 2020 saw the Group produce adjusted EBITDA of $57.5 million (2019: $90.0 million). Turnover decreased to $1,442.1 million (2019: $1,681.3 million).

The loss after taxation for the year of $59.3 million (2019: $42.6 million) has arisen due to non-cash expenses, $80.2 million finance costs, $7.2 million depreciation and $30.6 million amortisation charges. Upon the acquisition of the share capital in NES Holdings Limited in 2012, $276.7 million of intangible assets were recognised by the Group, of which $15.5 million was amortised through the income statement during the current year (2019: $15.4 million). A further $13.4 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), Redbock LLC and Bedrock Petroleum Consultants LLC during 2018 (2019: $16.3 million). Our relationships with these customers remain strong with no impairment charge recorded in the current year after conducting a full impairment review.

The $18.3 million gain on bargain purchase was the result of the business combination with Fircroft Engineering Services Limited and its subsidiaries on 18 September 2020, where the fair value of net assets acquired were in excess of the consideration transferred. See note 13 for more details.

There were $13.7 million (2019: $10.5 million) exceptional administrative expenses incurred in the year. See note 4 for more details.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Climate Change and Greenhouse Gas (GHG) Emissions
NES Global Talent recognises the risk that climate change poses to society and to its business. We support the goals of the Paris Agreement as well as the target set by the UK Government of net zero emissions by 2050. Our major customers are working across their businesses to develop new low-carbon solutions, including biofuels, carbon capture and storage (CCS) and hydrogen technologies. Our approach involves:

- Providing the skilled engineers and technical workforce needed to support our clients move to cleaner and more efficient low carbon solutions; and
- Minimising our own carbon intensity.

Streamlined Energy and Carbon Reporting (SECR)
The Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implements the UK government's policy on SECR, requiring disclosure of the environmental performance of the Group's assets through calculating the Group's GHG emissions. Our disclosure presents our carbon footprint across Scope 1 and 2 together with an appropriate intensity metric and total energy use.

Methodology GHG emissions are quantified and reported according to the Greenhouse Gas Protocol. Consumption and production data has been collated and converted into CO2 equivalent using the UK Government 2020 Conversion Factors for Company Reporting to calculate emissions from corresponding activity data.

To collect both consumption and production data, the Group has reviewed emissions data related to production, electricity purchases, fuel purchases related to mileage in group owned vehicles as well as staff expenses related to business mileage in private vehicles. This information has been prepared in accordance with the GHG Protocol's Guidance.

Data collected relates to the most recent 12 month period where data was available. Comparative information has not been disclosed as this is the Group's first year of mandatory reporting.

The GHG sources that constitute our operational boundary for the reporting period are:

- Scope 1: Direct emissions from company owned and controlled resources; and
- Scope 2: Indirect emissions from purchased energy.

Total GHG emissions and energy use with NES Global Talent's UK activities:

- Scope 1 emissions: 0.78 tCO2e
- Scope 2 emissions: 135.66 tCO2e
- Emissions intensity ratio: 0.099 tCO2e per £m Turnover
- Energy consumption: 585,217 Wh.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Energy Efficient Action
NES Global Talent is committed to year-on-year improvements in their operational energy efficiency.

The Group is continually reviewing its energy consumption with the aim of delivering on-going reductions in emissions and thereby reducing its emissions intensity ratio. The Group also aims to reduce its Scope 2 emissions (the purchasing of energy) to zero by better utilising the resources it produces. In 2020, we have continued to encourage staff use of public transport and car share wherever possible to reduce energy consumption. We also have ongoing recycling initiatives across our office network – including the phasing out use of single use plastic and recycling paper and print cartridges – to reduce our carbon footprint.

Diversity
With 80 offices around the globe NES Global Talent has a diverse workforce, employing over 50 different nationalities and 52% female staff. NES Global Talent monitors the gender and nationality split at different levels for each region and produce monthly analysis for the Board, to ensure we are giving it the focus it deserves and can take the positive actions needed.

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.

Governance
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.

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.

NES Global Talent complies 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.

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

The directors of the company must act in accordance with a set of general duties. These duties are detailed in section 172(1) (a) to (f), described below.

During the period, the directors have focused attention on how to deliver the best outcomes in order to promote the success of the Group for the benefit of the shareholders by taking a proactive approach to the management of all stakeholders including employees, customers, suppliers and the broader community. The proactive approach can be evidenced as follows:

- Directors meet monthly as part of the corporate board to discuss the market and trading updates, customer relationships, employee matters and other factors affecting the Group, and to take any decisions around communications to key stakeholders including employees. Further information on the focus on diversity of employees is included on page 6.

- Directors are regularly provided with updates on key customer relationships and are actively engaged in new and changing customer contract activity including emerging trends and incorporating feedback from customers and contractors when setting and reviewing the group strategy. Support is given to customers to develop new low carbon solutions by providing the technical workforce and skilled engineers.

- Regular forecasting, planning and cash updates are provided, to ensure that decisions taken focus on both the short and long term liquidity of the company.

- The directors take reasonable steps to ensure the culture of the Group is being approached with an appropriate mindset. This is aligned to the strategy of the group outlined above.

- The directors place particular importance on the impact of the Group on the local community and actively encourage local teams to take advantage of the free days provided to staff to spend on charitable work.

- The directors ensure the group acts fairly to all members of the Group, including holders of all classes of shares and minority shareholding groups, by working together to ensure the long term sustainable success of the group.

- The directors are committed to year on year improvements in operational energy efficiency by continually reviewing its energy consumption with the aim of delivering on-going reductions in emissions. See the Streamlined Energy and Carbon Reporting section of the Strategic Report on page 5 for further detail regarding the impact of the Group on the environment.

- As part of the director induction process, a newly appointed director is briefed on their duties and they can access professional advice on these from the company secretary. The corporate governance statement on the company website details how the Group maintains a high standard of business conduct.

The directors are satisfied that S172 requirements have been performed to a high standard and in line with the code of conduct of all employees.

Strategic report (continued)
For the year ended 31 October 2020

FUTURE OUTLOOK

At the adjusted 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 18 October 2021 by:

S.W. Buckley
Director

Directors' report
For the year ended 31 October 2020

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 2020.

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 to the financial statements, the directors have concluded that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

DIRECTORS

The directors who served during the year and thereafter were:

S.W. Buckley
B.W.D. Connolly
S.F. Coton
T.I. Gilliam
A.J.W. Hoffman
K. E. Kjelstad
A. C. Kramvis
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 $0.6m were paid to non-controlling interests during the year (2019: $0.9m). Other than this, no dividends were paid or proposed for the current year.

Directors' report (continued)
For the year ended 31 October 2020

EMPLOYEES

The average number of staff during the year was 1,166 (2019: 956). Details of the number of employees and related costs can be found in note 7 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company participates in the Group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and the Company intranet. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the next directors' meeting.

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

S.W. Buckley
Director

18 October 2021

Directors' responsibilities statement

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

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2016. 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 the Group and of the profit or loss of the Company and the Group for that period.

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

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group'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 Group'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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion:

- the financial statements of NES Global Talent Limited (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company affairs as at 31 October 2020 and of the Group's loss for the year then ended;
- the Group and Company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the International Accounting Standards Board (IASB); 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 consolidated notes 1 to 25, related company notes 1 to 6.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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 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 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.

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.

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

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

18 October 2021

Consolidated income statement

For the year ended 31 October 2020

	Notes	31 October 2020 $'000	31 October 2019 $'000
Revenue	3	1,442,136	1,681,256
Cost of sales		(1,276,605)	(1,476,734)
Gross profit		165,531	204,522
Administrative expenses		(108,020)	(163,963)
Operating profit before management recharges, gain on bargain purchase, exceptional items, depreciation and amortisation		57,511	90,008
Management recharges		(939)	(1,013)
Gain on bargain purchase	13	18,352	-
Exceptional expenditure	4	(13,680)	(10,472)
Depreciation	11	(7,228)	(5,532)
Amortisation of intangible assets	10	(30,602)	(32,432)
Operating profit		23,414	40,559
Finance costs	5	(80,153)	(80,968)
Loss before tax	6	(56,739)	(40,409)
Tax charge	8	(2,567)	(2,153)
Loss for the year	21	(59,306)	(42,562)
Attributable to:			
Owners of the Company		(61,808)	(44,491)
Non-controlling interests		2,502	1,929
		(59,306)	(42,562)

All activity has arisen from continuing operations.

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

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Consolidated statement of comprehensive income

For the year ended 31 October 2020

	31 October 2020	31 October 2019
	$'000	$'000
Loss for the year	(59,306)	(42,562)
Items that may be reclassified subsequently to profit and loss:		
Exchange gain on retranslation of foreign operations	8	264
Total comprehensive expenditure for the year	(59,298)	(42,298)
Attributable to:		
Owners of the Company	(61,790)	(44,263)
Non-controlling interests	2,492	1,965
	(59,298)	(42,298)

Consolidated balance sheet

As at 31 October 2020

	Notes	2020 $'000	2019 $'000
Non-current assets			
Goodwill	9	131,300	131,953
Intangibles	10	91,551	93,253
Property and equipment	11	17,452	11,188
Investments	12	1,848	1,552
Deferred tax asset	18	6,173	3,478
		248,324	241,424
Current assets			
Trade and other receivables	14	351,239	349,218
Cash and bank balances	14	71,220	37,148
		422,459	386,366
Total assets		670,783	627,790
Current liabilities			
Trade and other payables	15	(266,538)	(209,579)
Current tax liabilities		(6,559)	(4,129)
Borrowings	16	(11,209)	(36,703)
		(284,306)	(250,411)
Net current assets		138,153	135,955
Non-current liabilities			
Borrowings	16	(730,197)	(687,524)
Deferred tax liabilities	18	(13,114)	(8,090)
Other non-current liabilities	19	(9,810)	(6,555)
		(753,121)	(702,169)
Total liabilities		(1,037,427)	(952,580)
Net liabilities		(366,644)	(324,790)
Equity			
Share capital	20	20	20
Share premium		19,044	19,044
Retained earnings		(410,615)	(344,488)
Other reserves		(3,544)	(3,562)
Equity attributable to owners of the Company		(395,095)	(328,986)
Non-controlling interests		28,451	4,196
Total equity		(366,644)	(324,790)

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 18 October 2021. They were signed on its behalf by:

S.W. Buckley
Director

Consolidated cash flow statement

For the year ended 31 October 2020

	Notes	31 October 2020 $'000	31 October 2019 $'000
Cash inflow from operating activities prior to non-cash foreign exchange losses on loan retranslations	21	101,432	23,816
Non-cash foreign exchange losses on loan retranslations		(6,101)	(11,952)
Cash inflow from operating activities		95,331	11,864
Investing activities			
Acquisition of subsidiary undertakings	19	(435)	(1,623)
Purchases of property and equipment	11	(1,789)	(1,944)
Proceeds on disposal of property and equipment		-	19
Purchases of partnership units		-	(7)
Purchases of intangibles	10	(1,548)	(1,585)
Cash received on business combination	13	12,671	-
Net cash inflow/(outflow) from investing activities		8,899	(5,140)
Financing activities			
Repayment of borrowings		(2,751)	(5,314)
Transactions with non-controlling interests	12	(6,220)	-
Interest paid		(28,578)	(28,650)
Dividends paid to non-controlling interests		(636)	(947)
Finance lease payments	22	(6,084)	(4,954)
Net cash used in financing activities		(44,269)	(39,865)
Net increase/(decrease) in cash and cash equivalents		59,961	(33,141)
Net exchange rate movements	21	(395)	(4,870)
Cash and cash equivalents at beginning of year		1,343	39,354
Cash and cash equivalents at end of year	21	60,909	1,343

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 2020

	Share capital $'000	Share premium $'000	Retained earnings $'000	Translation reserve $'000	Non-controlling interests $'000	Merger reserve $'000	Total $'000
At 31 October 2018	20	19,044	(299,997)	(4,425)	3,153	635	(281,570)
Net (loss)/profit for the year	-	-	(44,491)	-	1,929	-	(42,562)
Exchange gain on retranslation of foreign operations	-	-	-	228	36	-	264
Total comprehensive (expense)/income for the year	-	-	(44,491)	228	1,965	-	(42,298)
Adjustment arising from change in non-controlling interests	-	-	-	-	25	-	25
Dividends paid to non-controlling interests	-	-	-	-	(947)	-	(947)
At 31 October 2019	20	19,044	(344,488)	(4,197)	4,196	635	(324,790)
Net (loss)/profit for the year	-	-	(61,808)	-	2,502	-	(59,306)
Exchange loss on retranslation of foreign operations	-	-	-	18	(10)	-	8
Total comprehensive (expense)/income for the year	-	-	(61,808)	18	2,492	-	(59,298)
Acquisition of subsidiary	-	-	-	-	24,300	-	24,300
Adjustment arising from change in non-controlling interests	-	-	(4,319)	-	(1,901)	-	(6,220)
Dividends paid to non-controlling interests	-	-	-	-	(636)	-	(636)
At 31 October 2020	20	19,044	(410,615)	(4,179)	28,451	635	(366,644)

Notes to the consolidated financial statements
For the year ended 31 October 2020

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 8. 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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 note 1. The COVID-19 pandemic led to a short term reduction in activity levels. The Group reacted quickly to manage its cost base in line with reduced activity levels and has taken advantage of government support schemes where available. These actions have resulted in continued operating profits and positive cash generation.

As referred to in the Strategic 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 18 September 2020, the NES Global Talent Group entered into a business combination with Fircroft Engineering Services Limited and its subsidiaries ('Fircroft Group'). An amendment of the existing credit agreement was signed to support the new combined group. The combined Group facilities in place at 31 October 2020 consist of a $72 million revolving credit facility, $165 million of invoice discounting facilities and a $266 million senior term loan.

The NES Global Talent Group had undrawn committed facilities at 31 October 2020 of $225,309,000 (2019: $91,988,000). Despite the increase in trade since the year end, the Group had undrawn committed facilities at 31 August 2021 of $183,869,000, showing the Group continues to have significant unutilised financing facilities in place.

The NES Global Talent Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the NES Global Talent Group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts and the directors have considered the on-going impact of the COVID-19 outbreak on the combined Group's projected results. This exercise included performing additional upside and downside sensitivities to flex EBITDA by 20% without any further mitigating actions. Even under these sensitivities, the forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to October 2022.

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

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 fall in excess of these sensitised amounts before a breach in financial covenants would occur. The directors consider the likelihood of such a scenario to be remote. The majority of NES Global Talent Group's bank facilities are not repayable until May 2023. The directors have a reasonable expectation that the NES Global Talent Group has adequate resources to continue in operational existence for the foreseeable future and therefore support all its subsidiaries. Accordingly, the Group has adopted the going concern basis in preparing the financial statements.

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 (IASB) that are mandatorily effective for an accounting period that begins on or after 1 November 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRIC 23 *Uncertainty over Income Tax Treatments*	IFRIC 23 requires an entity to determine whether uncertain tax positions are assessed separately or as a group and whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.
Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures*	IAS28 clarifies that IFRS 9, including its impairment requirements, applies to long-term interests. Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).
Annual Improvements IFRS Standards 2015-2017 *Cycle IAS 12 Income Tax*	The amendments to IAS 12 clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.
Annual Improvements IFRS Standards 2015-2017 Cycle *IAS 23 Borrowing Costs*	The amendments to IAS 23 clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
Annual Improvements IFRS Standards 2015-2017 Cycle *IFRS 3 Business Combinations*	The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

IFRS 16 Leases
IFRS 16 Leases is mandatorily effective for accounting periods beginning on or after 1 January 2019. The Group opted to apply the standard early in the financial statements for the year beginning 1 November 2016.

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 References to the Conceptual Framework	*Amendments to References to the Conceptual Framework in IFRS Standards*
Amendments to IFRS 3	*Definition of Business*
Amendments to IAS 1 and IAS 8	*Definition of Material*
IFRS 17	*Insurance Contracts*
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

It is not practical to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

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

2 SIGNIFICANT ACCOUNTING POLICIES

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.

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's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's 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 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.

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 generated from contractual agreements with customers.

Government grants
Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received. Government grants are then recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. All government grants are recorded as a deduction in reporting the related expense. During the year, the Group utilised $575,000 of government grants in respect of furlough schemes and at the balance sheet date, a total of $12.9m of UK and US tax related payments have been deferred into future financial periods.

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

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

Goodwill and gain on bargain purchase
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. A gain on bargain purchase arising on consolidation represents the amount in which the fair value of identifiable assets and liabilities of a subsidiary, associate or jointy controlled entity exceeds the cost of acquisition. A gain on bargain purchase is recognised immediately within the income statement. 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 year 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.

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

2 SIGNIFICANT ACCOUNTING POLICIES

Intangible assets – computer software (continued)
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.

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.

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 2020

2 SIGNIFICANT ACCOUNTING POLICIES

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% (2019: 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.

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.

Rentals payable under low value leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

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 $2,181,000 (2019: $1,419,000).

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.

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

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.

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

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.

IFRS 9 'Financial Instruments' was adopted during the prior year and there was no significant impact on transition. There is no material impact from applying the expected credit losses model to the Group's financial assets.

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.

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

Derecognition of financial assets
The 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 recognied and to make estimates and assumptions about the carrying vamounts of assets and liabilities that are not readily apparent from other sources. Thes 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 accounting judgements made in the process of applying the Group's accounting policies.

Key sources of estimation uncertainty
The directors consider the key source of estimation uncertainty in the current year to relate to the measurement of the fair value of customer relationship intangible assets and the resultant gain on bargain purchase recognised on acquisition of Fircroft Engineering Services Limited – see note 13.

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

3 SEGMENTAL REPORTING

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

4 EXCEPTIONAL EXPENDITURE

	31 October 2020 $'000	31 October 2019 $'000
Deal costs	7,326	4,687
Restructuring	6,354	5,785
	13,680	10,472

The tax impact of the above exceptional administrative expenses is approximately $1,145,000 credit (2019: $1,657,000 credit).

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

Restructuring – relate to various restructuring activities, contractor and other legal claims across the Group.

5 FINANCE COSTS

	31 October 2020 $'000	31 October 2019 $'000
Interest payable on bank loans, loan notes and overdrafts	68,651	67,668
Interest receivable on loans	(546)	(130)
Interest payable on loans	240	-
Amortisation of debt issue costs (note 16)	1,853	1,878
Debt issue costs written off (note 16)	3,302	-
Interest on lease liabilities	840	489
Non-cash foreign exchange losses on group loan retranslations	5,813	11,063
	80,153	80,968

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

6 LOSS BEFORE TAX

Loss before tax is stated after charging:

	31 October 2020 $'000	31 October 2019 $'000
Depreciation of right of use assets (note 11)	5,818	4,475
Depreciation of other property and equipment (note 11)	1,410	1,057
	7,228	5,532
Amortisation of intangible assets (note 10)	30,602	32,432
Loss on disposal of property and equipment (note 11)	11	10
Staff costs (note 7)	66,161	74,946
Auditor's remuneration for audit and non-audit services (below)	1,007	2,428
Rental of low value assets	75	74

The analysis of auditor's remuneration is as follows:		
Auditor's remuneration for audit services – parent's consolidated financial statements	68	67
Auditor's remuneration for audit services – subsidiaries financial statements	827	576
Total audit fees	895	643
Tax services – compliance	78	141
Tax services – advisory	34	270
Other fees – corporate finance services	-	1,374
Total non-audit fees	112	1,785
Total fees	1,007	2,428

7 STAFF COSTS

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

	31 October 2020 Number	31 October 2019 Number
Sales and administration	1,166	956

	2020 $'000	2019 $'000
Their aggregate remuneration (including executive directors) comprised:		
Wages and salaries	60,931	69,823
Social security costs	4,504	4,357
Pension costs	726	766
	66,161	74,946

See note 24 for details of key management compensation.

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

8 TAX

	31 October 2020 $'000	31 October 2019 $'000
Current tax	(7,302)	(6,287)
Deferred tax (note 18)	4,735	4,134
Total tax charge	(2,567)	(2,153)

The UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020 reversing the previously enacted reduction in rate from 19% to 17%. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

In the 3 March 2021 budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This rate change was not substantively enacted at the balance sheet date but it will have a consequential effect on the Group's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the estimated impact on deferred tax balances at 31 October 2020 would not be significant.

Deferred tax is provided at a rate of 19% in the UK in accordance with Finance Act 2020 which was substantively enacted on 17 March 2020.

Deferred tax balances in other jurisdictions have been valued at future corporation tax rates substantively enacted by the balance sheet date in the respective jurisdictions, again on the basis of when they are expected to reverse in the future.

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

	31 October 2020 $'000	31 October 2019 $'000
Loss before tax	56,739	40,409
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	10,780	7,678
Effects of:		
Income not chargeable/(expenses not deductible)	2,304	(522)
Adjustments in respect of current income tax of previous years	654	1,186
Adjustments in respect of deferred tax of previous years	101	(210)
Deferred tax not recognised	(5,790)	(4,932)
Interest not deductible	(10,878)	(7,991)
Deferred tax rate change adjustment	68	86
Deferred tax on losses not previously recognised	1,581	281
Deferred tax on short-term timing differences not previously recognised	(872)	567
Impact of overseas subsidiaries being taxed locally and in the UK	820	-
Adjustments in respect of other taxes	(3,621)	10
Effect of overseas corporation tax rates	2,286	1,694
Tax charge for the year	(2,567)	(2,153)

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

9 GOODWILL

	AMEA (Asia, Middle East and Africa) $'000	Americas $'000	Europe and CIS $'000	Total $'000
Cost				
Restated at 1 November 2018	30,266	69,810	51,825	151,901
Measurement period adjustment	-	(2,988)	-	(2,988)
At 1 November 2019 and 31 October 2020	30,266	66,822	51,825	148,913
Exchange rate movements				
Restated at 1 November 2018	(6,184)	(3,805)	(5,867)	(15,856)
Exchange rate movements	306	188	(1,598)	(1,104)
At 1 November 2019	(5,878)	(3,617)	(7,465)	(16,960)
Exchange rate movements	8	4	(665)	(653)
At 31 October 2020	(5,870)	(3,613)	(8,130)	(17,613)
Carrying amount				
At 31 October 2020	24,396	63,209	43,695	131,300
At 1 November 2019	24,388	63,205	44,360	131,953
At 1 November 2018	24,082	66,005	45,958	136,045

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management and extrapolates cash flows to give a 10-year total period, based on no annual growth in the period post detailed budgets. 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 rate used in the 2020 impairment review was 8.52% (2019: 9.02%). The Group has carried out a sensitivity analysis on the impairment review which shows that a reasonably possible change in the discount rate or growth rate would not indicate an impairment.

During the prior year, the valuation of customer relationships for the acquisitions of Redbock LLC and Bedrock Petroleum Consultants LLC completed in 2018 were revisited and the view of goodwill for such acquisitions was revised. This resulted in the following changes which created a decrease to the value of goodwill.

	$'000
Customer relationship valuation	3,777
Adjustment to deferred tax	(8,645)
Working capital adjustment	76
Contingent consideration adjustment	54
Adjustment to measurement of net assets acquired	1,750
	(2,988)

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

10 INTANGIBLES

	Computer software	Customer relationships	Brands	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 November 2018	5,717	347,563	-	353,280
Measurement period adjustment (note 9)	-	(3,777)	-	(3,777)
Additions	1,585	-	-	1,585
Exchange rate movements	68	(3,515)	-	(3,447)
At 1 November 2019	7,370	340,271	-	347,641
Acquisitions (note 13)	2,434	22,500	4,700	29,634
Additions	1,548	-	-	1,548
Disposals	(193)	-	-	(193)
Exchange rate movements	(76)	(3,139)	(120)	(3,335)
At 31 October 2020	11,083	359,632	4,580	375,295
Amortisation				
At 1 November 2018	(3,386)	(218,127)	-	(221,513)
Charge for the year	(691)	(31,741)	-	(32,432)
Exchange rate movements	(36)	(407)	-	(443)
At 1 November 2019	(4,113)	(250,275)	-	(254,388)
Charge for the year	(1,217)	(29,330)	(55)	(30,602)
Disposals	193	-	-	193
Exchange rate movements	44	1,008	1	1,053
At 31 October 2020	(5,093)	(278,597)	(54)	(283,744)
Carrying amount				
At 31 October 2020	5,990	81,035	4,526	91,551
At 1 November 2019	3,257	89,996	-	93,253
At 1 November 2018	2,331	129,436	-	131,767

Brands are amortised over their useful economic life, which is estimated at ten years.

Customer relationships are amortised over an eight-year period which is the estimated average length of the underlying relationships, or less if considered appropriate. At 31 October 2020 the remaining amortisation period for material customer relationships is between five and six years (31 October 2019: between four and five years).

Computer software is amortised over its useful economic life, which is estimated at three to five 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 used in the 2020 impairment review was 8.52% (2019: 9.02%). The Group has carried out a sensitivity analysis on the impairment review which shows that a reasonably possible change 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 2020

11 PROPERTY AND EQUIPMENT

	Leasehold improvements $'000	Computer equipment $'000	Fixtures, fittings and equipment $'000	Motor vehicles $'000	Right of use assets $'000	Total $'000
Cost						
At 1 November 2018	1,308	2,752	1,184	207	10,185	15,636
Additions	406	908	587	43	8,479	10,423
Disposals	(193)	(1,074)	(266)	(109)	(6,445)	(8,087)
Exchange rate movements	3	(32)	(12)	(12)	(74)	(127)
At 1 November 2019	1,524	2,554	1,493	129	12,145	17,845
Acquisitions (note 13)	758	458	245	67	4,793	6,321
Additions	261	669	856	3	5,921	7,710
Disposals	(335)	(229)	(273)	(22)	(4,189)	(5,048)
Exchange rate movements	(40)	(125)	(59)	(12)	(225)	(461)
At 31 October 2020	2,168	3,327	2,262	165	18,445	26,367
Accumulated depreciation						
At 1 November 2018	(815)	(1,927)	(758)	(117)	(5,391)	(9,008)
Charge for the year	(254)	(532)	(247)	(24)	(4,475)	(5,532)
Disposals	193	1,074	219	72	6,291	7,849
Exchange rate movements	(5)	25	8	6	-	34
At 1 November 2019	(881)	(1,360)	(778)	(63)	(3,575)	(6,657)
Charge for the year	(244)	(745)	(399)	(22)	(5,818)	(7,228)
Disposals	335	228	273	12	3,968	4,816
Exchange rate movements	24	105	34	4	(13)	154
At 31 October 2020	(766)	(1,772)	(870)	(69)	(5,438)	(8,915)
Carrying amount						
At 31 October 2020	1,402	1,555	1,392	96	13,007	17,452
At 1 November 2019	643	1,194	715	66	8,570	11,188
At 1 November 2018	493	825	426	90	4,794	6,628

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

12 INVESTMENTS

	2020 $'000	2019 $'000
Investments in share units of ultimate parent partnership	532	532
Investments in loan note units of ultimate parent partnership	1,189	1,020
Investments in joint ventures	127	-
	1,848	1,552

At 31 October 2020 the Group held 5,081 share units in NES Global Talent LP (2019: 5,081 units).

At 31 October 2020, the Group held $1,189,000 loan note units issued by NES Global Talent LP (2019: $1,020,000). 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 6 of the Company financial statements.

As part of the business combination with Fircroft Engineering Services Limited on 18 September 2020, NES Global Talent Limited acquired a joint venture, Fircroft Tanjung Sdn Bhd. The group owns 49% of the share capital ($127,000) but is deemed to have joint control and use of the net assets of the entity. As a result the group accounts for the entity as a joint venture. On 31 January 2021 the holdings in the joint venture was disposed of and from this date, the Group had no further interest in the entity.

During the year, the 30% minority interest in NES Norway was purchased by the Group for total consideration of $6,220,000. The Group now holds 100% of the shares in NES Norway.

13 ACQUISITION OF SUBSIDIARY

On 18 September 2020, the Group acquired 90% of the issued share capital of Fircroft Engineering Services Limited (Fircroft Group) in exchange for a 10% interest in NES Global Talent Holdings Limited which acts as an intermediate holding company to the NES group of companies. Fircroft Group supplies engineering and technical contractors to specialist technical industries such as the oil and gas, renewables, power, chemicals, ICT, mining, automotive and construction sectors.

Fircroft Engineering Services Limited qualifies as a business 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	6,321
Identifiable intangible assets	29,634
Trade and other receivables	119,026
Cash and other equivalents	12,671
Trade and other payables	(118,752)
Deferred tax liabilities on intangible assets	(6,248)
Total identifiable assets acquired, and liabilities assumed	42,652
Gain on bargain purchase	(18,352)
Total equity consideration transferred	24,300
Net cash inflow arising on acquisition	
Cash and cash equivalent balances acquired	12,671

35 NES GLOBAL TALENT LIMITED

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

13 ACQUISITION OF SUBSIDIARY (CONTINUED)

As the fair value of net assets acquired were in excess of the consideration transferred, the transaction resulted in a gain on bargain purchase of $18,352,000.

Acquisition-related costs are included in deal costs in exceptional items and the gain on bargain purchase is disclosed separately in the consolidated income statement.

Fircroft Group contributed $62,700,000 revenue and $856,000 to the Group's loss for the period between the date of acquisition and the reporting date. If the acquisition of Fircroft Group had been completed on the first day of the financial year, Group revenues for the year would have been $2,183,192,000 and adjusted Group EBITDA would have been $64,714,000.

14 OTHER CURRENT ASSETS

Trade and other receivables

	2020 $'000	2019 $'000
Amounts receivable for the sale of services	257,820	291,005
Allowance for doubtful debts	(6,944)	(1,445)
	250,876	289,560
Other debtors	39,298	20,693
Amounts receivable from parent partnership (note 24)	12,572	12,054
Amounts receivable from related parties (note 24)	840	812
Prepayments	7,818	5,631
Accrued income	39,835	20,468
	351,239	349,218

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 at the reporting date was:

	2020 $'000	2019 $'000
Not past due	203,041	244,220
Past due 0 - 30 days	17,698	23,226
Past due 31 - 60 days	16,578	7,763
Past due 61 - 90 days	5,971	4,838
More than 90 days	7,588	9,513
	250,876	289,560

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

14 OTHER CURRENT ASSETS

Trade receivables

The Group carries a provision for doubtful debts of $6,944,000 (2019: $1,445,000) against trade receivables of $257,820,000 (2019: $291,005,000). 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. In the current year, the Group increased the expected loss rate due to the ongoing economic uncertainty as a result of to the COVID-19 pandemic. 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 not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

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

	2020 $'000	2019 $'000
AMEA (Asia, Middle East and Africa)	116,031	122,341
Americas	58,429	93,865
Europe and CIS	83,360	74,799
	257,820	291,005

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.

	2020 $'000	2019 $'000
Cash and bank balances	71,220	37,148

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

15 OTHER CURRENT LIABILITIES

	2020 $'000	2019 $'000
Trade and other payables		
Trade payables	138,147	126,026
Sales and payroll taxes and social security	64,781	28,875
Lease liabilities (note 22)	4,794	3,076
Deferred tax liabilities (note 18)	2,745	4,427
Amounts owing to parent partnership (note 24)	5,571	5,317
Accruals and deferred income	50,140	41,858
Deferred consideration	360	-
	266,538	209,579

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

Deferred consideration represents future amounts payable in respect of the purchase of the trade and assets of Ziegler's Oilfield Consulting Limited ($225,000) and Tier 2 IPMT Limited ($135,000).

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 30 days.

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

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

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

16 BORROWINGS

	2020 $'000	2019 $'000
Unsecured borrowings at amortised cost		
A listed loan notes issued by NES Global Talent Finance Limited	355,189	322,256
B loan notes issued by NES Global Talent Finance Limited	30,699	27,856
AA listed loan notes issued by NES Global Talent Finance Limited	84,076	76,281
	469,964	426,393
Secured borrowings at amortised cost		
Senior term bank loans	265,710	268,461
Related capitalised costs of raising finance	(4,579)	(6,432)
Net senior bank loans	261,131	262,029
Bank overdrafts	10,311	35,805
	271,442	297,834
	741,406	724,227
Total borrowings		
Amount due for settlement within 12 months	11,209	36,703
Amount due for settlement after 12 months	730,197	687,524
	741,406	724,227

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 2020 is $355,189,000 (2019: $322,256,000), the A loan note instrument having accrued interest of $32,633,000 (2019: $29,500,000) during the year and suffering from a non-cash foreign exchange impact of $300,000 (2019: $3,443,000) 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.

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

16 BORROWINGS

B loan notes issued by NES Global Talent Finance Limited (continued)
The balance at 31 October 2020 is $30,699,000 (2019: $27,856,000). There were no B loan notes redeemed during the year (2019: $nil) and no interest was paid (2019: no interest paid). The loan notes have accrued interest of $2,813,000 (2019: $2,550,000) during the year. The remaining loss of $30,000 (2019: $346,000) 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 2020 is $84,076,000 (2019: $76,281,000), the AA loan note instrument having accrued interest of $7,725,000 (2019: $6,983,000) during the year, inclusive of the issue of further loan notes. There was a foreign exchange loss in the year of $70,000 (2019: $816,000 loss) on conversion to USD.

Senior term bank loans
Repayments on the term facility loan are made in January, April, July and October of each year. The instalments payable are $687,876 per quarter with the remaining balance to be paid on 11 May 2023.

The balance of the term loan at 31 October 2020 is $265,710,000 (2019: $268,461,000). The term facility loan incurs interest at a rate of 5.50% above the LIBO rate.

$1,853,000 (2019: $1,878,000) of capitalised costs of raising the refinanced and extended senior loan facility were amortised to finance charges in the income statement during the year.

Bank overdrafts
On 11 May 2018, the Group refinanced and extended its existing RCF until 11 November 2022. On 18 September 2020, the NES Global Talent Group entered into a business combination with Fircroft Engineering Services Limited and its subsidiaries ('Fircroft Group'). An amendment of the existing credit agreement was signed to support the new combined group extending the RCF to $72m (2019: $60m). As at 31 October 2020, $nil (2019: $nil) was drawn down in both US dollar and sterling currencies.

$3,302,000 of costs of raising the extended facility were written off to finance charges in the income statement during the year (2019: $nil).

There is access to various local overdraft and invoice discounting facilities, secured against trade debtors. At 31 October 2020 $10,311,000 (2019: $35,805,000) was drawn down on these facilities.

The Group has undrawn committed facilities at 31 October 2020 of $225,309,000 (2019: $91,988,000).

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

17 FINANCIAL INSTRUMENTS

Capital risk management
The Group manages its capital to ensure that all entities within the Group are able to continue as a going concern. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 16, 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 20.

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.

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.

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.

Categories of financial instruments

	2020	2019
Financial assets	$'000	$'000
Cash and overdrafts	60,909	1,343
Debtors	264,288	302,426
Financial liabilities		
Amortised cost	893,032	834,805

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

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

Financial assets – Trade receivables
These comprise trade and other receivables and details are given in note 14 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 30 days. 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 16 to the consolidated financial statements.

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

17 FINANCIAL INSTRUMENTS

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 2020	31 October 2019	31 October 2020	31 October 2019
UK sterling	0.779	0.786	0.773	0.773
Euro	0.890	0.889	0.856	0.897
Australian dollar	1.474	1.425	1.422	1.452

The Group's exposure to foreign currency risk based on currency balances held as at 31 October 2020 are as follows:

	Monetary assets		Monetary liabilities	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
UK sterling	4,861	554	(9,328)	(1,884)
Euro	17,223	3,431	(1,453)	(1,772)
Australian dollar	3,332	1,144	(19,211)	(526)
Other	29,270	41,109	(18,903)	(20,673)
	54,686	46,238	(48,895)	(24,855)

'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.

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 14.

Liquidity risk management
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 2020 are set out in note 16.

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

18 DEFERRED TAXATION

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

	Intangibles $'000	Losses $'000	Other short term timing differences $'000	Total $'000
At 1 November 2018	(27,633)	4,673	351	(22,609)
Balance sheet reclassification	8,645	-	-	8,645
Credit/(charge) to the income statement	5,589	(2,115)	660	4,134
Exchange rate movements	935	(118)	(26)	791
At 1 November 2019	(12,464)	2,440	985	(9,039)
Acquired in the year	(6,338)	-	959	(5,379)
Rate change adjustment	-	63	3	66
Credit/(charge) to the income statement	4,632	922	(818)	4,736
Exchange rate movements	313	(32)	(351)	(70)
At 31 October 2020	(13,857)	3,393	778	(9,686)

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:

	2020 $'000	2019 $'000
Deferred tax liabilities – non-current	(13,114)	(8,090)
Deferred tax liabilities – current (note 15)	(2,745)	(4,427)
Deferred tax assets – non-current	6,173	3,478
	(9,686)	(9,039)

At the balance sheet date, the Group has unused UK tax losses of $7,799,000 (2019: $7,765,000) and deferred interest deductions under BEPS Action 4 of $39,355,000 (2019: $26,155,000), 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 asset of $68,000 has been recognised at the balance sheet date in respect of non-trading loan relationship deficits in the year that are expected to be offset against future UK taxable profits (2019: $539,000).

A deferred tax liability of $662,000 (2019: nil) has been recognised at the balance sheet date in respect of expected tax liabilities on unremitted earnings.

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

19 OTHER NON-CURRENT LIABILITIES

	2020 $'000	2019 $'000
Lease liabilities	8,839	5,532
Deferred consideration	-	228
Contingent consideration (below)	971	795
	9,810	6,555

Deferred consideration represents future amounts payable in respect of the purchase of the trade and assets of Ziegler's Oilfield Consulting Limited. During the year, a payment of $228,000 (2019: $228,000) was made in respect of this.

Contingent consideration represents management's best estimate of future amounts payable in respect of the acquisition of Redbock LLC.

Contingent consideration

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

	$'000
Contingent consideration at 1 November 2018	658
Acquisition accounting adjustment	56
Unwinding of discounting	81
Contingent consideration at 1 November 2019	795
Remeasurement of liability	94
Unwinding of discounting	82
Contingent consideration at 31 October 2020	971

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

20 CALLED-UP SHARE CAPITAL

	2020	2019
Authorised, allotted, called-up and fully paid	$	$
889,766 ordinary A shares of £0.01 each (2019: 889,766 shares)	13,899	13,899
53,252 ordinary B1 shares of £0.01 each (2019: 53,252 shares)	862	862
13,484 ordinary B2 shares of £0.01 each (2019: 13,534 shares)	232	233
170,000 ordinary C1 shares of £0.01 each (2019: 170,000 shares)	2,580	2,580
97,953 ordinary C2 shares of £0.01 each (2019: 97,903 shares)	1,573	1,572
1 ordinary D share of £150 each (2019: 1 share)	243	243
1 ordinary E share of £150 each (2019: 1 share)	243	243
1 ordinary F share of £150 each (2019: 1 share)	243	243
	19,875	19,875

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 year 50 ordinary B2 shares (2019: 56) were converted to ordinary C2 shares.

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

21 NOTES TO THE CASH FLOW STATEMENT

	31 October 2020 $'000	31 October 2019 $'000
Loss for the year	(59,306)	(42,562)
Adjustments for:		
Income tax charge	2,567	2,153
Finance costs	80,153	80,968
Depreciation of property and equipment	7,228	5,532
Gain on bargain purchase	(18,352)	-
Amortisation and impairment of intangibles	30,602	32,432
Loss on disposal of property and equipment	11	10
Operating cash flows before movements in working capital	42,903	78,533
Decrease/(increase) in receivables	115,815	(77,318)
(Decrease)/increase in payables adjusted for foreign exchange losses on loan retranslations	(42,963)	26,676
Cash generated from operations	115,755	27,891
Income taxes paid	(14,323)	(4,075)
Cash inflow from operating activities prior to non-cash foreign exchange losses on loan retranslations	101,432	23,816

The cash flow impact of operating exceptional administrative expenses was $7,021,000 (2019: $3,852,000).

Cash and cash equivalents

	31 October 2020 $'000	31 October 2019 $'000
Cash and bank balances	71,220	37,148
Bank overdrafts	(10,311)	(35,805)
	60,909	1,343

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

21 NOTES TO THE CASH FLOW STATEMENT

Analysis of changes in net debt

	1 November 2019 $'000	Cash flow $'000	Amortisation of debt costs $'000	Interest rolled-up $'000	Exchange movements $'000	31 October 2020 $'000
Cash and bank balances	37,148	36,242	-	-	(2,170)	71,220
Overdrafts	(35,805)	23,719	-	-	1,775	(10,311)
	1,343	59,961	-	-	(395)	60,909
A loan notes	(322,256)	-	-	(32,633)	(300)	(355,189)
B loan notes	(27,856)	-	-	(2,813)	(30)	(30,699)
AA loan notes	(76,281)	-	-	(7,725)	(70)	(84,076)
Senior term bank loans	(268,461)	2,752	-	-	-	(265,709)
Capitalised debt costs	6,432	-	(1,853)	-	-	4,579
Net debt*	(687,079)	62,713	(1,853)	(43,171)	(795)	(670,185)

* Net debt includes accrued interest at 31 October 2020 of $233,510,000 (2019: $190,050,000).

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 2019 $'000	Cash flows $'000	Interest rolled up $'000	Net lease additions $'000	Exchange movements $'000	31 October 2020 $'000
Borrowings (note 16)	(694,854)	2,752	(43,171)	-	(400)	(735,673)
Lease liabilities (note 22)	(8,608)	6,084	(840)	(10,490)	221	(13,633)
Total	(703,462)	8,836	(44,011)	(10,490)	(179)	(749,306)

Balances at 31 October 2020 comprise:

	Current assets $'000	Current liabilities $'000	Non-current liabilities $'000	Total $'000
Cash and bank balances	71,220	-	-	71,220
Overdrafts	-	(10,311)	-	(10,311)
A loan notes	-	-	(355,189)	(355,189)
B loan notes	-	-	(30,699)	(30,699)
AA loan notes	-	-	(84,076)	(84,076)
Borrowings – senior term loan	-	(2,751)	(262,958)	(265,709)
Capitalised debt costs	-	1,853	2,725	4,578
At 31 October 2020	71,220	(11,209)	(730,197)	(670,186)

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

22 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 2020:

	Leasehold offices $'000	Motor vehicles $'000	Total $'000
Right of use assets			
At 31 October 2019	7,670	900	8,570
Acquisitions	4,793	-	4,793
Additions	5,544	377	5,921
Cost disposals	(3,970)	(219)	(4,189)
Depreciation charge	(5,245)	(573)	(5,818)
Depreciation disposals	3,774	194	3,968
Foreign exchange translation	(240)	2	(238)
At 31 October 2020	12,326	681	13,007

	Leasehold offices $'000	Motor vehicles $'000	Total $'000
Lease liabilities			
At 31 October 2019	7,694	914	8,608
Acquisitions	4,793	-	4,793
Recognised during the year to 31 October 2020	5,585	377	5,962
Interest expense on lease liabilities	761	79	840
Lease payments	(5,446)	(638)	(6,084)
Lease disposals	(240)	(25)	(265)
Foreign exchange translation	(223)	2	(221)
At 31 October 2020	12,924	709	13,633

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

22 LEASES

Income statement

	2020	2019
	$'000	$'000
Interest expense (note 5)	840	489
Expense relating to leases of low-value assets – Other operating lease rent figures	75	74
At 31 October 2020	915	563

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	Motor vehicles	Total
	$'000	$'000	$'000
Maturity analysis of lease liabilities:			
Current	4,289	505	4,794
Within one to five years	8,635	204	8,839
At 31 October 2020	12,924	709	13,633
Current	2,647	429	3,076
Within one to five years	4,980	552	5,532
At 31 October 2019	7,627	981	8,608

The total cash outflow in the year paid in respect of leases was $6,084,000 (2019: $4,954,000).

23 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 $6,461,000 (2019: $3,257,000).

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

24 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 25).

During the year the Group paid $64,000 (2019: $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 $55,000 (2019: $99,000).

Loans receivable between the Group and NES Global Talent LP accrued interest receivable of $365,000 during the year (2019: $358,000).

Loans payable between the Group and NES Global Talent LP accrued interest payable of $242,000 during the year (2019: $160,000).

$64,000 consideration was paid during the year on behalf of NES Global Talent LP for the repurchase of B2 loan note units (2019: No B2 loan note).

At the balance sheet date there is a debtor of $12,572,000 (2019: $12,054,000) as a result of the above transactions owed from NES Global Talent LP.

During the year interest accrued on the listed A loan notes, AA loan notes and the B loan notes due to NES Global Talent LP was $43,460,000 (2019: $39,033,000).

At the balance sheet date there is a creditor of $475,536,000 (2019: $431,710,000) owing to NES Global Talent LP. The balance is unsecured and is repayable on demand within 14 days.

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 (note 25).

The Group incurred fees and expenses during the year to AEA Investors LP of $751,000 (2019: $1,013,000). At the balance sheet date $356,000 (2019: $261,000) was owed to AEA Investors LP which is included within trade payables.

Transactions with other related parties
NES Global Talent EBT is registered in the Channel Islands and holds the legal and beneficial ownership of unallocated C2 and B2 units in NES Global Talent LP.

During the year, the legal and beneficial ownership of 7,150 C2 units and 50 B2 units (2019: 851 C2 units and 56 B2 units) in NES Global Talent LP were transferred from NES Group EBT to NES Global Talent EBT. NES Group paid cash of $9,000 (2019: $88,000) to shareholders as consideration on behalf of NES Global Talent EBT.

NES Global Talent EBT issued no share units during the year (2019: nil). Cash consideration of $nil (2019: $20,000) was received by NES Group Limited on behalf of NES Global Talent EBT.

Fees incurred by the Group in the year on behalf of NES Global Talent EBT were $10,000 (2019: $nil).

Loans receivable between the Group and NES Global Talent EBT accrued interest receivable of $8,000 during the year (2019: $nil).

At the year end, there is a debtor of $840,000 (2019: $812,000) owing from NES Global Talent EBT. The balance is unsecured and is repayable on demand within 14 days.

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

24 RELATED PARTY TRANSACTIONS

Following the acquisition on 18 September 2020 (see note 13), Fircroft Engineering Services Holdings Limited has a 10% interest in NES Fircroft Limited. As at 31 October 2020, there was no outstanding balance between the Group and Fircroft Engineering Services Holdings Limited.

As part of the acquisition, the group acquired a joint venture arrangement with a Malaysian entity, Fircroft Tanjung Sdn Bhd, in which the group owns 49% of the share capital. Following the acquisition, this company made sales to other entities of the NES Global Talent Group totalling $26,000 and purchases from other entities of the NES Global Talent Group totalling $25,000. Amounts receivable from Fircroft Tanjung Sdn Bhd at the end of the year were $114,000. Amounts payable to Fircroft Tanjung Sdn Bhd at the end of the year were $8,000. Fircroft Tangjung Sdn Bhd was disposed of post year end.

Key management compensation

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

	31 October 2020	31 October 2019
	$'000	$'000
Short-term employee benefits	1,834	2,292

The highest paid director's total emoluments in the year were $865,000 (2019: $1,130,000) of which $nil (2019: $nil) related to pension costs.

During the year no (2019: none) 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.

25 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.

Company income statement

For the year ended 31 October 2020

	2020 $'000	2019 $'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	-	-
Operating profit	-	-
Finance income	6	5
Profit before taxation	6	5
Tax on profit	-	-
Profit for the financial year	6	5

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

Company balance sheet

As at 31 October 2020

	Notes	2020 $'000	2019 $'000
Fixed assets			
Investments	3	18,941	18,941
Current assets			
Trade and other receivables	4	130	124
Net assets		19,071	19,065
Capital and reserves			
Called-up share capital	5	20	20
Share premium		19,044	19,044
Translation reserve		(16)	(16)
Profit and loss account		23	17
Shareholder's funds		19,071	19,065

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 18 October 2021. They were signed on its behalf by:

S.W. Buckley

Director

Company statement of changes in equity

For the year ended 31 October 2020

	Share capital $'000	Share premium $'000	Translation reserve $'000	Retained earnings $'000	Total $'000
At 1 November 2018	20	19,044	(16)	12	19,060
Total income for the year	-	-	-	5	5
At 1 November 2019	20	19,044	(16)	17	19,065
Total income for the year	-	-	-	6	6
At 31 October 2020	20	19,044	(16)	23	19,071

Notes to the Company financial statements
For the year ended 31 October 2020

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.

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 (2019: $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 (2019: $nil). There are no employees other than the directors and no remuneration has been paid to the directors.

3 INVESTMENTS

	Subsidiary undertakings $'000
Cost and net book value	
At 31 October 2020 and 31 October 2019	18,941

Further information about subsidiaries is included in note 6 of the company only financial statements.

4 TRADE AND OTHER RECEIVABLES

	2020 $'000	2019 $'000
Amounts owing from parent limited partnership	130	124

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

5 CALLED-UP SHARE CAPITAL

Authorised, allotted, called-up and fully paid	2020 $	2019 $
889,766 ordinary A shares of £0.01 each (2019: 889,766 shares)	13,899	13,899
53,252 ordinary B1 shares of £0.01 each (2019: 53,252 shares)	862	862
13,484 ordinary B2 shares of £0.01 each (2019: 13,534 shares)	232	233
170,000 ordinary C1 shares of £0.01 each (2019: 170,000 shares)	2,580	2,580
97,953 ordinary C2 shares of £0.01 each (2019: 97,903 shares)	1,573	1,572
1 ordinary D share of £150 each (2019: 1 share)	243	243
1 ordinary E share of £150 each (2019: 1 share)	243	243
1 ordinary F share of £150 each (2019: 1 share)	243	243
	19,875	19,875

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 year, 50 ordinary B2 shares (2019: 56) were converted to ordinary C2 shares.

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

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.

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Algérie SARL (1)	No. 01, Mazareq Warkaly, Hydreh, Algiers State, Algeria	Algeria	49%
NES Global Talent Limitada (1)	Rua Comandante Gika, Travessa dos Militares, No. 1, Alvalade, Luanda, Angola	Angola	49%
North Eagle Star Limitada (1)	Rua Comandante Gika, Travessa dos Militares, No. 1, Alvalade, Luanda, Angola	Angola	98%
Fircroft Australia Pty Limited (1)	Parmelia House Level 12, 191 St Georges Terrace, Perth, WA 6000, Australia	Australia	100%
NES Global Pty Ltd (1)	Elliott House, Suite 801, Level 8, 140 Arthur Street, North Sydney, NSW 2060, Australia	Australia	100%
NES Global Talent Services Pty Ltd (1)	William Buck Level 29, 66 Goulburn Street, Sydney, NSW 2000, Australia	Australia	100%
Fircroft Azerbaijan LLC (1)	AZ1025, Baku City, Khatai district, Nobel Ave. 15/1212, Azerbaijan	Azerbaijan	49%
Fircroft Caspian Services LLC (1)	AZ1025, Baku City, Khatai district, Nobel Ave. 15/1212 , Azerbaijan	Azerbaijan	100%
NES Bahrain WLL (1)	1915 Almoayyed Tower, Road 2832, Al Seef 428, Kingdom of Bahrain	Bahrain	49%
NES Global Technical Consultants Ltd (1)	9 Mohakhali C/A (11th & 12th Floor), Dhaka-1212, Bangladesh	Bangladesh	100%
Fircroft Brazil Servicos de Recrutamento Limitada (1)	43 Avenue Rio Branco, 18 Andar, Centro, Rio De Janeiro, Brazil	Brazil	100%
NES Global Limitada (1)	Rua Voluntários da Pátria, 45 - sala 1008, Botafogo, Rio de Janeiro - RJ, 22270-000, Brazil	Brazil	100%
NES Global Talent Sdn Bhd (1)	8th Floor, PGGMB Building, Jalan Kinanggeh, BS8111 Bandar Seri Begawan, Brunei	Brunei	70%
Fircroft (Canada) Limited (1)	4500, 855 – 2nd Street, S.W. Calgary, Alberta, Canada	Canada	100%
NES Global Limited (1)	4500, 855 - 2nd Street S.W, Calgary, Alberta, Canada	Canada	100%

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

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Chile, S.A. (1)	Providencia 1760 603, Providencia, Santiago, Chile	Chile	100%
NES Global Talent Services (Shanghai) Co. Limited (1)	Room C227, F2, NO. 428, Lujiabang Road, Huangpu District, Shanghai, China	China	100%
NES Global Technical Consultants (Shanghai) Co., Limited (1)	Room 1607, Plaza 336, No. 336, Middle Xizang Road, Shanghai, 200001, China	China	100%
Fircroft Engineering Services ApS (1)	C/o GTS Nordic ApS, Kalkbraenderilobskaj 6, 2100 Kobenhavn 0	Denmark	100%
NES Global Talent Egypt (1)	25A 84 Street, Maadi, Cairo, Egypt	Egypt	100%
Fircroft France SAS (1)	1-7 Cours Valmy, Le Belvédère, 92800, Puteaux, France	France	100%
NES Global France (1)	Tour Egee, 9/11 Allee de l'Arche, 92 671 La Defense - Courbevoie Cedex, Paris, 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 Ltd (1)	366 Rue Alfred Marche, PO Box 2164, Libreville, Gabon	Gabon	100%
NES Global Deutschland GmbH (1)	Mannheim, Theodor, Heuss, Anlage 12 Mannheim, Germany 68165	Germany	100%
FES Ghana Ltd (1)	20 Jones Nelson Road, Accra, PO Box GP 821, Ghana	Ghana	100%
Red Coral Services 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%
PB Services 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)	1st Floor, Earlbeam Plaza, George Walker Bush Highway, Dzorwulu, Accra, Ghana	Ghana	49%
Fircroft Guyana Inc (1)	157 'C' Waterloo Street, North Cummingsburg, Georgetown, Guyana	Guyana	100%

Notes to the Company financial statements (continued)

For the year ended 31 October 2020

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Guyana Inc (1)	Lot 62 Hadfield & Cross Street, Werk-en-Rust, Georgetown, Guyana	Guyana	100%
NES Global Limited (1)	22/F Siu On Building, 243-245 Des Voeux Road West, Hong Kong	Hong Kong	100%
Fircroft India Pvt Limited (4)	Fortune Chambers, 1st Floor, No8 Lalbagh Road, Richmond Circle, Bangalore, 560027, Karnataka, India	India	100%
NES Global Specialist Engineering Services Private Limited (1)	Redbrick, Kaledonia,1st floor, Sahar Road, Andheri (East), Mumbai- 400069, Mumbai, Maharashtra, India	India	100%
PT Fircroft Indonesia (1)	The Executive Centre, Sampoerna Strategic Square, South Tower, 18th Floor, Jl. Jend Sudirman Kav. 45-46, Jakarta 12930, Indonesia	Indonesia	100%
PT NES Global Technical Consultant (1)	Menara Jamsostek North Tower, 3rd Floor, Jl Gatot Subroto Kav. 38, No 79, South Jakarta, 12710, Indonesia	Indonesia	95%
PT NES Global Teknik (1)	Level 12, Menara Palma, Jl. HR Rasuna Said Kav. 6 Blok X-2, Jakarta 12950, Indonesia	Indonesia	70%
Al Mazaya General Services LLC (1)	House No 44, St No 30, Quarter no 315, Al-Qudis, Baghdad, Iraq	Iraq	100%
North Eagle Star for General Services LLC (1)	Apartment 6, Shaheen Building, Saadoon Street, Baghdad, Iraq	Iraq	100%
NES Global for Recruitment of Foreign Manpower Limited (1)	Villa 404 Italian City Compound, Kurdistan, Iraq	Iraq	100%
NES Global Talent Ltd (1)	The Black Church, St. Mary's Place, Dublin, D07 P4AX, Ireland	Ireland	100%
NES Global Talent KK (1)	Level 6, Fukumatsu Bldg, 7-1 Sumiyoshicho, Shinjuku-ku, Tokyo, Japan	Japan	100%
NES Fircroft Group Limited (5)	3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG	Jersey	100%
Fircroft Engineering Services Kazakhstan LLP (1)	17B Kanysh Satpayev street, 2nd Floor, BC Atyrau Plaza, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	100%
Fircroft CIS LLP (1)	17B Kanysh Satpayev street, 2nd Floor, BC Atyrau Plaza, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	100%
Fircroft GATE LLP (1)	Apart 157, 58 Istai Avenue, Atyrau, Atyrau region, 060011, Kazakhstan	Kazakhstan	100%
Union Star TDK (1)	285/3 Tole bi Street, Auezov District, Almaty, 050000, Kazakhstan	Kazakhstan	99%

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

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent LLP (1)	Office 703, Atyrau Plaza Business Centre, Building 19, Satpayev Street, Atyrau Oblast 060000, Kazakhstan	Kazakhstan	100%
Fircroft Kenya Limited (1)	IKM Place, Tower A, 5th Floor, 5th Ngong Avenue, Off Bishops Road, PO Box 11866-00400, Nairobi, 00400, Kenya	Kenya	100%
NES Global Talent for Project Management WLL (1)	Office Number 5108, 2nd Floor, Dar Al Awadi Center, Kuwait	Kuwait	49%
Fircroft Malaysia SDN BHD (2)	Lot E, Level 5, Tower 1, Etiqa Twins, 11 Jalan Pinang 50450 Kuala Lumpur, Malaysia	Malaysia	100%
Fircroft Tanjung SDN BHD (1)	Lot E, Level 5, Tower 1, Etiqa Twins, 11 Jalan Pinang 50450 Kuala Lumpur, Malaysia	Malaysia	49%
Agensi Pekerjaan NES Global Talent SDN BHD (1)	Unit C-12-4, Level 12 Block C, Megan Avemue II 12 Jalan Yap. Kwan Seng, 50450 Kuala Lumpur, Malaysia	Malaysia	49%
NES Global SDN BHD (1)	Suite 15-1, Level 15, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia	Malaysia	100%
NES Global Talent SDN BHD (2)	Suite 15-1, Level 15, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia	Malaysia	100%
NES Global Technical Consultants SDN BHD (1)	Suite 15-1, Level 15, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia	Malaysia	70%
Fircroft Mauritanie-SARL (4)	C/o Exco Afrique GHA-Mauritanie, 80 11ot C 26014 Kzar-ouest, Nouakchott, Mauritania	Mauritania	100%
Fircroft Service, S.A DE C.V. (4)	Angel Urraza #314, Colonia Del Valle, Benito Juarez, Mexico C.P. 03100	Mexico	100%
Fircroft Engineering Mexico, S.A DE C.V. (1)	Angel Urraza #314, Colonia Del Valle, Benito Juarez, Mexico C.P. 03100	Mexico	100%
NES Global Talent S. DE (1)	Bosques de Ciruelos 180 PP 101, Bosques de las Lomas, 11700 Ciudad de Mexico, CDMX, Mexico	Mexico	100%
NMEXSTAFF S. DE R.L. DE C.V.(1)	Bosques de Ciruelos 180 PP 101, Bosques de las Lomas, 11700 Ciudad de Mexico, CDMX, Mexico	Mexico	100%
Fircroft Mozambique Limitada (1)	Rua dos Desportistas, nº 833.Edifício JAT V-1, 15º andar Maputo, Mozambique	Mozambique	100%
NES Global Talent Mozambique Limitada (1)	Avenida Vladimir Lenine, 179, 6th Floor, Maputo, Mozambique	Mozambique	100%
North Eagle Star Limitada (1)	Bairro Central, Avenida Vladimir Lenine, no. 174, 1o andar, Edificio Millenium Park, Maputo, Mozambique	Mozambique	100%

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

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global (Myanmar) Private Limited (1)	No. 18/G/F, Tha Pyay Nyo Street, Shin Saw Pu Quarter, Sanchaung Township, Yangon, Myanmar	Myanmar	100%
NES Global Limited (1)	Vero House, 2nd Floor,12-14 Devon Street East, New Plymouth, 4310, New Zealand	New Zealand	100%
NES Africa Limited (1)	4th Floor, Coscharis Building, 68A Adeola Odeku Street, Victoria Island, Lagos, Nigeria	Nigeria	100%
NES Global Talent Nigeria Limited (1)	4th Floor, Coscharis Building, 68A Adeola Odeku Street, Victoria Island, Lagos, Nigeria	Nigeria	49%
Fircroft Norge AS (1)	C/o Sum Regnskap AS, Travbaneveien 3, 4031, Stavanger, Norway	Norway	100%
Fircroft Norge Management AS (1)	C/o Sum Regnskap AS, Travbaneveien 3, 4031, Stavanger, Norway	Norway	100%
NES Advantage Solutions AS (1)	Rolfsbuktveien 4, 1364 Fornebu, 0219 Baerum, Norway	Norway	100%
NES Advantage Solutions Group AS (2)	Rolfsbuktveien 4, 1364 Fornebu, 0219 Baerum, Norway	Norway	100%
NES Global Management AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Offshore AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Holdco AS (2)	Haakon VII's gate 10, 0161 Oslo, Norway	Norway	100%
NES Global Talent Norge AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Norway Holdings AS (1)	Trallfa Twin Farm, Luramyrveien 40, 4313 Sandnes, Norway	Norway	100%
Fircroft Muscat LLC (4)	Muscat Governorate, PO Box 696, PC 130, Al – Zaiba, Oman	Oman	65%
NES Global LLC (1)	PO Box 963, Postal Code 130, Azaiba North, Oman	Oman	70%
New Eagle Services (1)	1st Floor Office No. BAZ-104 Al-Baz Commercial Centre Salalah, Oman	Oman	100%
New East Services Distinctive LLC (1)	Office A410, Al Assalah Towers South Ghubrah PO Box 199 Al Khuwair Muscat, Oman	Oman	100%
Fircroft PNG Limited (1)	Hlb Niugini, Level 3, Adf Haus, Musgrave Street, Port Moresby, National Capital District, Papua New Guinea	Papua New Guinea	100%

Notes to the Company financial statements (continued)

For the year ended 31 October 2020

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Limited (1)	Guinn PKF, Section 15, Lot 15, Bernal Street, Port Moresby, National Capital District, Papua New Guinea	Papua New Guinea	100%
NES Global Talent Sp. z.o.o.(1)	Floor 11, Blue Tower Plaza, Plac Bankowy 2, 00-095, Warsaw, Poland	Poland	100%
Fircroft Portugal Limitada (2)	Rua Afonso Praça, nº 30, 1º D, 1495 – 061 Alges, Lisboa, Portugal	Portugal	100%
Fircroft Qatar LLC (6)	1st Floor, Suite 7, Concord Business Center, No.480 Al Rawabi Street, Al Muntazah, Doha, Qatar	Qatar	49%
NES Overseas Qatar WLL (1)	P.O Box 24530, Sarco Business Center, 4th floor, Office no 401-H, B-Ring Road, Doha, Qatar	Qatar	49%
North Eagle Star Recruitment Est (1)	P.O Box 24530, Sarco Business Center, 4th floor, Office no 401-H, B-Ring Road, Doha, Qatar	Qatar	100%
Fircroft LLC (1)	Office 8, 21 Trubnaya Street, Moscow, 127051, Russia	Russia	100%
NES Global Talent OOO (1)	44, Bolshaya Serpuhovskaya St., Bld 1, Office 19, 115093, Moscow	Russia	100%
Rize Al Arabia Al Saudia Limited	Seder Village, Al-Khaleej Area, Salman Al Farsi Road, PO Box 250 305, Riyadh-11391, Saudi Arabia	Saudi Arabia	49%
Rize Afghanistan Consulting Services Company Limited (4)	Seder Village, Al-Khaleej Area, Salman Al Farsi Road, PO Box 250 305, Riyadh-11391, Saudi Arabia	Saudi Arabia	49%
NES Global Arabia Company Limited (1)	Global Suhaimi Compound, King Abdul Aziz Road (Dammam Seaport Road), Dammam, Saudi Arabia	Saudi Arabia	55%
Fircroft Senegal SARL (1)	Dakar (Senegal), Plateau Azur 15 Building 12, Djily Mbaye Boulevard, BP: 50.555 Dakar	Senegal	100%
NES Global Senegal Suarl (1)	No 16 Immeuble Hermes 1, 2e Etage, VDN Keur Gorgui, Dakar, Senegal	Senegal	100%
Fircroft Private Limited (1)	9 Raffler Place, #6 Republic Plaza, Singapore, 049909	Singapore	100%
Fircroft Singapore (Holdings) Private Limited (2)	6 Battery Road, #16-03, Singapore, 049909	Singapore	100%
NES Global Private Limited (1)	#50-01 AXA Tower, 8 Shenton Way, Singapore 068811	Singapore	100%
Fircroft South Africa PTY LLC (1)	1st Floor, Convention Towers, Cnr of Heerengracht and Walter Sisulu Street Foreshore, Cape Town, 8001, South Africa	South Africa	100%
Fircroft Group SA (PTY) LLC (4)	1st Floor, Convention Towers, Cnr of Heerengracht and Walter Sisulu Street Foreshore, Cape Town, 8001, South Africa	South Africa	100%

Notes to the Company financial statements (continued)

For the year ended 31 October 2020

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global South Africa Pty Ltd (1)	C/o Deloitte & Touche, Deloitte Place, Building 4, The Woodlands, 20 Woodlands Drive, Woodmead, 2052, South Africa	South Africa	100%
NES Global Korea Yuhan Hoesa (1)	201, Goshen Vill, #554-4, Okpo1-dong, Geoje-Si, Gyeongsangnamdo, South Korea 656-904	South Korea	100%
NES Global Talent Suisse AG (1)	Stauffacher, 5288 Badernestrasse 47 Zurich, CH-8004, Switzerland	Switzerland	100%
Fircroft Tanzania Limited (1)	Ground Floor, Kilwa House, 369 Toure Drive, Oyster Bay, Kinondoni, P.O Box 23197, Dar es Salaam, 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 Global Talent Tanzania Limited (1)	10th Floor, PPF Tower, Corner of Ohio Street & Garden Avenue, PO Box 1559, Dar es Salaam, Tanzania	Tanzania	100%
Fircroft Engineering Services Recruitment (Thailand) Company Limited (1)	22nd Floor, 2202, Pacific Place II, 142 Sukhumvit Road, Bangkok, Thailand	Thailand	5%
Fircroft Engineering (Thailand) Limited (2)	22nd Floor, 2202, Pacific Place II, 142 Sukhumvit Road, Bangkok, Thailand	Thailand	49%
Fircroft (Thailand) Company Limited (1)	22nd Floor, 2202, Pacific Place II, 142 Sukhumvit Road, Bangkok, Thailand	Thailand	100%
NES Global Engineering Services Company Limited (1)	No.94 Shinnawat M Thai Building, 3d Floor, Soi Sukhumvit 23, Sukhumvit Road, Klongt Toei Nua Sub District, Wattana District, Bangkok, Thailand	Thailand	100%
Northern Engineering Services (Thailand) Company Limited (1)	399 Sukhumvit Road, Klongtoei Nua Sub-district, Wattana District, Bangkok, Thailand	Thailand	100%
Fircroft Engineering Services B.V. (1)	Zuid-Hollandlaan 7, 2596AL 's-Gravenhage, Netherlands	The Netherlands	100%
NES Global B.V. (1)	Haagsche Hof, Parkstraat 83, The Hague, 2514 JG, Netherlands	The Netherlands	100%
Fircroft Trinidad Limited (1)	Suite 105, Fitt Court, 9-11 Fitt Street, Woodbrook, Port of Spain, Trinidad & Tobago	Trinidad & Tobago	100%
NES Global Talent Limited (1)	Pembroke Court, 17-19 Pembroke Street, Port of Spain, Trinidad & Tobago	Trinidad & Tobago	100%
NES Global Limited (1)	Communications House, 1 Colville Street, PO Box 8053, Kampala, Uganda	Uganda	100%
Aim Academy Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Energy People International Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%

Notes to the Company financial statements (continued)

For the year ended 31 October 2020

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Fircroft Engineering Services Limited (1)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Fircroft Engineering Services (Northern) Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Fircroft International Technical Services Limited (1)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Fircroft Kazakhstan Trustee Limited (2)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
International Workforce Solutions Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Italic Managed Solutions Limited (6)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Johnson Knight International Holdings Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Johnson Knight International Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
NES 2 Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Advantage Solutions Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Finance Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Limited (7)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Group Midco 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%
NES Global Engineering Services Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Limited (6)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Finco Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%

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

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 UK Recruitment Limited (4)	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%
Northern Technical Talent Services Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Professional Laboratory Services Limited (2)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Recruitment Advisory Services (Northern) Limited (4)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Rize Recruitment Limited (1)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
South Star Technical Services Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Tier 2 IPMT Limited (1)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	50%
Fircroft Ukraine LLC (1)	25 B P.Sagaydachnogo Str, office 401, Kiev, 04070, Ukraine	Ukraine	100%

Notes to the Company financial statements (continued)

For the year ended 31 October 2020

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Fircroft SPC Limited (1)	Block 17, Office 205, Dubai Knowledge Village, Dubai, UAE, PO Box 27131	United Arab Emirates	100%
Fircroft Recruitment Services LLC (1)	Block 17, Office 205, Dubai Knowledge Village, Dubai, UAE, PO Box 27131	United Arab Emirates	100%
Rize Global Response Limited (1)	Block 17, Office 205, Dubai Knowledge Village, Dubai, UAE, PO Box 27131	United Arab Emirates	100%
Fircroft Middle East FZ LLC (1)	Block 17, Office 205, Dubai Knowledge Village, Dubai, UAE, PO Box 27131	United Arab Emirates	100%
NES Global Energy Services DMCC (1)	Unit No. 605, Indigo Tower, Plot No. D1, Jumeirah Lake Towers, Dubai, UAE	United Arab Emirates	100%
NES Global Human Resources Consultancy LLC (1)	Office 409, Arjan Building, Defense Road, Abu Dhabi, UAE	United Arab Emirates	49%
NES Global Talent Recruitment Services LLC (1)	Unit 104, Business Avenue Tower, Al Salam Street, PO Box 63107, Abu Dhabi, UAE	United Arab Emirates	100%
Fircroft Inc (1)	1155 Dairy Ashford, Suite 750, Houston, 77079	USA	100%
Fircroft International Inc (4)	1155 Dairy Ashford, Suite 750, Houston, 77079	USA	100%
Fircroft Professional Solutions Inc (1)	1155 Dairy Ashford, Suite 750, Houston, 77079	USA	100%
Bedrock PC 1099, LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
Bedrock PC W2, LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
Bedrock Petroleum Consultants, LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
NES Advantage Solutions Inc.(1)	1675 South State St, Dover, Kent County, Delaware 19901, USA	USA	100%
NES Global Construction LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
NES Global Downstream LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
NES Global Onshore Upstream, LLC (1)	800 Gessner Road, Suite 310, Houston, Texas, 77024	USA	100%
NES Global Talent Finance US LLC (5)	1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100%

Notes to the Company financial statements (continued)

For the year ended 31 October 2020

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent US Inc. (5)	1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100%
NES Global LLC (1)	3505 Lake Lynda Drive, Suite 114, Orlando, Florida, 32817, USA	USA	100%
Redbock LLC (1)	21730 Stevens Creek Boulevard, Suit 103, Cupertino, California, 95014, USA	USA	100%
Fircroft Tashkent LLC (1)	Crystal Business Center. 9A, A. Temur str. Yunusobod district, Tashkent	Uzbekistan	100%
Fircroft (Vietnam) Company Limited (1)	Suite S02, SEN office Business Center, L18-11-13, 18th floor, Vincom Center Dong Khoi Building, No.72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City	Vietnam	100%
NES Global Technical Consultants Vietnam Ltd (1)	Regus Press Club, 4-6F, 59A Ly Thai To Street, Trang Tien Ward, Hoan Kiem District, Hanoi, 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 Global Talent 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.

Notes to the Company financial statements (continued)

For the year ended 31 October 2020

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
Aim Academy Limited	02982237
Energy People International Limited	06266345
NES 2 Limited	03295086
NES Finance Limited	05898983
NES Global Engineering Services Limited	03402043
NES Global Talent Finco Limited	08713197
NES Global Talent Holdco Limited	08240783
NES Global Talent Holdings Ltd	08233455
NES International Limited	0178661
NES IT Limited	01766575
NES Recruitment Limited	03083611
NES UK Recruitment Limited	SC157555
Nesco Holdings Limited	03723986
North Eagle Star Limited	05920489
Northern Technical Talent Services Limited	06306558
South Star Technical Services Limited	06306560

Annual Report 2020
NES Global Talent Holdco AS

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

Org.no.: 918 033 335

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5822 Bergen

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Enterprise 935 174 627 MVA

To the General Meeting of NES Global Talent Holdco AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NES Global Talent Holdco AS showing a loss of TNOK 105 981. The financial statements comprise the balance sheet as at 31 October 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 October 2020, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and 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

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Penneo Dokumentnøkkel: KKLYK-2PT2E-4C2WJ-PFA40-MEUMU-GA6VF

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:
Oslo, Alta, Arendal, Bergen, Bodø, Drammen, Elverum, Finnsnes, Hamar, Haugesund, Knarvik, Kristiansand, Mo i Rana, Molde, Skien, Sandefjord, Sandnessjøen, Stavanger, Stord, Straume, Tromsø, Trondheim, Tynset, Ålesund

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.

Penneo Dokumentnøkkel: KKLYK-2PT2E-4C2WJ-PFA40-MEUMU-GA6VF

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 30 April 2021
KPMG AS

Knut Olav Karlsen
State Authorised Public Accountant
(This document is signed electronically)

Penneo Dokumentnøkkel: KKLYK-2PT2E-4C2WJ-PFA40-MEUMU-GA6VF

PENNEO

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

Knut Olav Karlsen
Partner
Serienummer: 9578-5993-4-2537194
IP: 80.232.xxx.xxx
2021-04-30 15:33:19Z
bankID

Knut Olav Karlsen
Statsautorisert revisor
Serienummer: 9578-5993-4-2537194
IP: 80.232.xxx.xxx
2021-04-30 15:33:19Z
bankID

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BOARD OF DIRECTORS REPORT 20120
OF
NES GLOBAL TALENT HOLDCO AS

The business and business concept
NES Global Talent Holdco AS is a holding company in Norway ultimately owned by NES Global Talent Limited.

The company has 100% ownership in NES Advantage Solutions Group AS, which together with its subsidiary NES Advantage Solutions AS, is one of the leading recruitment companies in the oil and gas industry in Norway.

Going concern
The accounts for 2020 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 2021 and the financial outlook for the coming years. The covid-19 outbreak does not affect this assessment.

Annual accounts for 2020
General
The 2020 business year was the company's third year of operations.

Profit and loss account
In 2020, NES Global Talent Holdco AS recorded a loss for the year of a year NOK 106.0 million compared to a profit of a year of NOK 10.8 million for 2019.

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

Allocated to group contribution (net of tax)	NOK	0.0 million
Other equity	NOK	(106.0 million)
Total allocations	NOK	(106.0 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 31.10.20 with the company's most liquid assets.

Financial risk (interest, credit, currency)
At year end, NES Global Talent Holdco AS had NOK 207.2 million in interest-bearing intercompany debt.

The management of the company continued to hedge against foreign currency losses in line with the rest of the group undertakings. Although the turnover in foreign currency is limited there are also intercompany trading loans in multiple currencies to consider.

Health, safety and the environment
NES Global Talent Holdco AS has strong focus on health, safety and the working environment and on the natural environment. The company had no employed personnel during the year.

The company does not pollute the environment.

Gender equality
NES Global Talent Holdco AS had no employed personnel during the year.

Discrimination
NES Global Talent Holdco AS had no employed personnel during the year.

Market prospects
As a holding company, the company's market prospect depends on the market prospects for underlying financial assets, NES Advantage Solutions Group AS and its subsidiary NES Advantage Solutions AS.

2020 was an extraordinary year with the pandemic causing market turmoil and operational challenges. The outbreak of Covid-19 and the drop in oil price in spring 2020 resulted in lower activity and volume. The company reduced capacity in 2020 to adjust for market fluctuations.

The long term energy demand will secure the basis for the longer term. New additional growth is expected to come from the renewable sectors, as energy companies and suppliers position for sustainable growth.

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

We expect to support our customers in close partnership in 2021 and beyond. NES Advantage Solutions AS is the exclusive provider of permanent and temporary recruitment services to Aker Solutions AS and MHWirth AS. The Company is also a preferred provider of these services to other Aker companies. The company strategy is to continue to develop its capabilities and services as an enabler to Aker companies. Aker Horizons is a new company that develops companies within renewable energy sectors such as offshore wind, carbon capture and hydrogen, and Aker Solutions are positioning as a partner within the same segments

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

Oslo, 30.04.2021
The board of NES Global Talent Holdco AS

Stephen William Buckley Chairman of the board	Peter Edvin Egeland Member of the board	Jens Michael Mellbye Member of the board

Stephen Gareth Rookes
General Manager

NES Global Talent Holdco AS

Profit and loss statement
Amounts in NOK 1000

	Note	2020	2019
Financial income and expenses			
Financial income		390	19 455
Financial expenses		(106 371)	(8 650)
Net financial items	**8**	**(105 981)**	**10 804**
Profit before tax		**(105 981)**	**10 804**
Annual net profit	**2**	**(105 981)**	**10 804**
Attributable to:			
Transferred to other equity	2	105 981	(10 804)
Total distributed		**(105 981)**	**10 804**

NES Global Talent Holdco AS

Balance sheet
Amounts in NOK 1000

	Note	2020	2019
Assets			
Financial fixed assets			
Investments in subsidiaries	1	558 987	655 393
Total financial fixed assets		**558 987**	**655 393**
Other short-term receivables		14	14
Receivables from group companies	4	26 255	19 722
Total receivables		**26 268**	**19 736**
Total assets		**585 255**	**675 129**
Equity and liabilities			
Equity			
Invested equity			
Share capital	3	(930)	(930)
Share premium reserve		(490 230)	(490 230)
Total invested equity		**(491 160)**	**(491 160)**
Retained earnings			
Other equity		113 120	7 138
Total retained earnings		**(113 120)**	**(7 138)**
Total equity	**2**	**(378 040)**	**(484 022)**
Liabilities			
Current debt			
Tax payable	7	33	(34)
Loans to group companies	4	(207 248)	(191 073)
Total current debt		**(207 215)**	**(191 107)**
Total liabilities		**(207 215)**	**(191 107)**
Total equity and liabilities		**(585 255)**	**(675 129)**

NES Global Talent Holdco AS

Balance sheet

Amounts in NOK 1000

Manchester, 30 April 2021

The board of NES Global Talent Holdco AS

Stephen William Buckley Chairman of the board	Jens Michael Mellbye Member of the board
Peter Edvin Egeland Member of the board	Stephen John Gareth Rookes General Manager

NES Global Talent Holdco AS

Financial statement 2020
Amounts in NOK 1000

Accounting principles
The financial statement consists of a profit and loss statement, balance sheet 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 emphasize 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.

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

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged so at to write off the cost or valuation of assets over their estimated useful lives.

The company recognises intangible assets in respect of computer software. Computer software is amortised on a straight-line basis over its useful economic life, which is estimated at five years.

Classification and valuation of current assets
Current assets and short-term liabilities include items that fall due for payment within one year of the balance sheet date. Current assets are valued at the lower of acquisition cost and fair value.

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.

Receivables
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.

NES Global Talent Holdco AS

Financial statement 2020
Amounts in NOK 1000

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

NES Global Talent LP is the parent company of the largest group for which financial statements are drawn up. NES Global Talent Limited is the parent company of the smallest group for which group financial statements are drawn up. Both NES Global Talent LP and NES Global Talent Limited financial statements are drawn up as at 31 October 2019. Copies of the financial statements of NES Global Talent Limited are available from its registered office address at Station House, Stamford New Road, Altricham, Chesire, WA 14 1EP. NES Global Talent Holdco AS uses the exception rule in the Accounts Act §3-7 first paragraph.

NES Global Talent Holdco AS

Financial statement 2020
Amounts in NOK 1000

Note 1 Shares in subsidiaries

	Ownership/ voting interest	Book value	Result 2020	Equity capital 31.10.2020
NES Advantage Solutions Group AS	100%	558 987	(174 432)	377 972
Total	**100%**	**558 987**	**(174 432)**	**377 972**

The shares in NES Advantage Solutions Group AS have been impaired by NOK 96 mill. as at 31.10.2020 in accordance with an assessment of fair value.

Note 2 Equity capital

	Share capital	Share premium	Other equity capital	Total equity capital
Equity capital as at 31.10.2019	930	490 230	(7 138)	484 022
Result for the year			(105 981)	(105 981)
As at 31.10.2020	**930**	**490 230**	**(113 120)**	**378 040**

Note 3 Shareholders

Share capital and information of shareholders:

The share capital in NES Global Talent Holdco AS as of 31st October consists of 30 000 shares with a face value of NOK 31 per share.

Ownership structure

	Ordinary	Owner interest	Share of votes
NES Global Limited	30 000	100%	100%
Total number of shares	**30 000**	**100%**	**100%**

Note 4 Inter-company items between companies in the same group

	2020	2019
Loans to companies in the same group	6 643	110
Group contribution receivables	19 612	19 612
Total	**26 255**	**19 722**
Liabilities		
Other short-term liabilities within the group	207 248	191 073
Total	**207 248**	**191 073**

NES Global Talent Holdco AS

Financial statement 2020
Amounts in NOK 1000

Note 5 Salary costs and benefits

NES Global Talent Holdco AS does not have any salary costs or benefits in the financial period.

Note 6 Other operating costs

Auditor	
Statutory audit fee	19
Other assurance	0
Other fees paid to auditors	10
Sum	**29**

Note 7 Tax

This year's tax expense	**2020**	**2019**
Entered tax on ordinary profit/loss:		
Payable tax on this year's result	0	0
Changes in deferred tax	0	0
Tax expense on ordinary profit/loss	**0**	**0**
Taxable income:		
Ordinary result before tax	(105 981)	10 804
Permanent differences	96 407	(19 612)
Changes in temporary differences	0	0
Group contribution received	0	19 612
Loss brought forward	0	(10 804)
Net interest deduction	0	0
Taxable income	**(9 575)**	**0**
Payable tax in the balance:		
Payable tax on this year's result	0	0
Payable tax from previous years, not yet due	(33)	34
Total payable tax in the balance	**(33)**	**34**
Effective tax rate	0%	0%

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:

	2020	**2019**	**Difference**
Accumulated loss to be brought forward	(9 575)	0	(9 575)
Net interest deduction	(7 250)	(7 250)	0
Not included in the deferred tax calculation	16 824	7 250	9 575
Basis for calculation of deferred tax	**0**	**0**	**0**
Deferred tax assets (22%)	**0**	**0**	**0**

NES Global Talent Holdco AS

Financial statement 2020
Amounts in NOK 1000

Note 8 Items that are aggregated in the accounts

Financial income	2020	2019
Interest income from companies in the same group	81	0
Received Group Contribution	0	19 612
Other financial income (agio)	309	0
Total financial income	**390**	**19 612**

Financial costs	2020	2019
Interest costs to companies in the same group	9 964	8 609
Impairment of subsidiary	96 407	0
Other financial costs (disagio)	0	198
Total financial costs	**106 371**	**8 807**

NES Global Talent Holdco AS
Financial statement 2020
Amounts in NOK 1000

Cash flow analysis	**2020**	**2019**
Cash flow from operational activity		
Result before tax	(105 981)	10 804
Paid taxes	(67)	0
Impairment of investments	96 407	0
Change in inventory, trade debtors and trade creditors	(6 533)	(110)
Changes in accrued accounting items	0	(14)
Net cash flow from operational activity	**(16 174)**	**10 680**
Cash flow from investing activity		
Group contributions received	0	(19 612)
Net cash flow from investing activity	**0**	**(19 612)**
Cash flow from financial activities		
Proceeds from issuance of short term debt	16 174	8 931
Net cash flow from financing activities	**16 174**	**8 931**
Net changes in cash and cash equivalents	**0**	**(0)**
Cash and cash equivalents per 01.11.2019	**0**	**0**
Cash and cash equivalents per 31.10.2020	**0**	**0**

Please also confer information in note 3 and the accounting principles regarding cash and cash equivalents.

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	08.01.2018	30.01.2018
Telefon	Deres referanse	Vår referanse
22078139	Eline Furukawa	2017/1310928

NES ADVANTAGE SOLUTIONS GROUP AS
Postboks 71 Sandsli
5861 BERGEN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for NES Global Talent Holdco AS, org.nr. 918 033 335

Vi viser til deres brev av 8. januar 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for NES Global Talent Holdco AS.

Skattedirektoratet gir på bakgrunn av en konkret vurdering NES Global Talent Holdco AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på 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 Global Talent Holdco AS er et 100 % eiet datterselskap av NES Holding Limited. Konsernet driver rekrutteringsvirksomhet over hele verden. Selskapet har to datterselskaper som tidligere har fått dispensasjon. Arbeidsspråket er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets 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 m.v., 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*

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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 og lokalsamfunnet.

Det er etter Skattedirektoratets 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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er eid av et utenlandsk selskap. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Jeanette Munkvold Skovholt
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer