



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.11.2017 - 31.10.2018
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Eline Furukawa
Dato for fastsettelse av årsregnskapet:	30.04.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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, 31.10.2020



Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad	6		
Annen driftskostnad	7		15 000
Sum kostnader			15 000
Driftsresultat			-15 000
Finansinntekter og finanskostnader			
Annen finansinntekt		200 000	
Sum finansinntekter		200 000	
Rentekostnad til foretak i samme konsern	5	7 300 000	2 421 000
Annen finanskostnad			8 369 000
Sum finanskostnader		7 300 000	10 789 000
Netto finans		-7 100 000	-10 789 000
Ordinært resultat før skattekostnad		-7 100 000	-10 804 000
Skattekostnad på ordinært resultat	8	34 000	
Ordinært resultat etter skattekostnad		-7 134 000	-10 804 000
Årsresultat	2	-7 134 000	-10 804 000
Årsresultat etter minoritetsinteresser		-7 134 000	-10 804 000
Totalresultat		-7 134 000	-10 804 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-7 134 000	-10 804 000
Sum overføringer og disponeringer		-7 134 000	-10 804 000



Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8		
Finansielle anleggsmidler			
Investering i datterselskap	1	655 393 000	655 393 000
Investering i annet foretak i samme konsern	1		
Lån til foretak i samme konsern	5		
Sum finansielle anleggsmidler		655 393 000	655 393 000
Sum anleggsmidler		655 393 000	655 393 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	5		
Andre fordringer	5		
Sum fordringer	5		
Sum omløpsmidler		0	0
SUM EIENDELER		655 393 000	655 393 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

Selskapskapital	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

Opptjent egenkapital



Balanse

Beløp i: NOK	Note	2018	2017
Annen egenkapital		-17 943 000	-10 804 000
Sum opptjent egenkapital		-17 943 000	-10 804 000
Sum egenkapital	2	473 217 000	480 356 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8		
Andre avsetninger for forpliktelser	4		99 912 000
Sum avsetninger for forpliktelser			99 912 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5		
Øvrig langsiktig gjeld	5		
Sum langsiktig gjeld		0	99 912 000
Kortsiktig gjeld			
Leverandørgjeld	5		
Betalbar skatt	8	34 000	
Kortsiktig konserngjeld	5	182 142 000	75 126 000
Sum kortsiktig gjeld		182 176 000	75 126 000
Sum gjeld		182 176 000	175 038 000
SUM EGENKAPITAL OG GJELD		655 393 000	655 393 000



Skattedirektoratet

Saksbehandler
Torstein Kinden Helleland

Deres dato
08.01.2018

Vår dato
30.01.2018

Telefon
22078139

Deres referanse
Ellne Furukawa

Vår referanse
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

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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



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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 7 134. The financial statements comprise the balance sheet as at 31 October 2018, 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 2018, 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.

Offices in:

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.

Statuselementer i lysene - medlemmer av Den norske Revisorforening

Oslo	Elverum	Mo i Rana	Stord
Ålesund	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knaivik	Sandnessjøen	Tynset
Drammen	Kristiansund	Stavanger	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 fair presentation 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 fair presentation.

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.



Independent Auditor's Report - 2018
NES Global Talent Holdco AS

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 2019
KPMG AS

Knut Olav Karlsen
State Authorised Public Accountant



**BOARD OF DIRECTORS REPORT 2018
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 2018 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 2018 and the financial outlook for the coming years.

Annual accounts for 2018

General

The 2018 business year was the company's second year of operations.

Profit and loss account

In 2018, NES Global Talent Holdco AS recorded a loss for the year of NOK (7.1) million compared to a loss of a year of NOK (10.8) million for 2017.

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	(7.1) million
Total allocations	NOK	(7.1) million

Cash flow

The difference between operating result and cash flow from operating activities is related to short term accruals not yet paid, and receivables not yet received. The company have been financing their own expansion through increased cash flow.

Balance sheet and cash flow

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

Financial position is sound and adequate enough to settle short-term debt as of 31.10.18 with the company's most liquid assets.

The company's short term liabilities and trade receivables have increased in accordance with higher level of activity and revenues throughout 2018.

Financial risk (interest, credit, currency)

At year end, NES Global Talent Holdco AS had no interest-bearing 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.

Market Outlook is positive for companies operating in the petroleum industry on the Norwegian Continental Shelf with expected activity levels to increase from 2018 to 2019, and then to level out towards 2023. The majority of the activity is based on development of key discoveries Johan Sverdrup and Johan Castberg, but also assumptions about future sanctioning after 2020.

The activity growth is explained by a combination of increased oil prices and increasing competitiveness leading to more projects becoming profitable.

We expect to support our customers in their growth in close partnership in 2020 and beyond. NES Advantage Solutions AS is the exclusive provider of permanent and temporary recruitment services together with Global Mobility service to Aker Solutions. 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.

Other matters

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

Oslo, 30.04.2019

The board of NES Global Talent Holdco AS



Simon Francis Coton
Chairman of the board

Stephen William Buckley
Member of the board

Stephen John Gareth Rookes
Member of the board
/General Manager

Marius Lysell Andresen
Member of the board



Annual Report 2018 NES Global Talent Holdco AS

Revenue statement
Balance sheet
Notes to the Accounts

Org.no.: 918 033 335



NES Global Talent Holdco AS

Revenue statement

Amounts in NOK 1000

	Note	2018	2017
Operating expenses			
Other operating expenses	7	0	15
Total operating expenses		<u>0</u>	<u>15</u>
Operating profit		<u>0</u>	<u>-15</u>
Financial income and expenses			
Other financial income		200	0
Interest expense to group companies	5	7 300	2 421
Other financial expenses		0	8 369
Net financial items		<u>-7 100</u>	<u>-10 789</u>
Operating result before tax		-7 100	-10 804
Tax on ordinary result	8	34	0
Annual net profit	2	<u>-7 134</u>	<u>-10 804</u>
Brought forward			
Transferred from other equity		7 134	10 804
Net brought forward		<u>-7 134</u>	<u>-10 804</u>



NES Global Talent Holdco AS

Balance sheet

Amounts in NOK 1000

	Note	2018	2017
Assets			
Financial fixed assets			
Investments in subsidiaries	1	655 393	655 393
Total financial fixed assets		655 393	655 393
Total assets		655 393	655 393
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		-17 943	-10 804
Total retained earnings		-17 943	-10 804
Total equity	2	473 217	480 356
Liabilities			
Provisions for liabilities			
Other provisions	4	0	99 912
Total provisions		0	99 912
Current debt			
Tax payable	8	34	0
Liabilities to group companies	5	182 142	75 126
Total current debt		182 176	75 126
Total liabilities		182 176	175 038
Total equity and liabilities		655 393	655 393



NES Global Talent Holdco AS

Balance sheet

Amounts in NOK 1000

Manchester, 30.04.2019

The board of NES Global Talent Holdco AS

Simon Francis Coton
Chairman of the board

Stephen William Buckley
Member of the board

Stephen John Gareth Rookes
Member of the board/General Manager

Marius Lysell Andresen
Member of the board



NES Global Talent Holdco AS

Financial statement 2018

Amounts in NOK 1000

Accounting principles

The annual accounts consists of profit and loss statement, balance sheet, and notes. The annual accounts have been prepared in conformity 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.

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net.

Classification and valuation of current assets

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. 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.

Consolidated financial statements

NES Global Talent Holdco AS uses the exception rule in the Accounting ACT § 3-7 first paragraph in regards to preparing the 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, 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 2018. Copies of the financial statements of NES Global Talent Limited are available from NES Global Talent Limited's registered office at Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.



NES Global Talent Holdco AS

Financial statement 2018

Amounts in NOK 1000

Note 1 Shares in subsidiaries

	Ownership/ voting interest	Book value	Result 2018	Equity capital 31.10.2018
NES Advantage Solutions Group AS	100%	655 393	27 594	649 210
Total	100%	655 393	27 594	649 210

Note 2 Equity capital

	Share capital	Share premium	Other equity capital	Total equity capital
Equity capital as at 31.10.2017	930	490 230	-10 804	480 356
Result for the year			-7 134	-7 134
Correction from previous year			-4	-4
As at 31.10.2018	930	490 230	-17 943	473 217

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

The largest shareholders in % at year end:

	Ordinary	Owner interest	Share of votes
NES Global Limited	30 000	100,0	100,0
Total number of shares	30 000	100,0	100,0



NES Global Talent Holdco AS

Financial statement 2018

Amounts in NOK 1000

Note 4 Other long-term liabilities

	2018	2017
Provisions for contingent consideration	0	99 912
Total other long-term liabilities	0	99 912

NES Global Talent Holdco acquired NES Advantage Solutions AS in 2017, resulting in an additional consideration to be settled in equity instruments.

The settlement was contingent on a target number of contractors to be achieved. The value of the consideration was derived from possible outcomes for 2017-2019, and the estimated probability of these outcomes.

The contingent consideration is settled during 2018.

Note 5 Inter-company items between companies in the same group

	2018	2017
Liabilities		
Other short-term liabilities within the group	182 142	75 126
Total	182 142	75 126

Note 6 Salary costs and benefits

NES Global Talent Holdco AS does not have any salary costs or benefits in the financial period, and there are no such obligations.



NES Global Talent Holdco AS

Financial statement 2018

Amounts in NOK 1000

Note 7 Other operating costs

NES Global Talent Holdco AS' other operating costs consists of company registration expenses. At year end, no audit fees have been incurred.

Note 8 Tax

This year's tax expense	2018	2017
Entered tax on ordinary profit/loss:		
Payable tax	34	0
Changes in deferred tax	0	0
Tax expense on ordinary profit/loss	34	0

Taxable income:		
Ordinary result before tax	-7 100	-10 804
Permanent differences	0	0
Changes in temporary differences	0	0
Net interest deduction	7 250	0
Taxable income	150	-10 804

Payable tax in the balance:		
Payable tax on this year's result	34	0
Total payable tax in the balance	34	0

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

	2018	2017	Difference
Accumulated loss to be brought forward	-10 804	-10 804	0
Net interest deduction	-7 250	0	7 250
Not included in the deferred tax calculation	18 054	10 804	-7 250
Basis for calculation of deferred tax	0	0	0
Deferred tax assets (22% / 23%)	0	0	0



NES Global Talent Holdco AS

Financial statement 2018

Amounts in NOK 1000

Cash flow analysis	2018	2017
Cash flow from operational activity		
Result before tax	-7 104	-10 804
Net cash flow from operational activity	<u>-7 104</u>	<u>-10 804</u>
Cash flow from investing activity		
Acquisition of subsidiaries	- -	655 393
Net cash flow from investing activity	<u>- -</u>	<u>655 393</u>
Cash flow from financial activities		
Proceeds from lending short term debt	7 104	175 038
Paid in capital	0	491 160
Net cash flow from financing activities	<u>7 104</u>	<u>666 198</u>
Net changes in cash and cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents per 01.11.2017	-	-
Cash and cash equivalents per 31.10.2018	<u>-</u>	<u>-</u>

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



NES GLOBAL TALENT LIMITED

Annual report and consolidated financial statements
for the year ended 31 October 2018

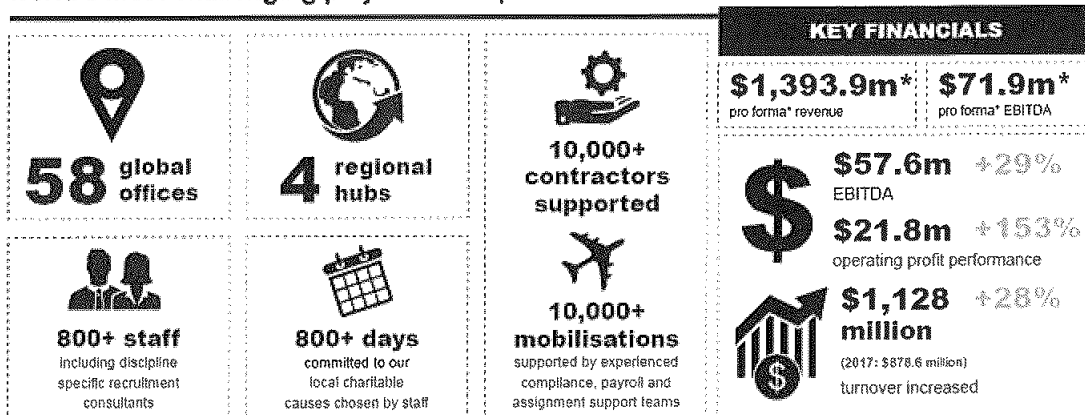
Registered number: 08240307





NES GLOBAL TALENT AT A GLANCE

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



**Pro forma (unaudited) results are prepared on the same basis as the reported results of the Group and represent the performance of the Group had the acquisitions of Redbock LLC and Bedrock Petroleum Consultants LLC occurred on 1 November 2017.*

INTRODUCTION//

NES Global Talent Limited ('NES Global Talent' or the 'Group') has been delivering award winning staffing services for over 4 decades and celebrated our 40th anniversary in 2018. We are 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 Oil and Gas, Power, Life Sciences, Chemicals, Manufacturing, Infrastructure and Mining markets. We also deliver fully outsourced human capital solutions including Managed Services Programmes (MSPs), Global Mobility and Recruitment Process Outsourcing (RPO), strengthened by the strategic acquisitions of Redbock LLC and Bedrock Petroleum Consultants LLC in June 2018 and October 2018. The NES Group 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 strategy is to be the leading workforce partner to candidates and clients that value excellence in compliance, service and creativity. We hold the leading position in engineering and technical recruitment in Oil and Gas, and our objective is to continue to grow and diversify our business in Power, Life Sciences, Chemicals, Manufacturing, Infrastructure and Mining through our core service offerings. We obtain strong organic growth through customer focus, passion for our work and teamwork. We invest in our team. In the last 12 months we have strengthened the business with key hires, staff training, and investment in our IT infrastructure for continued organic expansion. We seek selective acquisitions of great companies to further drive growth and capability to serve our clients and candidates.

With the skills, expertise and dedication of more than 800 colleagues worldwide, we are well placed to continue to build on the progress we have made this year and take advantage of the opportunities that 2019 will offer.





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//

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WA14 1EP

AUDITOR//

Deloitte LLP
Statutory Auditor
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United Kingdom

BANKERS//

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1 Hardman Boulevard
Manchester
M3 3AQ
United Kingdom

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

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

Deutsche Bank
345 Park Avenue
New York 10154
USA

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Strategic report

For the year ended 31 October 2018

The directors present the strategic report on the Group for the year ended 31 October 2018.

BUSINESS MODEL

NES Global Talent Limited ('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). For our client's international assignees, NES Global Talent also provides Global Mobility services.

The Group has 58 physical offices in 33 countries serving a blue chip client base and thousands of contractors around the world. NES Global Talent have placed 127 nationalities in 91 countries over the past nine years and continue to produce strong results and industry leading margins.

STRATEGY AND OBJECTIVES

Our strategy is to be the world's leading supplier of highly skilled engineering and related talent to energy, power, chemicals, life sciences, manufacturing, infrastructure and mining clients. Our discipline-specific consultants and world-class contractor support services differentiate our solutions from generalist competitors on a global basis. Our continued organic expansion and selective acquisition strategy will drive growth in our addressable market and growth in market share. Our long term vision is to make NES Global Talent the unquestioned global leader in each of our markets.

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.

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.

These risks are kept under constant review.

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.

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Strategic report (continued)
For the year ended 31 October 2018

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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.

The Group operates in the oil and gas sector, among others, which recently experienced significant uncertainties due to the reductions in the oil price that commenced in 2014. Given this market backdrop and excluding acquisitions, turnover increased by 25% year on year while gross profit margin declined marginally to 12.8% (2017: 12.9%), delivering a strong performance in challenging market conditions. Turnover increased by 28% in the year ended 31 October 2018 and adjusted operating profit of the Group increased by 29% on the prior year. This strong performance is underpinned by the Group having leading positions in the markets in which it trades and the growing proportion of the Group's business in non-oil and gas markets such as power, chemicals, life sciences and infrastructure. 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.

The directors performed an internal risk assessment in the context of risk areas identified within the strategic report, concluding that the impact of the United Kingdom's withdrawal from the European Union ('Brexit') would not have a significant impact on the Group.

BUSINESS REVIEW

The year ended 31 October 2018 saw the Group produce an operating profit performance (before management recharges, exceptional items, depreciation and amortisation) of \$57.6 million (2017: \$44.5 million). Turnover increased to \$1,128.0 million (2017: \$878.6 million). The acquisitions of Redbock LLC and Bedrock Petroleum Consultants LLC contributed \$28.7 million revenue and \$0.9 million profit to the Group's results between the date of acquisitions and the balance sheet date. Further information on the acquisitions can be found in note 21.

The audited financial statements of the Company and the Group for the year ended 31 October 2018 are set out on pages 11 to 59. The appendix on page 53 forms part of these financial statements.

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 operating profit before management recharges, exceptional items, depreciation, amortisation and impairment charges.

	31 October 2018 \$m	31 October 2018 \$m	31 October 2017 \$m
	Pro forma* (unaudited)		
Revenue	1,393.9	1,128.0	878.6
Gross profit	168.4	144.3	113.1
Operating profit before management recharges, exceptional items, depreciation, amortisation and impairment charges	71.9	57.6	44.5
Operating profit	36.0	21.8	8.6

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Strategic report (continued)
For the year ended 31 October 2018

KEY PERFORMANCE INDICATORS (CONTINUED)

*Pro forma results are prepared on the same basis as the reported results of the Group and represent the performance of the Group had the acquisitions of Redbock LLC and Bedrock Petroleum Consultants LLC occurred on 1 November 2017.

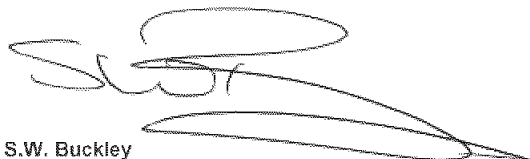
There were \$3.0 million (2017: \$4.6 million) of exceptional administrative expenses incurred in the year, all acquisition related deal costs, offset by \$1.4m (2017: \$nil) of exceptional income. The acquisition costs relate to the acquisitions of Redbock LLC and Bedrock Petroleum Consultants LLC, which completed on 11 June 2018 and 11 October 2018 respectively. The acquisitions are discussed in further detail in note 4 and note 21.

The loss after taxation for the year of \$51.6 million (2017: \$44.1 million) has arisen due to non-cash movements, being amortisation charges on intangible assets and accrued finance costs. 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 \$16.2 million was amortised through the income statement during the current year (2017: \$14.7 million). A further \$9.3m was amortised through the income statement during the year on customer relationship intangible assets recognised in respect of the acquisition of Frontica Advantage Group AS during 2017. Our relationships with these customers remain strong with no impairment charge recorded in the current year after conducting a full impairment review.

FUTURE OUTLOOK

At the adjusted operating profit 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 27 February 2019 by:



S.W. Buckley
Director



Directors' report

For the year ended 31 October 2018

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 2018.

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 its directors during the year which remains in force at the date of this report.

DIVIDENDS

Dividends of \$592k were paid to non-controlling interests during the year (2017: \$957k). Other than this, no dividends were paid or proposed for the current year.

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Directors' report (continued)

For the year ended 31 October 2018

EMPLOYEES

The average number of staff during the year was 725 (2017: 610). 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

27 February 2019



Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group for that year.

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 Group 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.



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 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 October 2018 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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 parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related consolidated notes 1 to 26, related parent Company notes 1 to 5 and the appendix to the financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions 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 parent 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 parent 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.

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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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 parent 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.

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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.

Damian Sanders FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom

27 February 2019

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Consolidated income statement

For the year ended 31 October 2018

	Notes	31 October 2018 \$'000	31 October 2017 \$'000
Revenue	3	1,128,002	878,610
Cost of sales		(983,729)	(765,548)
Gross profit		144,273	113,062
Administrative expenses		(122,427)	(104,433)
Operating profit before management recharges, exceptional items, depreciation, amortisation and impairment charges		57,636	44,529
Management recharges		(989)	(874)
Net exceptional expenditure	4	(1,624)	(4,565)
Depreciation	11	(4,385)	(4,253)
Amortisation of intangible assets	10	(28,792)	(26,208)
Operating profit		21,846	8,629
Finance costs	5	(73,361)	(55,178)
Loss before tax	6	(51,515)	(46,549)
Tax (charge)/credit	8	(43)	2,423
Loss for the year	22	(51,558)	(44,126)
Attributable to:			
Owners of the Company		(52,149)	(44,550)
Non-controlling interests		591	424
		(51,558)	(44,126)

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 2018

	31 October 2018 \$'000	31 October 2017 \$'000
<u>Loss for the year</u>	(51,558)	(44,126)
<i>Items that may be reclassified subsequently to profit and loss:</i>		
Exchange gain/(loss) on retranslation of foreign operations	8,509	(1,063)
<u>Total comprehensive expenditure for the year</u>	<u>(43,049)</u>	<u>(45,189)</u>
Attributable to:		
Owners of the Company	(43,712)	(45,613)
Non-controlling interests	663	424
	<u>(43,049)</u>	<u>(45,189)</u>



Consolidated balance sheet

As at 31 October 2018

	Notes	2018 \$'000	2017 \$'000
<u>Non-current assets</u>			
Goodwill	9	136,045	87,691
Intangibles	10	131,767	121,023
Property and equipment	11	6,628	4,495
Investments	12	910	350
Deferred tax asset	18	5,106	6,933
		<u>280,456</u>	<u>220,492</u>
<u>Current assets</u>			
Trade and other receivables	14	278,311	186,993
Cash and bank balances	14	41,415	44,866
		<u>319,726</u>	<u>231,859</u>
<u>Total assets</u>		<u>600,182</u>	<u>452,351</u>
<u>Current liabilities</u>			
Trade and other payables	15	(198,184)	(158,741)
Current tax liabilities		(6,562)	(6,994)
Borrowings	16	(2,959)	(10,667)
		<u>(207,705)</u>	<u>(176,402)</u>
<u>Net current assets</u>		<u>112,021</u>	<u>55,457</u>
<u>Non-current liabilities</u>			
Borrowings	16	(647,292)	(494,733)
Deferred tax liabilities	18	(21,349)	(20,452)
Other non-current liabilities	19	(5,406)	(2,290)
		<u>(674,047)</u>	<u>(517,475)</u>
<u>Total liabilities</u>		<u>(881,752)</u>	<u>(693,877)</u>
<u>Net liabilities</u>		<u>(281,570)</u>	<u>(241,526)</u>
<u>Equity</u>			
Share capital	20	20	20
Share premium		19,044	16,333
Retained earnings		(299,997)	(247,848)
Other reserves		(3,790)	(12,067)
		<u>(284,723)</u>	<u>(243,562)</u>
<u>Equity attributable to owners of the Company</u>		<u>(284,723)</u>	<u>(243,562)</u>
Non-controlling interests		3,153	2,036
<u>Total equity</u>		<u>(281,570)</u>	<u>(241,526)</u>

The accompanying notes are an integral part of this consolidated balance sheet. The consolidated financial statements of NES Global Talent Limited (Company number 08240307) were approved by the board of directors and authorised for issue on 27 February 2019. They were signed on its behalf by:

S.W. Buckley
Director

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Consolidated cash flow statement

For the year ended 31 October 2018

	Notes	31 October 2018 \$'000	31 October 2017 \$'000
<u>Cash inflow from operating activities</u>	22	42,295	47,823
Foreign exchange losses on loan retranslations	5	(12,458)	(8,998)
<u>Net cash inflow from operating activities</u>		<u>29,837</u>	<u>40,825</u>
<u>Investing activities</u>			
Acquisition of subsidiary undertakings	21	(103,501)	(1,719)
Purchases of property and equipment	11	(1,185)	(561)
Purchases of intangibles	10	(1,252)	(791)
<u>Net cash outflow from investing activities</u>		<u>(105,938)</u>	<u>(3,071)</u>
<u>Financing activities</u>			
Repayment of borrowings		(158,475)	(9,250)
New bank loans raised		275,000	-
Interest paid		(18,936)	(17,171)
Dividends paid to non-controlling interests		(592)	(957)
Debt issuance costs paid		(9,316)	(1,191)
Finance lease payments	23	(3,938)	(3,858)
<u>Net cash generated from/(used in) financing activities</u>		<u>83,743</u>	<u>(32,427)</u>
<u>Net increase in cash and cash equivalents</u>		<u>7,642</u>	<u>5,327</u>
Net exchange rate movements		(9,652)	5,318
<u>Cash and cash equivalents at beginning of year</u>		<u>41,364</u>	<u>30,719</u>
<u>Cash and cash equivalents at end of year</u>	22	<u>39,354</u>	<u>41,364</u>



Consolidated statement of changes in equity

For the year ended 31 October 2018

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Translation reserve \$'000	Non-controlling interests \$'000	Merger reserve \$'000	Total \$'000
<u>At 31 October 2016</u>	<u>17</u>	<u>1,722</u>	<u>(203,298)</u>	<u>(11,639)</u>	<u>2,569</u>	<u>635</u>	<u>(209,994)</u>
Net (loss)/profit for the year	-	-	(44,550)	-	424	-	(44,126)
Exchange loss on retranslation of foreign operations	-	-	-	(1,063)	-	-	(1,063)
Total comprehensive (expense)/income for the year	-	-	(44,550)	(1,063)	424	-	(45,189)
Dividends paid to non-controlling interests	-	-	-	-	(957)	-	(957)
Issue of share capital	3	14,611	-	-	-	-	14,614
<u>At 31 October 2017</u>	<u>20</u>	<u>16,333</u>	<u>(247,848)</u>	<u>(12,702)</u>	<u>2,036</u>	<u>635</u>	<u>(241,526)</u>
Net (loss)/profit for the year	-	-	(52,149)	-	591	-	(51,558)
Exchange gain on retranslation of foreign operations	-	-	-	8,438	72	-	8,510
Total comprehensive (expense)/income for the year	-	-	(52,149)	8,438	663	-	(43,048)
Adjustment arising from change in non-controlling interests	-	-	-	-	885	-	885
Adjustment arising from exchange gain attributable to non-controlling interests	-	-	-	(161)	161	-	-
Dividends paid to non-controlling interests	-	-	-	-	(592)	-	(592)
Issue of share capital	-	2,711	-	-	-	-	2,711
<u>At 31 October 2018</u>	<u>20</u>	<u>19,044</u>	<u>(299,997)</u>	<u>(4,425)</u>	<u>3,153</u>	<u>635</u>	<u>(281,570)</u>

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Notes to the consolidated financial statements

For the year ended 31 October 2018

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 6. 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 Financial Reporting Standards (IFRSs) as adopted by the European Union. These are those standards, subsequent amendments and related interpretations issued and adopted by the International Accounting Standards Board ('IASB') that have been endorsed by the European Union at the year end. They also comply with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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, together with the factors likely to affect its future development, performance and position, the key risks facing the business and the primary policies in place to mitigate these risks, are described in the Strategic report on pages 2 to 4.

As referred to in the Strategic report, the Group manages its day-to-day working capital requirements through short and medium term credit facilities. At 31 October 2018, these facilities consisted of a \$60 million revolving credit facility, \$54 million of invoice discounting facilities and a \$274 million senior term loan. The bank facilities are subject to covenant restrictions and no covenant breaches have occurred in the year under review or are forecast to occur in the going concern review period. In addition to the bank facilities the Group has \$383 million of loan notes which are not due for repayment until 2032. See note 16 for details of undrawn committed facilities.

As discussed in the strategic report, the Group operates in the oil and gas sector, which has recently experienced significant uncertainties due to the reductions in the oil price that commenced in 2014. The Directors have considered downside sensitivities in their going concern assessment and have concluded that there is sufficient headroom on covenants.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group expects to operate within the level of its current facilities and covenants. The Group's bank facilities are not repayable until May 2023. Therefore the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 7 <i>Disclosure Initiative</i>	The Group has adopted the amendments to IAS 7 for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The Group's liabilities arising from financing activities consist solely of borrowings (note 16). A reconciliation between the opening and closing balances of these items is provided in note 22. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. The application of these amendments has had no impact on the Group's consolidated financial statements.
Amendments to IAS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference. The application of these amendments has had no impact on the Group's consolidated financial statements as the Group already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.
<i>Annual Improvements to IFRSs 2014-2016 Cycle</i>	The Group has adopted the amendments to IFRS 12 included in the <i>Annual Improvements to IFRSs 2014-2016 Cycle</i> for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Group. IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

IFRS 16 Leases and IFRS 15 Revenue from Contracts with Customers

IFRS 16 *Leases* is mandatorily effective for accounting periods beginning on or after 1 January 2019. IFRS 15 *Revenue from Contracts with Customers* became effective for accounting periods beginning on or after 1 January 2018. The Group opted to apply these standards 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:

IFRS 9	<i>Financial Instruments</i>
IFRS 17	<i>Insurance Contracts</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
IFRS 2 (amendments)	<i>Classification and Measurement of Share-based Payment Transactions</i>
IFRS 4 (amendments)	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IAS 40 (amendments)	<i>Transfers of Investment Property</i>
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Annual Improvements to IFRSs 2014-2016 Cycle	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IFRS 28 Investments in Associates and Joint Ventures</i>

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* was issued in July 2014 to replace IAS 39 *Financial Instruments: Recognition and Measurement* and has been endorsed by the EU. The standard is effective for accounting periods beginning on or after 1 January 2018 and was adopted by the Group from 1 November 2018. It is applicable to financial assets and financial liabilities and covers the classification, measurement, impairment and derecognition of financial assets and liabilities together with a new hedge accounting model and will require certain additional disclosures.

The primary changes relate to the assessment of hedging arrangements and provisioning for future credit losses on financial assets. Whilst provisioning for future credit losses on assets is expected to apply to the Group, this is not anticipated to have a material impact on the amounts reported in these financial statements.

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.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

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

For the purpose of impairment testing, goodwill is allocated to two 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

The Group recognises an intangible in respect of customer relationships 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. 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 are amortised straight line over the estimated length of the underlying relationships which is eight years, or less if considered appropriate.

Intangible assets – computer software

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

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

Computer software is amortised on a straight-line basis over its useful economic life, which is estimated at 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.



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. The Group adopted IFRS15 *Revenue from contracts with customers* in the prior financial year on 1 November 2016. The adoption of the standard did not have a material impact on the financial statements in the current or prior year.

Leasing

The Group chose to early adopt IFRS 16 *Leases* during the year ended 31 October 2017. The Group adopted IFRS 16 from 1 November 2016 using a modified retrospective approach as permitted under the specific transition provisions in the standard.

On initial application of IFRS 16, the Group recognised lease liabilities for leases previously classified as operating leases when applying IAS 17 *Leases*, measuring the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental cost of borrowing. The weighted average incremental borrowing rate applied to lease liabilities during the year is 8.93% (2017: 8.64%). Right-of-use assets were also recognised for leases previously classified as an operating lease, measuring the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet at adoption.

New 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. 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.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (continued)

The Group applies the cost model to subsequently measure right-of-use assets, applying the depreciation requirements in IAS 16 Property, Plant & 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;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; 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.

Operating profit

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

Borrowing costs

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

Interest income

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.

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 held on the consolidated balance sheet is \$1,418,000 (2017: \$742,000).



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Throughout the year ended 31 October 2018, the Group only held financial assets in the category 'loans and receivables'.

Loans and 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 at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Loans and 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.

For trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

Cash and bank balances

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

Derecognition of financial assets

The 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.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

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

The Group holds no financial liabilities classified as 'at FVTPL' and hence all of its financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities 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.

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.

Critical accounting judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. No significant critical accounting judgements have been identified.

Key sources of estimation uncertainty

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

The directors consider the key sources of estimation uncertainty relate to the impairment review of goodwill and intangible assets due to the factors outlined in the Market risk section of the Strategic Report. The policies in respect of these areas are included above and details of any impairment recognised and assumptions applied during the year are given in Note 9 and Note 10.

Other key sources of estimation in the current year relate to the measurement of contingent consideration in respect of future cash outflows payable for the acquisition of Redbock LLC, along with the fair value of the customer relationship intangible assets recognised on acquisition of Redbock LLC and Bedrock Petroleum Consultants LLC – see note 10 and note 21.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

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 NET EXCEPTIONAL EXPENDITURE

	31 October 2018 \$'000	31 October 2017 \$'000
Restructuring costs	-	(2,792)
Legal and other claims	-	(1,198)
Deal costs related to acquisitions	(3,024)	(575)
Restructuring and legal credits	1,400	-
	<u>(1,624)</u>	<u>(4,565)</u>

The tax impact of the above exceptional administrative expenses is approximately \$37,000 credit (2017: \$1,123,000 credit).

Restructuring costs – relate to various restructuring activities across the Group.

Legal and other claims – these relate to contractor legal claims and other legal disputes.

Deal costs related to acquisitions – fees and other costs directly attributable to acquisitions.

Restructuring and legal credits – release of accruals due to favourable outcomes from legal and restructuring claims.

5 FINANCE COSTS

	31 October 2018 \$'000	31 October 2017 \$'000
Interest payable on bank loans, loan notes and overdrafts	55,294	46,679
Interest receivable on loans	(81)	(901)
Amortisation of debt issue costs (note 16)	1,836	2,010
Debt issue costs written off (note 16)	3,507	-
Interest on obligations under lease contracts	347	392
Foreign exchange losses on loan retranslations	12,458	6,998
	<u>73,361</u>	<u>55,178</u>



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

6 LOSS BEFORE TAX

Loss before tax is stated after charging:

	31 October 2018 \$'000	31 October 2017 \$'000
Depreciation of right of use assets (note 11)	3,665	3,535
Depreciation of other property and equipment (note 11)	720	718
	<u>4,385</u>	<u>4,253</u>
Amortisation of intangible assets (note 10)	28,792	26,208
Loss on disposal of property and equipment (note 11)	40	-
Staff costs (note 7)	63,597	45,075
Auditor's remuneration for audit and non-audit services (below)	914	513
Rental of low value assets	75	102
	<u>729</u>	<u>615</u>
The analysis of auditor's remuneration is as follows:		
Auditor's remuneration for audit services – parent's consolidated financial statements	59	61
Auditor's remuneration for audit services – subsidiaries financial statements	421	351
Total audit fees	<u>480</u>	<u>412</u>
Tax services – compliance	31	35
Tax services – advisory	403	41
Other fees - acquisitions	-	25
Total non-audit fees	<u>434</u>	<u>101</u>
Total fees	<u>914</u>	<u>513</u>

7 STAFF COSTS

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

	31 October 2018 Number	31 October 2017 Number
Sales and administration	725	610
	<u>725</u>	<u>610</u>
	2018	2017
	\$'000	\$'000
Their aggregate remuneration (including executive directors) comprised:		
Wages and salaries	59,499	42,274
Social security costs	3,545	2,454
Pension costs	553	347
	<u>63,597</u>	<u>45,075</u>

See note 25 for details of key management compensation.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

8 TAX

	31 October 2018 \$'000	31 October 2017 \$'000
Current tax	(4,611)	(5,628)
Deferred tax (note 18)	4,568	8,051
<u>Total tax (charge)/credit</u>	<u>(43)</u>	<u>2,423</u>

UK corporation tax is calculated at 19.00% (2017: 19.41%) of the estimated taxable profit or loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The Finance Act 2015 included a provision to reduce the rate of corporation tax from 20% to 19% from 1 April 2017 and a further reduction to 17% was included in the Finance Act 2016, to take effect from 1 April 2020.

As the Finance Act 2016 was substantively enacted by the balance sheet date the UK deferred tax balances have been revalued to these lower rates in the financial statements on the basis of when they are expected to reverse in the future. 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)/credit for the year can be reconciled to the loss per the income statement as follows:

	Year ended 31 October 2018 \$'000	Year ended 31 October 2017 \$'000
<u>Loss before tax</u>	<u>(51,515)</u>	<u>(46,549)</u>
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%)	9,788	9,035
Effects of:		
(Income not chargeable)/ expenses not deductible	(169)	574
Adjustments in respect of current income tax of previous years	2,650	(490)
Adjustments in respect of deferred tax of previous years	(2,354)	(423)
Deferred tax not provided	(2,566)	(2,806)
Interest not deductible	(7,147)	(6,019)
Deferred tax rate change adjustment	180	683
Deferred tax on losses not previously recognised	390	2,676
Deferred tax on short-term timing differences not previously recognised	36	-
Losses carried back to prior year	-	928
Transfer pricing adjustments	(65)	(124)
Adjustments in respect of other taxes	(1,173)	(2,011)
Effect of overseas corporation tax rates	387	400
<u>Tax (charge)/credit for the year</u>	<u>(43)</u>	<u>2,423</u>

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

9 GOODWILL

	UK Technical \$'000	Global Technical \$'000	IT \$'000	Total \$'000
Cost				
At 31 October 2016	15,980	63,108	1,298	80,386
Acquisitions	-	21,630	-	21,630
Additions	-	37	-	37
At October 2017	15,980	84,775	1,298	102,053
Acquisitions (note 21)	-	51,146	-	51,146
At 31 October 2018	15,980	135,921	1,298	153,199
Impairment				
At 1 November 2016	(3,882)	(15,187)	(1,298)	(20,367)
Exchange rate movements	1,020	4,985	-	6,005
At 1 November 2017	(2,862)	(10,202)	(1,298)	(14,362)
Exchange rate movements	(417)	(2,375)	-	(2,792)
At 31 October 2018	(3,279)	(12,577)	(1,298)	(17,154)
Carrying amount				
At 31 October 2018	12,701	123,344	-	136,045
At 31 October 2017	13,118	74,573	-	87,691
At 1 November 2016	12,098	47,921	-	60,019

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	2018 \$'000	2017 \$'000
UK Technical	12,701	13,118
Global Technical	123,344	74,573
	<u>136,045</u>	<u>87,691</u>

The acquisitions in the year relate to goodwill recognised on acquisition of Redbock LLC and Bedrock Petroleum Consultants LLC (note 21). Goodwill recognised on acquisition relates to expected synergies and market access acquired as a result of the acquisition. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. In 2013, a decision was taken to close the IT cash generating unit therefore an impairment was recognised to write off the carrying value of goodwill attributable to this cash generating unit. The recoverable amount of the remaining two cash generating units is determined from their value in use calculations.

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 2018 impairment review was 8.93% (2017: 8.64%). Sensitivities have been run to increase the discount factor to 15% with an assumption of 0% growth. This has not impacted the conclusion of the review.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

10 INTANGIBLES

	Computer software \$'000	Customer relationships \$'000	Total \$'000
<u>Cost</u>			
At 1 November 2016	3,779	223,348	227,127
Acquisitions	-	70,571	70,571
Additions	791	1,168	1,959
Exchange rate movements	310	21,505	21,815
At 1 November 2017	4,880	316,592	321,472
Acquisitions (note 21)	-	41,172	41,172
Additions	1,002	-	1,002
Exchange rate movements	(165)	(10,201)	(10,366)
At 31 October 2018	5,717	347,563	353,280
<u>Amortisation</u>			
At 1 November 2016	(2,405)	(157,832)	(160,237)
Charge for the year	(295)	(25,913)	(26,208)
Exchange rate movements	(211)	(13,793)	(14,004)
At 1 November 2017	(2,911)	(197,538)	(200,449)
Charge for the year	(572)	(28,220)	(28,792)
Exchange rate movements	97	7,631	7,728
At 31 October 2018	(3,386)	(218,127)	(221,513)
<u>Carrying amount</u>			
At 31 October 2018	2,331	129,436	131,767
At 1 November 2017	1,969	119,054	121,023
At 1 November 2016	1,374	65,516	66,890

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 2018 the remaining amortisation period for those customer relationships not acquired during the year is three years (31 October 2017: three years).

Computer software is amortised over its useful economic life, which is estimated at 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. The discount rate used in the 2018 impairment review was 8.93% (2017: 8.64%). Sensitivities have been run to increase the discount factor to 15% with an assumption of 0% growth. This has not impacted the conclusion of the review.



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

11 PROPERTY AND EQUIPMENT

	Leasehold improvements \$'000	Computer equipment \$'000	Right of use assets \$'000	Fixtures, fittings and equipment \$'000	Motor vehicles \$'000	Total \$'000
<u>Cost</u>						
At 1 November 2016	791	1,706	5,045	958	325	8,825
Additions	53	463	1,613	45	-	2,174
Exchange rate movements	39	65	-	9	(58)	55
At 1 November 2017	883	2,234	6,658	1,012	267	11,054
Additions	390	585	5,472	179	31	6,657
Acquisitions (note 21)	74	52	-	70	-	196
Disposals	-	(10)	(1,675)	(49)	(86)	(1,820)
Exchange rate movements	(39)	(109)	(270)	(28)	(5)	(451)
At 31 October 2018	1,308	2,752	10,185	1,184	207	15,636
<u>Accumulated depreciation</u>						
At 1 November 2016	(422)	(1,332)	-	(391)	(146)	(2,291)
Charge for the year	(173)	(266)	(3,535)	(207)	(72)	(4,253)
Exchange rate movements	(20)	(47)	-	2	50	(15)
At 1 November 2017	(615)	(1,645)	(3,535)	(596)	(168)	(6,559)
Charge for the year	(176)	(353)	(3,665)	(173)	(18)	(4,385)
Acquisitions (note 21)	(53)	(23)	-	(43)	-	(119)
Disposals	-	8	1,675	34	63	1,780
Exchange rate movements	29	86	134	20	6	275
At 31 October 2018	(815)	(1,927)	(5,391)	(758)	(117)	(9,008)
<u>Carrying amount</u>						
At 31 October 2018	493	825	4,794	426	90	6,628
At 1 November 2017	268	589	3,123	416	99	4,495
At 1 November 2016	369	374	-	567	179	1,489



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

12 INVESTMENTS

	2018 \$'000	2017 \$'000
Investments in share units of ultimate parent company	-	-
Investments in loan note units of ultimate parent company	910	350
	<u>910</u>	<u>350</u>

At 31 October 2018 the Group does not hold any share units in NES Global Talent LP (2017: 1 class D share unit of \$230).

At 31 October 2018, the Group held \$910,000 loan note units issued by NES Global Talent LP (2017: \$350,000). These are warehoused in a Group trust, NES Group EBT.

13 SUBSIDIARIES

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 the appendix to the consolidated financial statements on page 53, which forms part of these financial statements.

14 OTHER CURRENT ASSETS

Trade and other receivables

	2018 \$'000	2017 \$'000
Amounts receivable for the sale of services	220,391	144,257
Allowance for doubtful debts	(2,147)	(1,844)
	<u>218,244</u>	<u>142,413</u>
Other debtors	44,781	27,952
Amounts receivable from parent partnership (note 25)	11,356	12,034
Amounts receivable from related parties (note 25)	715	713
Prepayments and accrued income	3,215	3,881
	<u>278,311</u>	<u>186,993</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

14 OTHER CURRENT ASSETS (CONTINUED)

The ageing of trade receivables net of the allowance for doubtful debts at the reporting date was:

	2018	2017
	\$'000	\$'000
Not past due	190,722	129,987
Past due 0 - 30 days	18,652	9,507
Past due 31 - 60 days	4,264	2,823
Past due 61 - 90 days	2,533	55
More than 90 days	2,073	41
	<u>218,244</u>	<u>142,413</u>

Trade receivables

The Group carries a provision for doubtful debts of \$2,147,000 (2017: \$1,844,000) against trade receivables of \$220,391,000 (2017: \$144,257,000). Management maintains a policy of periodically reviewing all debtor balances for recoverability. 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:

	2018	2017
	\$'000	\$'000
Europe	62,057	42,845
Americas	69,846	32,799
Africa	3,818	6,642
Australasia	14,759	10,359
Asia	69,911	51,612
	<u>220,391</u>	<u>144,257</u>

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

Cash and bank balances

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

	2018	2017
	\$'000	\$'000
Cash and bank balances	<u>41,415</u>	<u>44,866</u>

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

15 OTHER CURRENT LIABILITIES

	2018	2017
	\$'000	\$'000
<u>Trade and other payables</u>		
Trade payables	124,374	92,999
Sales and payroll taxes and social security	26,579	20,105
Lease liabilities	2,256	1,836
Deferred tax liabilities (note 18)	6,366	5,470
Amounts owing to parent partnership (note 25)	5,000	5,131
Amounts owing to related parties (note 25)	29	110
Accruals and deferred income	33,580	21,270
Contingent consideration (below)	-	11,820
	<u>198,184</u>	<u>158,741</u>

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

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

Contingent consideration

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

	\$'000
Contingent consideration at 1 November 2017	11,820
Recognised on acquisition of Redbock LLC (note 21)	634
Settlement of Advantage contingent consideration	(11,896)
Unwinding of discounting	25
Exchange rate movements	75
Contingent consideration at 31 October 2018	<u>658</u>

The balance of contingent consideration as at 31 October 2018 is classified as non-current (see note 19).



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

16 BORROWINGS

	2018 \$'000	2017 \$'000
<u>Unsecured borrowings at amortised cost</u>		
A listed loan notes issued by NES Global Talent Finance Limited	289,313	270,275
AA listed loan notes issued by NES Global Talent Finance Limited	68,482	55,406
B loan notes issued by NES Global Talent Finance Limited	24,960	23,469
	<u>382,755</u>	<u>349,150</u>
<u>Secured borrowings at amortised cost</u>		
Senior term bank loans	273,775	157,250
Related capitalised costs of raising finance	(8,340)	(4,502)
Net senior bank loans	<u>265,435</u>	<u>152,748</u>
Bank overdrafts	2,061	3,502
	<u>267,496</u>	<u>156,250</u>
	<u>650,251</u>	<u>505,400</u>
<u>Total borrowings</u>		
Amount due for settlement within 12 months	2,959	10,667
Amount due for settlement after 12 months	<u>647,292</u>	<u>494,733</u>
	<u>650,251</u>	<u>505,400</u>

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

A loan notes issued by NES Global Talent Finance Limited

On 19 October 2012, NES Global Talent Finance Limited, a 100% subsidiary of NES Global Talent Limited, issued unsecured A loan notes totalling \$281,362,000. These loan notes were listed on the Channel Islands 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 2018 is \$289,313,000 (2017: \$270,275,000), the A loan note instrument having accrued interest of \$27,933,000 (2017: \$24,391,000) during the year and benefitting from a foreign exchange impact of \$8,895,000 (2017: \$17,440,000 loss) 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 2018

16 BORROWINGS (CONTINUED)

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

The balance at 31 October 2018 is \$24,960,000 (2017: \$23,469,000). There were \$52,000 of B loan notes redeemed during the year (2017: \$nil) and no new B loan notes were issued (2017: \$nil). \$40,000 of interest (2017: \$5,000) was paid. \$2,426,000 (2017: \$2,185,000) interest was accrued. The remaining gain of \$895,000 (2017: \$1,747,000 loss) is due to the 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 Channel Islands 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 Channel Islands 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 2018 is \$68,482,000 (2017: \$55,406,000), the AA loan note instrument having accrued interest of \$6,036,000 (2017: \$4,138,000) during the year and benefiting from a foreign exchange gain of \$2,145,000 (2017: \$21,000 gain) on conversion to USD.

Senior term bank loans

On 11 May 2018, the Group refinanced its senior loan facility. The existing facility first drawn on 3 October 2013 was repaid in full and a new \$215,000,000 senior loan facility was drawn down in full, with a maturity date of 11 May 2023. The cost of raising this new facility was \$7,383,000. Two instalment repayments of \$2,312,500 were made in January 2018 and April 2018 on the senior loan facility in place prior to the 11 May 2018 refinancing. Under the terms of the new agreement, one instalment repayment of this term facility loan was made on 31 July 2018 of \$537,500.

\$3,507,000 of capitalised costs of raising the existing facility first drawn on 3 October 2013 were written off to finance charges in the income statement during the year (2017: \$nil).

On 11 October 2018, the Group entered into an amendment to its senior loan facility. A further increase of \$60,000,000 to the facility was agreed and drawn down in full in order to fund an acquisition. The cost of raising the amended facility was \$1,717,000.

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 2018 is \$273,775,000 (2017: \$157,250,000). The term facility loan incurs interest at a rate of 5.50% above the LIBO rate, which did not change as a result of the refinancing.

\$1,836,000 (2017: \$2,010,000) 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 3 October 2013, NES Global Talent Limited secured access to a revolving credit facility for \$60,000,000, which can be drawn down on demand when required, and attracts an interest rate of 5.50% above the LIBO rate. On 5 January 2018 the Group agreed an extension to its existing \$60m revolving credit facility (RCF) until 31 August 2019. The cost of raising the amended facility was \$216,000.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

16 BORROWINGS (CONTINUED)

Bank overdrafts (continued)

On 11 May 2018, the Group refinanced and extended its existing RCF until 11 November 2022. As at 31 October 2018, \$nil (2017: \$nil) was drawn down in both US dollar and sterling currencies.

There is access to various local overdraft and invoice discounting facilities, secured against trade debtors. At 31 October 2018 \$2,061,000 (2017: \$3,502,000) was drawn down.

The Group has undrawn committed facilities at 31 October 2018 of \$109,895,000 (2017: \$132,984,000).

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

	2018	2017
	\$'000	\$'000
Financial assets		
Cash and overdrafts	39,354	41,364
Debtors	230,315	155,160
Financial liabilities		
Amortised cost	790,801	606,476

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.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

17 FINANCIAL INSTRUMENTS (CONTINUED)

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.

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 2018	31 October 2017	31 October 2018	31 October 2017
UK sterling	0.745	0.788	0.783	0.757
Euro	0.842	0.904	0.883	0.859
Australian dollar	1.322	1.316	1.411	1.303

The Group's exposure to foreign currency risk based on notional amounts is as follows:

	Monetary assets		Monetary liabilities	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
UK sterling	1,211	738	(879)	(4,117)
Euro	2,360	2,561	(322)	(2,999)
Australian dollar	4,794	8,083	(3,036)	(4,568)
Other	31,509	43,137	(20,363)	(23,111)
	<u>39,874</u>	<u>54,519</u>	<u>(24,600)</u>	<u>(34,795)</u>

'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.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

17 FINANCIAL INSTRUMENTS (CONTINUED)

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 2018 are set out in note 16.

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 2016	(12,890)	-	96	(12,794)
Acquisition (note 21)	(16,937)	2,868	653	(13,416)
Balance sheet reclassification	-	-	886	886
Credit/(charge) to the income statement	5,629	2,676	(254)	8,051
Exchange rate movements	(1,716)	-	-	(1,716)
At 1 November 2017	(25,914)	5,544	1,381	(18,989)
Acquisitions (note 21)	(8,646)	-	-	(8,646)
Balance sheet reclassification	-	653	(903)	(250)
Credit/(charge) to the income statement	6,157	(1,496)	(92)	4,569
Exchange rate movements	770	(28)	(35)	707
At 31 October 2018	(27,633)	4,673	351	(22,609)

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:

	2018 \$'000	2017 \$'000
Deferred tax liabilities – non-current	(21,349)	(20,452)
Deferred tax liabilities – current (note 15)	(6,366)	(5,470)
Deferred tax assets – non-current	5,106	6,933
	(22,609)	(18,989)

At the balance sheet date, the Group has unused tax losses of \$4,322,000 (2017: \$3,384,000) and deferred interest deductions under BEPS Action 4 of \$24,200,000 (2017: \$287,000), 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 \$390,000 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 (2017: \$2,676,000).



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

19 OTHER NON-CURRENT LIABILITIES

	2018 \$'000	2017 \$'000
Lease liabilities	2,612	1,355
Deferred consideration	458	935
Contingent consideration (note 15)	658	-
Other non-current liabilities	1,678	-
	<u>5,406</u>	<u>2,290</u>

Deferred consideration represents future amounts payable in respect of the purchase of the trade and assets of Ziegler's Oilfield Consulting Limited.

Contingent consideration represents managements' best estimate of future amounts payable in respect of the acquisition of Redbock LLC (note 21).

20 CALLED-UP SHARE CAPITAL

<i>Authorised, allotted, called-up and fully-paid</i>	2018 \$	2017 \$
889,766 ordinary A shares of £0.01 each (2017: 862,667 shares)	13,899	13,539
53,252 ordinary B1 shares of £0.01 each (2017: 53,252 shares)	862	862
13,590 ordinary B2 shares of £0.01 each (2017: 14,354 shares)	234	247
170,000 ordinary C1 shares of £0.01 each (2017: 170,000 shares)	2,580	2,580
97,847 ordinary C2 shares of £0.01 each (2017: 97,083 shares)	1,571	1,558
1 ordinary D share of £150 each (2017: 1 share)	243	243
1 ordinary E share of £150 each (2017: 1 share)	243	243
1 ordinary F share of £150 each (2017: 1 share)	243	243
	<u>19,875</u>	<u>19,515</u>

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

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

During the year 27,099 ordinary A shares were issued to NES Global Talent LP (2017: 146,629 ordinary A shares and 45,000 ordinary C1 shares). 764 ordinary B2 shares (2017: 3,655) were converted to ordinary C2 shares. The ordinary A shares were issued at a premium of £75.24 per share.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

21 ACQUISITIONS OF SUBSIDIARIES

Redbock LLC

On 11 June 2018, NES Global Talent US Inc. acquired all of the issued share capital of Redbock LLC, a provider of highly skilled professionals to the pharmaceutical, biotechnology and medical devices industries in the US. The addition of Redbock as a business will further strengthen the NES Global Talent position as the partner of choice for life science consulting solutions across the world.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	\$'000
Identifiable intangible assets	6,662
Tangible assets	12
Cash	1,531
Trade and other receivables	3,974
Trade and other payables	(1,381)
Deferred tax liabilities	(1,398)
Total identifiable assets	9,400
Goodwill	26,406
Total consideration	<u>35,806</u>
Satisfied by:	
Cash	35,172
Contingent consideration	634
Total consideration	<u>35,806</u>
Net cash outflow arising on acquisition:	
Cash consideration	35,172
Less: cash and cash equivalent balances acquired	(1,531)
	<u>33,641</u>

The contingent consideration is included at fair value, calculated with reference to available forecasts. The value of the consideration is dependent on achieving pre-agreed financial targets in 2021 and 2022. This will be satisfied in cash and has a range of potential outcomes ranging from \$nil to \$4.0m (undiscounted).

The fair value of the financial assets includes trade receivables with a fair value and gross contractual value of \$3,957,000. All contractual cash flows are expected to be collected. Acquisition-related costs (included in exceptional administrative expenses) amounted to \$2,005,000.

Goodwill recognised on acquisition relates to market access acquired and other intangible assets that do not qualify for separate recognition.

Redbock LLC contributed \$11,702,000 revenue and \$140,000 profit to the Group's results between the date of acquisition and the balance sheet date.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

21 ACQUISITIONS OF SUBSIDIARIES (CONTINUED)

Bedrock Petroleum Consultants LLC

On 11 October 2018, NES Global Talent US Inc. acquired all of the issued share capital of Bedrock Petroleum Consultants LLC, a provider of outsourced supervisory and operational personnel to the US onshore oil and gas market. The addition of Bedrock as a business will increase the portfolio of US upstream onshore clients and boost growth plans.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	\$'000
Identifiable intangible assets	34,510
Tangible assets	65
Cash	1,645
Trade and other receivables	27,875
Trade and other payables	(10,083)
Deferred tax liabilities	(7,247)
Total identifiable assets	<u>46,765</u>
Goodwill	<u>24,740</u>
Total consideration	<u>71,505</u>
Satisfied by:	
Cash	<u>71,505</u>
Total consideration	<u>71,505</u>
Net cash outflow arising on acquisition:	
Cash consideration	71,505
Less: cash and cash equivalent balances acquired	(1,645)
	<u>69,860</u>

The fair value of the financial assets includes trade receivables with a fair value and gross contractual value of \$27,704,000. All contractual cash flows are expected to be collected. Acquisition-related costs (included in exceptional administrative expenses) amounted to \$191,000.

Goodwill recognised on acquisition relates to market access acquired and other intangible assets that do not qualify for separate recognition.

Bedrock Petroleum Consultants LLC contributed \$17,035,000 revenue and \$800,000 profit to the Group's results between the date of acquisition and the balance sheet date.

If the acquisition date for all business combinations that occurred during the year had been as of the beginning of the year the combined revenue, EBITDA and net loss reported would be \$1,393.9m, \$71.9m and (\$42.2m) respectively.

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

22 NOTES TO THE CASH FLOW STATEMENT

	31 October 2018 \$'000	31 October 2017 \$'000
Loss for the year	(51,558)	(44,126)
Adjustments for:		
Income tax charge/(credit)	43	(2,423)
Finance costs	73,361	55,178
Depreciation of property and equipment	4,385	4,253
Amortisation and impairment of intangibles	28,792	26,208
Loss on disposal of property and equipment	40	-
Operating cash flows before movements in working capital	55,063	39,090
Increase in receivables	(63,206)	(8,737)
Increase in payables	56,306	19,728
Cash generated by operations	48,163	50,081
Income taxes paid	(5,868)	(2,258)
Cash inflow from operating activities	42,295	47,823

The cash flow impact of operating exceptional administrative expenses was \$1,238,000 (2017: \$2,630,000).

Cash and cash equivalents

	31 October 2018 \$'000	31 October 2017 \$'000
Cash and bank balances	41,415	44,866
Bank overdrafts	(2,061)	(3,502)
	39,354	41,364



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

22 NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

Analysis of changes in net debt

	1 November 2017	Cash flow	AA loan notes issued	Amortisation of debt costs	Interest rolled-up	Exchange movements	31 October 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	44,866	6,235	-	-	-	(9,686)	41,415
Overdrafts	(3,502)	1,407	-	-	-	34	(2,061)
	41,364	7,642	-	-	-	(9,652)	39,354
A loan notes	(270,275)	-	-	-	(27,933)	8,895	(289,313)
B loan notes	(23,469)	40	-	-	(2,426)	895	(24,960)
AA loan notes	(55,406)	-	(9,185)	-	(6,036)	2,145	(68,482)
Senior term bank loans	(157,250)	(116,525)	-	-	-	-	(273,775)
Capitalised debt costs	4,502	9,181	-	(5,343)	-	-	8,340
Net debt*	(460,534)	(99,662)	(9,185)	(5,343)	(36,395)	2,283	(608,836)

* Net debt includes accrued interest at 31 October 2018 of \$151,017,000 (2017: \$116,805,000).

Balances at 31 October 2018 comprise:

	Current assets	Current liabilities	Non-current liabilities	Total
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	41,415	-	-	41,415
Overdrafts	-	(2,061)	-	(2,061)
A loan notes	-	-	(289,313)	(289,313)
B loan notes	-	-	(24,960)	(24,960)
AA loan notes	-	-	(68,482)	(68,482)
Borrowings – senior term loan	-	(2,752)	(271,023)	(273,775)
Capitalised debt costs	-	1,854	6,486	8,340
At 31 October 2018	41,415	(2,959)	(647,292)	(608,836)

Cash and cash equivalents of \$8.7m (2017: \$18.2m) are held in a country with restrictions on remittances but where the balances can be used to repay in-country third party liabilities.



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

23 LEASES

The accounting policies selected by the Group when applying IFRS 16 are detailed in note 2.

Lease assets and liabilities recognised represent contracts entered into by the Group for its office properties and vehicle leasing. 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. The balance sheet and the income statement show the following amounts in respect of leases during the year ended 31 October 2018:

	Leasehold offices \$'000	Motor vehicles \$'000	Total \$'000
<u>Right-of-use assets</u>			
At 31 October 2017	2,954	169	3,123
Additions	5,251	221	5,472
Cost disposals	(1,489)	(186)	(1,675)
Foreign exchange translation on cost	(269)	(1)	(270)
Depreciation charge	(3,426)	(239)	(3,665)
Depreciation disposals	1,489	186	1,675
Foreign exchange translation on depreciation	133	1	134
At 31 October 2018	<u>4,643</u>	<u>151</u>	<u>4,794</u>

	Leasehold offices \$'000	Motor vehicles \$'000	Total \$'000
<u>Lease liabilities</u>			
At 31 October 2017	3,014	177	3,191
Recognised during the year to 31 October 2018	5,230	242	5,472
Foreign exchange translation on liabilities recognised	(311)	(30)	(341)
Interest expense on lease liabilities	330	17	347
Lease payments	(3,682)	(256)	(3,938)
Foreign exchange translation on lease payments	136	1	137
At 31 October 2018	<u>4,717</u>	<u>151</u>	<u>4,868</u>



Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

23 LEASES (CONTINUED)

Income statement

	31 October 2018	31 October 2017
	\$'000	\$'000
Interest expense (included in finance costs)	347	392
Expense relating to leases of low-value assets	75	102
At 31 October 2018	422	494

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
<u>Maturity analysis of lease liabilities:</u>			
Current	2,122	134	2,256
Within one to five years	2,595	17	2,612
At 31 October 2018	4,717	151	4,868
Current	1,687	149	1,836
Within one to five years	1,327	28	1,355
At 31 October 2017	3,014	177	3,191

The total cash outflow in the year paid in respect of leases was \$3,938,000 (2017: \$3,858,000).

24 CONTINGENT LIABILITIES

The Group issues performance and bid bond guarantees in compliance with contracts held with its UK and overseas clients. The amount of outstanding guarantees at the financial year end was \$2,329,000 (2017: \$1,949,000).

25 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 Group (note 26).

During the year the Group paid \$117,000 (2017: \$319,000) cash and received \$nil (2017: \$57,000) cash 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 \$146,000 (2017: \$36,000).

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Notes to the consolidated financial statements (continued)

For the year ended 31 October 2018

25 RELATED PARTY TRANSACTIONS (CONTINUED)

Loans receivable between the Group and NES Global Talent LP accrued interest receivable of \$58,000 during the year (2017: \$528,000).

Loans payable between the Group and NES Global Talent LP accrued interest payable of \$135,000 during the year (2017: \$357,000 interest receivable).

During the year \$408,000 (£319,304) (2017: \$nil) of B2 loan note units in NES Global Talent LP were transferred from NES Global Talent EBT to NES Group EBT. The Group paid \$52,000 (£40,541) (2017: \$nil) cash consideration on behalf of NES Global Talent LP for the repurchase of 237 B2 loan note units in NES Global Talent LP.

At the balance sheet date there is a debtor of \$11,356,000 (2017: \$12,034,000) 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 \$36,395,000 (2017: \$31,652,000).

During the year the Group paid interest of \$32,000 (£30,110) (2017: \$6,000) on the redemption of B loan notes held in NES Global Talent Finance Limited on behalf of NES Global Talent LP. The loan between NES Global Talent Finance Limited and NES Global Talent LP accrued interest payable of \$6,000 during the year (2017: \$nil).

During the year NES Global Talent LP subscribed for \$9,185,000 of AA loan notes in NES Global Talent Finance Limited (2017: \$51,289,000).

At the balance sheet date there is a creditor of \$387,755,000 (2017: \$354,289,000) 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 26).

The Group incurred fees and expenses during the year to AEA Investors LP of \$874,000 (2017: \$778,000). At the balance sheet date \$22,000 (2017: \$110,000) was owed to AEA Investors LP.

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 6,864 C2 units and 764 B2 units (2017: 16,200 C2 units and 3,655 B2 units) in NES Global Talent LP were transferred from NES Group EBT to NES Global Talent EBT. As consideration, NES Global Talent EBT issued a \$46,000 (2017: \$159,000) loan to the Group.

Following the issue of share units during the year by NES Global Talent EBT, NES Group Limited received cash consideration of \$20,000 (2017: \$33,000) on behalf of NES Global Talent EBT.

At the year end, there is a debtor of \$715,000 (2017: \$713,000) 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 2018

25 RELATED PARTY TRANSACTIONS (CONTINUED)

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 2018	31 October 2017
	\$'000	\$'000
Short-term employee benefits	2,733	1,987

The highest paid director's total emoluments in the year were \$1,380,000 (2017: \$981,000) of which \$nil (2017: \$nil) related to pension costs.

During the year no (2017: 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.

26 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 LP.



Company balance sheet

As at 31 October 2018

	Notes	2018 \$'000	2017 \$'000
<u>Fixed assets</u>			
Investments	3	18,941	16,230
<u>Current assets</u>			
Trade and other receivables	4	119	119
<u>Net assets</u>		<u>19,060</u>	<u>16,349</u>
<u>Capital and reserves</u>			
Called-up share capital	5	20	20
Share premium		19,044	16,333
Translation reserve		(16)	(16)
Profit and loss account		12	12
<u>Shareholder's funds</u>		<u>19,060</u>	<u>16,349</u>

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

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account. NES Global Talent Limited reported a profit for the year of \$Nil (2017: \$Nil).

The Company financial statements of NES Global Talent Limited (Company number 08240307) were approved by the board of directors and authorised for issue on 27 February 2019. They were signed on its behalf by:

S.W. Buckley

Director



Company statement of changes in equity

For the year ended 31 October 2018

	Share capital \$'000	Share premium \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 November 2016	17	1,722	(16)	12	1,735
Total comprehensive income for the year	-	-	-	-	-
Issue of share capital (note 5)	3	14,611	-	-	14,614
At 1 November 2017	20	16,333	(16)	12	16,349
Total comprehensive income for the year	-	-	-	-	-
Issue of share capital (note 5)	-	2,711	-	-	2,711
At 31 October 2018	20	19,044	(16)	12	19,060



Notes to the Company financial statements

For the year ended 31 October 2018

1 ACCOUNTING POLICIES

The separate financial statements of the Company have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. These are those standards, subsequent amendments and related interpretations issued and adopted by the International Accounting Standards Board ('IASB') that have been endorsed by the European Union at the year end. They also comply with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. 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.

2 RESULT FOR THE YEAR

The auditor's remuneration of \$1,000 (2017: \$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 (2017: \$nil). There are no employees other than the directors and no remuneration has been paid to the directors.

3 INVESTMENTS

	Subsidiary undertakings \$'000
<u>Cost and net book value</u>	
At 31 October 2017	16,230
Additions	2,711
At 31 October 2018	<u>18,941</u>

The addition during the year relates to the subscription of 27,099 (2017: 146,629) additional £1 ordinary shares in NES Global Talent Finance Limited for consideration of £75.25 per share. Further information about subsidiaries is included in the appendix to the consolidated financial statements.

4 TRADE AND OTHER RECEIVABLES

	2018 \$'000	2017 \$'000
Amounts owing from parent limited partnership	<u>119</u>	<u>119</u>

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Notes to the Company financial statements (continued)

For the year ended 31 October 2018

5 CALLED-UP SHARE CAPITAL

<i>Authorised, allotted, called-up and fully-paid</i>	2018 \$	2017 \$
889,766 ordinary A shares of £0.01 each (2017: 862,667 shares)	13,899	13,539
53,252 ordinary B1 shares of £0.01 each (2017: 53,252 shares)	862	862
13,590 ordinary B2 shares of £0.01 each (2017: 14,354 shares)	234	247
170,000 ordinary C1 shares of £0.01 each (2017: 170,000 shares)	2,580	2,580
97,847 ordinary C2 shares of £0.01 each (2017: 97,083 shares)	1,571	1,558
1 ordinary D share of £150 each (2017: 1 share)	243	243
1 ordinary E share of £150 each (2017: 1 share)	243	243
1 ordinary F share of £150 each (2017: 1 share)	243	243
	<u>19,875</u>	<u>19,515</u>

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

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

During the year 27,099 ordinary A shares were issued to NES Global Talent LP (2017: 146,629 ordinary A shares and 45,000 ordinary C1 shares). 764 ordinary B2 shares (2017: 3,655) were converted to ordinary C2 shares. The ordinary A shares were issued at a premium of £75.24 per share.



Appendix to the consolidated financial statements

For the year ended 31 October 2018

List of subsidiaries

A list of all related undertakings including the name, principal activity (footnoted below), country of incorporation and the registered office address of the related undertaking is shown below. All holdings are in ordinary shares except where noted below. The percentage ownership disclosed is the effective ownership on which the results are consolidated. Where percentage ownership is below 50%, the Group consolidates as a subsidiary after an assessment of power held over investee and right to return.

Investments directly held	Address of registered office	Country of Incorporation	Percentage ownership
NES Global Algérie SARL Ltd (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	100%
North Eagle Star Limitada (1)	Rua Comandante Gika, Travessa dos Militares, No. 1, Alvalade, Luanda, Angola	Angola	100%
NES Global Pty Ltd (1)	Elliott House, Suite 801, Level 8, 140 Arthur Street, North Sydney, NSW 2060, Australia	Australia	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%
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	100%
NES Global Limited (1)	4500, 855 - 2nd Street S.W, Calgary, Alberta, T2P 4K7, Canada	Canada	100%
NES Global Technical Consultants (Shanghai) Co., Limited (1)	Room 1607, Plaza 336, No. 336, Middle Xizang Road, Shanghai, 200001, China	China	100%
NES Global Talent Egypt (1)	25A 84 Street, Maadi, Cairo, Egypt	Egypt	100%
NES Global France (1)	Tour Egee, 9/11 Allee de l'Arche, 92 671 La Defense - Courbevoie Cedex, Paris, France	France	100%
NES Global SARL (1)	Tour Egee, 9/11 Allee de l'Arche, 92 671 La Defense - Courbevoie Cedex, Paris, France	France	100%
NES Global Talent Ltd (1)	366 Rue Alfred Marche, PO Box 2164, Libreville, Gabon	Gabon	100%
NES Global (Ghana) Limited (1)	No. 5, 1st Ridge Link, North Ridge, Accra, Ghana	Ghana	75%
North Eagle Star Limited (1)	1st Floor, Earlbeam Plaza, George Walker Bush Highway, Dzorwulu, Accra, Ghana	Ghana	49%

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Appendix to the consolidated financial statements (continued)

For the year ended 31 October 2018

Investments directly held	Address of registered office	Country of Incorporation	Percentage ownership
NES Global Limited (1)	22/F Siu On Building, 243-245 Des Voeux Road West, Hong Kong	Hong Kong	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. NES Global Technical Consultant (1)	Menara Jamsostek North Tower, 3rd Floor, Jl Gatot Subroto Kav. 38, No 79, South Jakarta, 12710, Indonesia	Indonesia	100%
PT. NES Global Teknik (1)	Level 12, Menara Palma, Jl. HR Rasuna Said Kav. 6 Blok X-2, Jakarta 12950, Indonesia	Indonesia	80%
Al Mazaya General Services LLC (1)	House No 44, St No 30, Quarter no 315, Al-Qudis, Baghdad, Iraq	Iraq	100%
NES Global for General Services Limited (1)	100 St Italian Village, Villa No. 404, Erbil, Kurdistan, Iraq	Iraq	100%
North Eagle Star for General Services LLC (1)	Apartment 6, Shaheen Building, Saadoon Street, Baghdad, Iraq	Iraq	100%
NES Global Talent Ltd (1)	The Black Church, St. Mary's Place, Dublin, D07 P4AX, Ireland	Ireland	100%
NES Global Talent KK (1)	Level 6, Fukumatsu Bldg, 7-1 Sumiyoshicho, Shinjuku-ku, Tokyo	Japan	100%
NES Global Talent LLP (1)	office 703, Atyrau Plaza Business Centre, Building 19, Satpayev Street, Atyrau oblast 060000, Republic of Kazakhstan	Kazakhstan	100%
NES Global Talent for Project Management WLL (1)	Office Number 5108, 2nd Floor, Dar Al Awadi Center, Kuwait	Kuwait	100%
Global Specialist Engineering Support Solutions Limited (1)	Unit Level 14(B), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan F.T., Malaysia	Malaysia	70%
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 Recruitment 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 Talent Solutions SDN BHD (1)	Suite 15-1, Level 15, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia	Malaysia	70%
NES Global Technical Consultants SDN BHD (1)	Suite 15-1, Level 15, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia	Malaysia	70%
NES Global Talent SDE (1)	Bosques de Ciruelos 180 PP 101, Bosques de las Lomas, 11700 Ciudad de Mexico, CDMX, Mexico	Mexico	100%

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Appendix to the consolidated financial statements (continued)

For the year ended 31 October 2018

Investments directly held	Address of registered office	Country of Incorporation	Percentage ownership
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%
NES Global Talent Morocco (SARLAU) (1)	219, Boulevard Zerktoni, Angle Boulevard Roundani, Bureau No. 16, 20330, Casablanca, Morocco	Morocco	100%
NES Global Talent Mozambique Limitada (1)	Avenida Vladimir Lenine, 179, 6th Floor, Maputo, Mozambique	Mozambique	100%
NES Global (Myanmar) Private Limited (1)	gNo. 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	100%
NES Global Talent Holdco AS (2)	Haakon VII's gate 10, 0161 Oslo, Norway	Norway	100%
NES Advantage Solutions AS (1)	Rolfsbuktheien 4, 1364 Fornebu, 0219 Baerum, Norway	Norway	100%
NES Advantage Solutions Group AS (2)	Rolfsbuktheien 4, 1364 Fornebu, 0219 Baerum, Norway	Norway	100%
NES Global Management AS (1)	Trallfa Twin Farm, Luramyveien 40, 4313 Sandnes, Norway	Norway	70%
NES Global Talent Norge AS (1)	Trallfa Twin Farm, Luramyveien 40, 4313 Sandnes, Norway	Norway	70%
NES Global Talent Norway Holdings AS (1)	Trallfa Twin Farm, Luramyveien 40, 4313 Sandnes, Norway	Norway	70%
NES Global Offshore AS (1)	Trallfa Twin Farm, Luramyveien 40, 4313 Sandnes, Norway	Norway	70%
NES Global LLC (1)	PO Box 963, Postal Code 130, Azaiba North, Sultanate of Oman	Oman	70%
NES Global Limited (1)	Guinn PKF, Section 15, Lot 15, Bernal Street, Port Moresby, National Capital District, PNG	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%
NES Overseas Qatar LLC(1)	P.O Box 24530, Sarco Business Center, 4th floor, Office no 401-H, B-Ring Road, Doha, Qatar	Qatar	100%
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%

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Appendix to the consolidated financial statements (continued)

For the year ended 31 October 2018

Investments directly held	Address of registered office	Country of Incorporation	Percentage ownership
NES Global Talent OOO (1)	44, Bolshaya Serpuhovskaya St., bld 1, office 19, 115093, Moscow	Russia	100%
NES Global Arabia Limited (1)	Global Suhaimi Compound, King Abdul Aziz Road (Dammam Seaport Road), Dammam, Kingdom of Saudi Arabia	Saudi Arabia	55%
NES Global Senegal Suarl (1)	No 16 Immeuble Hermes 1, 2e Etage, VDN Keur Gorgui, Dakar, Senegal	Senegal	100%
NES Global PTE Limited (1)	#50-01 AXA Tower, 8 Shenton Way, Singapore 068811	Singapore	100%
NES Global South Africa Pty Ltd (1)	C/o Deloitte & Touche, Deloitte Place, Buidling 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 S.L. (1)	Plaza Pablo Ruiz Picasso No 1, Torre Picasso, Planta 38, 28020 Madrid, Spain	Spain	100%
NES Global (East Africa) Limited (1)	Plot no 211 Chabruma street, Kinondoni District, P.O. BOX 4524, Dar es salaam -Tanzania	Tanzania	100%
NES Global Talent Tanzania Limited (1)	10th Floor, PPF Tower, Corner of Ohio Street & Garden Avenue, PO Box 1559, Dar Es Salaam, Tanzania	Tanzania	100%
NES Global Engineering Services Ltd (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 10110	Thailand	100%
NES Global B.V. (1)	Haagsche Hof, Parkstraat 83, The Hague, 2514 JG, Netherlands	The Netherlands	100%
NES Global Talent Ltd (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%
Gateways 2 Travel Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES 2 Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%

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Appendix to the consolidated financial statements (continued)

For the year ended 31 October 2018

Investments directly held	Address of registered office	Country of Incorporation	Percentage ownership
NES Advantage Solutions Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Finance Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Engineering Services Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Finance Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Finco Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Holdco Ltd (5) +	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Holdings Ltd (5) +	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Limited (6)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES 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 (1)	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 Office Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Overseas Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Overseas 2 Limited (4)	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%

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Appendix to the consolidated financial statements (continued)

For the year ended 31 October 2018

Investments directly held	Address of registered office	Country of Incorporation	Percentage ownership
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%
Nestrack Limited (1)	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%
South Star Technical Services Limited (3) +	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Energy Services DMCC (1)	Unit No. 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	100%
NES Global Talent Recruitment Services (1)	Unit 104, Business Avenue Tower, Al Salam Street, PO Box 63107, Abu Dhabi, UAE	United Arab Emirates	100%
Bedrock PC 1099, LLC (1)	201 Rue Iberville, Suite 600, Lafayette, Louisiana, 70508, USA	USA	100%
Bedrock PC W2, LLC (1)	201 Rue Iberville, Suite 600, Lafayette, Louisiana, 70508, USA	USA	100%
Bedrock Petroleum Consultants, LLC (1)	201 Rue Iberville, Suite 600, Lafayette, Louisiana, 70508, USA	USA	100%
NES Advantage Solutions Inc.(1)	1675 South State St, Dover, Kent County, Delaware 19901, USA	USA	100%
NES Global Talent Finance US LLC (5)	1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100%
NES Global Talent US Inc. (5)	1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100%
NES Global LLC (1)	3505 Lake Lynda Drive, Suite 114, Orlando, FL 32817, USA	USA	100%

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Appendix to the consolidated financial statements (continued)

For the year ended 31 October 2018

Investments directly held	Address of registered office	Country of Incorporation	Percentage ownership
Redback LLC (1)	21730 Stevens Creek Boulevard, Suite 103, Cupertino, California, 95014, USA	USA	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

* These 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 this business. All subsidiary undertakings have been included in the consolidation.