



ANNUAL REPORT 2023



OUR PURPOSE

**DELIVERING A
BRIGHTER TOMORROW**

Our corporate purpose reflects both our business activities and our corporate culture of innovation, collaboration and inclusivity which has defined NES Fircroft throughout its existence.

OUR PROMISE

To deliver compliant global workforce solutions that enhance the people, clients and communities we work with.

**NES FIRCROFT BONDCO AS//
ANNUAL REPORT 2023**

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OUR VISION

To provide the expertise which supports our clients as they continue the transition to sustainable business practises and secure a brighter future for generations to come.

OUR VALUES



CUSTOMER FOCUS

Our customers are at the centre of everything we do



INTEGRITY & RESPONSIBILITY

We do the right things in the right way every time



ENTERPRISE

Our business is dynamic and customised to the needs of our local markets



DRIVE & PERSONAL IMPACT

We bring passion and determination to our work every day



TEAMWORK

We work together as one team, always

2023 HIGHLIGHTS//



23,279
contractors supported



\$2.7 billion¹
revenue



1,865
global staff



\$318 million¹
gross profit



54%
female employees



\$126 million¹
underlying EBITDA²



139
different nationalities



86
offices worldwide

¹ Reported figures are from continuing operations for the Group.

² Underlying EBITDA comprises earnings before interest, tax, depreciation and amortisation and before exceptional items and management recharges. This is considered a more representative approximation of profit as it is calculated by excluding all non-trading expenditure and non-cash items from operating profit.

CEO STATEMENT//

The challenges faced by businesses in 2023 due to geopolitical volatility and economic uncertainties have been significant. In the face of slowing economic activity globally, talent scarcity has however persisted, with many end markets continuing to suffer from a technical skill gap. Against this backdrop, our commitment to solving critical shortage issues by supplying niche skillset at speed, continues to enable global energy transition projects to be implemented on time, whilst enhancing the people, clients and communities we work with.



We continue to facilitate life-long employment opportunities for individuals empowering our customers to optimise the potential of their workforces. The NES Fircroft Group, which NES Fircroft Bondco AS is part of, leads by example and is committed to creating an inclusive culture that supports local economies and local communities. People are the most important asset we have to solve the challenges facing the world today and that is why we are committed to providing the talent needed for a future where everyone can build a rewarding life-long career. The NES Fircroft Group with its Customer Focus is fundamentally a people business and sustainability principles are embedded at all levels into the way our people do business. In the past year we reinforced our commitments to environmental and social activities as well as introduced a new Code of Positive Behaviour.

Our supply of scarce competence is creating a significant positive environmental impact. We estimate the contribution of our existing active contractors to global energy transition projects is generating a significant annual carbon emission reduction. This includes serving complex needs in energy transition technology sectors, in which we are uniquely positioned to be the essential solution regardless of the pace of the energy transition; we have deep and longstanding relationships with key energy transition players, a vast talent base, whilst our scalable platform offers best in class support services. These are all niche factors which enable us to be agile to

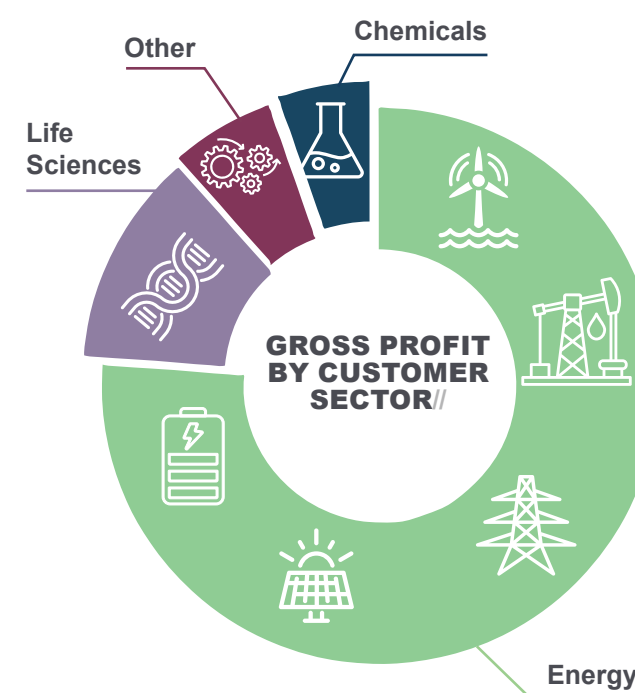
increased demand for talent in high growth verticals, and successfully maintain our key role in the energy transition story.

We have continued to build on our strengths and realised these new opportunities over the past year by delivering on our strategy of continued expansion. The Group has achieved strong growth, with revenues and profit outpacing our major competitors. In 2023 we completed acquisitions of Evolve Scientific in Australia and Polarities in Japan, in line with our objective of increasing exposure to areas of higher growth and higher margins. Progress was also made organically; our established track record in Renewables projects continues with strong growth across numerous geographies.

At the NES Fircroft Group board level, we continue to review our team to ensure the highest standards of Corporate Governance. The Board has nominated two additional independent non-executive directors adding broader industry knowledge and experience as well as diversity. Looking ahead to 2024, the Board is committed to strategic continuity with a clear expectation for management to execute our business strategy, foster a strong culture of performance, and maintain an unwavering focus on sustainable growth and long-term value creation.

The outlook is full of promise. Our upcoming focus will always be to drive our growth and continue to provide our technical talent via a highly efficient operation, to enable renewable and other energy transition projects to be implemented at speed. We continue to invest in our differentiated global platform to support this challenge.

We want to thank our network of nearly 2,000 colleagues across over 80 office locations around the world for their continued hard work and dedication. We are grateful that we have always been able to rely on their engagement, skills, insight and experience. We would also like to sincerely thank our customers, candidates and shareholders for your continued trust and support.



Tig Gilliam
Chief Executive Officer, NES Fircroft Group
28 February 2024

AWARDS WINNING//

NES FIRCCROFT// AWARDS AND ACCREDITATIONS

NES Fircroft prides itself on delivering quality, award-winning services. Our success is based upon establishing a culture of excellence throughout the organisation and putting customer satisfaction at the centre of everything we do.

APSCo, the most prestigious accolade in recruitment, has continually recognised our industry-leading service.

In 2023 we received the “Best Evolution Company of the Year 2023” at the APSCo Deutschland Awards.

In 2022 we received “Best Recruitment Company (over GBP 250m Turnover) category” in 2022. Prior to this, we received “International Recruitment Company of the Year” in 2021 and 2019, and “Recruitment Company of the Year (over £50m turnover) category” in both 2018 and 2019.



Environmental Efforts

Our accreditation is testament to the impact of our corporate sustainability efforts and demonstrates NES Fircroft's continued commitment to environmental improvements.

EcoVadis

As one of the world's most trusted providers of business sustainability ratings, EcoVadis scored NES Fircroft with a platinum rating for our environmental efforts. Scoring 78 out of a possible 100, we are in the top 1% of their verified businesses.



Greenmark Level 1

Implementing the Green Mark EMS ensures our long-term environmental goals and processes are established across our operational centres for a consistent approach.

Largest Global Engineering Staffing Firm Award

The report detailed the Largest Global Engineering Staffing Firms based on revenue in 2022 and showed that NES Fircroft now controls c.6% of the market.



We're at the top of the list!



NES and Alexander Mann Solutions received the “Long Term Partnership” award at the recent Tiara International Talent Solution Awards, recognising our successful 10 year partnership with a key client. The TIARAs aim to shine a spotlight on the RPO, MSP and Talent Solutions providers enabling excellence in talent acquisition.

Continued recognition for our excellent payroll service delivery.



One of the few businesses globally to receive the Chartered Institute of Payroll Professionals “Payroll Assurance Scheme (PAS)” accreditation. Awarded to organisations who wish to achieve “best practice in the development of payroll people.”



Multiple TIARAs (TALiNT International Annual Recruitment Awards) from Recruitment International:

2023: We were crowned winner of The 6Cats 'International Recruitment Company of The Year' for the 5th time running!

2022: “Diversity, Equality and Inclusion award - Middle East” and “Best International Agency” for a 4th consecutive year.

2021: “International Recruitment Company of the Year” and “Best Contract Recruitment Company, Middle East”. *Highly commended in the Technical, Construction Engineering category.*

2020: “Best Contract Recruitment Company” award, the “Best Large Recruitment Company, Middle East”, the “Growth Recruitment Company” award, the “Best International Recruitment Company” and the “Specialist Recruitment Company” award.

2019: “International Recruitment Company of The Year” and “Growth Recruitment Company of The Year” and “The Innovation Award”

Winner of the Queen's Award for Enterprise.



NES Advantage (our Managed Solutions division) has been listed by Everest Group as a Star Performer for its “Recruitment Process Outsourcing (RPO) Services” and a Major Contender for its “Contingent Workforce Management (MSP) Services” on the PEAK Matrix® Assessment 2023. Everest Group is a leading research firm helping business leaders make confident decisions. Its annual report considers the key players, their impact, vision and global capability.

CFO STATEMENT//

The NES Fircroft Bondco AS Group (the 'Group') delivered a strong performance in 2023, continuing to demonstrate organic growth across numerous geographies and markets, whilst maintaining its strong EBITDA margin despite inflationary pressures.

INCOME STATEMENT//

The continued growth across all sectors resulted in a 16% increase in full year revenues to USD 2.7 billion (2022: USD 2.3 billion) from continuing operations. Gross profit from continuing operations amounted to USD 318 million (2022: USD 277million), up 15% on the prior year. Gross margin from continuing operations was 11.8% (2022: 11.9%), down 10 basis points (bps). Administrative expenses as a proportion of revenue have increased slightly from 8.2% to 8.4%, reflecting the Group's continued efforts to manage our cost base whilst supporting growth.

Administrative expenses were USD 226 million (2022: USD 191 million), of which staff costs were USD 127 million in 2023 (2022: USD 110 million), representing 56% of administrative expenses, compared to 58% in 2022.

Underlying EBITDA was USD 126 million in 2023 (2022: USD 109 million), up 16% year on year. The underlying EBITDA margin from continuing operations excluding exceptional charges was 4.7% in 2023, consistent with 4.7% in 2022. The Group continued to successfully deliver on our cost-effective and scalable service delivery, ensuring margin is maintained.

Operating profit from continuing operations for the year was USD 92 million in 2023 compared to USD 86 million in 2022. Exceptional charges amounted to USD 6 million in 2023 and an exceptional credit of USD 4 million in 2022, comprising restructuring, M&A, legal and tax related costs.

USD Million	FY 2023 from continuing operations	FY 2022 from continuing operations
Revenue	2,699	2,332
Gross profit	318	277
Gross profit margin (%)	11.8	11.9
Underlying EBITDA ¹	126	109
Underlying EBITDA margin (%) ¹	4.7	4.7

¹ See note 28 (page 96) for the Alternative Performance Measures reconciliation

Depreciation of tangible assets from continuing operations was USD 10 million in 2023 compared to USD 8 million in 2022. Amortisation of intangible assets was USD 17 million in 2023 compared to USD 17 million in 2022. No charges for impairment of intangible assets were recognised in 2023 or 2022.

The taxation charge decreased to USD 13 million in 2023 (2022: USD 19 million). The key factors impacting the total tax charge for the Group include the restriction of tax relief on net interest expense and certain disallowable exceptional costs.

The Group operates in many countries and always strives to be compliant with the tax rules and regulations of each territory. An increase in the rate of corporation tax in the UK from 19% to 25% with effect from 1 April 2023 was included in the Finance Act 2021 and substantively enacted on 24 May 2021. This increase in the UK corporation tax rate does not have a material impact on the value of our UK deferred tax balances.





USD MILLION	FY 2023	FY 2022
	USD million	USD million
Cash inflows from continuing operations	98	33
Undrawn committed facilities	134	106
Accounts receivable >30 days overdue	2%	4%
Debt	393	394
Net debt	302	295

FINANCING, BALANCE SHEET AND CASHFLOW//

Undrawn committed facilities at the end of the year increased by USD 28 million to USD 134 million as at 31 October 2023. The increase reflects the introduction of new facilities and rigorous cash management. Robust cash flow management is a characteristic of our business with cash flow being counter-cyclical as working capital requirements increase as revenues increase. Net debt remained materially consistent at USD 302 million as at 31 October 2023 (2022: USD 295 million), despite funding the acquisition of Evolve Scientific via cash generated in the year.

Non-current assets increased to USD 202 million (2022: USD 200 million), driven by the acquisition of the Evolve business. Trade receivables of USD 555 million (2022: USD 523 million) increased as a result of the Group's growth. Overdue accounts receivable amounted to 2% of total debt as at 31 October 2023, reducing by 200 bps on 2022, supporting the continued strong focus we place on cash collection.

Cash generated from operations of US 98 million (2022: USD 33 million) was a significant improvement on the prior year, driven by strong working capital management. Cash outflows from investing activities increased by USD 23 million to USD 27 million (2022: USD 4 million) as a result of the Evolve acquisition. Net cash used in financing activities increased by USD 60 million to USD 72 million (2022: USD 12 million) as a result of a full year's interest payments on the Group's listed debt.

PARENT COMPANY FINANCIAL STATEMENTS//

NES Fircroft Bondco AS (the 'Company') is the parent company of the NES Fircroft Bondco Group and owns and manages the Group's subsidiaries. The Company has outsourced all functions to other entities in the Group. A USD 300m secured bond, listed on the Oslo Bors, is held by the Company. There is a back to back loan for the bond to NES Fircroft Limited, a direct subsidiary of the Company. The Company is in a net assets position of USD 173 million at 31 October 2023 (2022: USD 178 million). The Company recognised a loss for the year ended 31 October 2023 of USD 5.5 million (2022: USD 0.5 million), which was taken in full to the Company's equity. The costs in the Company mainly consist of USD 6.7 million of net finance costs to service the bond, offset with a tax credit of USD 1.7 million. The Company generated USD 0.1 million of cash during the year (2022: USD 0.0 million). Further information on the parent company results is included from page 98.

Stephen Buckley • Chief Financial Officer, NES Fircroft Group
28 February 2024

CORPORATE GOVERNANCE//

The Board is responsible for the long-term sustainable success of the NES Fircroft Group. To achieve this, the Board leads and provides direction for the Leadership Team by setting our strategy. Its role includes overseeing strategic decision making, scrutinising the performance of its management in meeting the goals set by the Board and taking a proactive role in monitoring the performance of the Group as a whole.

The Board looks to convene in person regularly and where that is not possible, conference calls are held so that management can update the Board on the Group's performance. The Executive Directors also have regular meetings with the shareholders.

For the year ended 31 October 2023, under The UK's Companies (Miscellaneous Reporting) Regulations 2019, we have applied the Wates Corporate Governance Principles for Large Private Companies ("Wates Principles"). We have adopted the Wates Principles as an appropriate framework for our corporate governance arrangements which are set out in more detail in various sections of this report. Its key principles are reviewed below.

PURPOSE AND LEADERSHIP//



Our corporate vision, values and strategy are described throughout this Annual report. The Group has the purpose 'Delivering a Brighter Tomorrow' – reflecting both our business activities and our corporate culture of innovation, collaboration and inclusivity which has defined NES Fircroft throughout its existence.

STRATEGY//



The Board has provided ongoing support to the Leadership Team throughout the year, and in particular in support of the successful M&A and restructuring programmes, using their significant experience in key areas of relevance to provide constructive challenge and scrutiny.

REMUNERATION//



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

STAKEHOLDERS//



The Board is responsible for overseeing meaningful engagement with stakeholders including employees, and having regard to their views when taking decisions.

RISK//



The Board's role is to ensure the long term sustainable success of the Group, whilst maintaining oversight for the identification and mitigation of risk.

BOARD COMPOSITION//

EXECUTIVE DIRECTORS



US, appointed 3 Feb 2014

TIG GILLIAM// CHIEF EXECUTIVE OFFICER (CEO)

Tig joined the NES Fircroft Group in 2013 and was appointed CEO in 2014. Tig previously worked as a partner at AEA which acquired NES in 2012. Prior to that he was CEO of Adecco Group North America and held senior management roles at IBM, PwC and Price Waterhouse. Tig holds an MBA from Columbia Business School, Columbia University and a BS in Systems Engineering from the School of Engineering and Applied Sciences at the University of Virginia.

Outside interests: Non-executive directorships at Lennar and Gypsum Management and Supply.



UK, appointed 2 Apr 2007

STEPHEN BUCKLEY// CHIEF FINANCIAL OFFICER (CFO)

Steve joined the NES Fircroft Group in 2007 and oversees all the Group's support functions including the global compliance department. He has led a number multi-million dollar bank fundraisings. Prior to joining the Group, Steve was the Group Finance Director at The Funding Corporation from 2002 to 2007, and a partner at Arthur Andersen from 1999 to 2002. Steve qualified as a Chartered Accountant in 1991, and holds a first class BA in Maths from Oxford and an MBA from Manchester Business School. Steve is also a statutory director and Chairman of NES Fircroft Bondco AS.



UK, appointed 2 Oct 2008

SIMON COTON// CHIEF OPERATING OFFICER (COO)

Simon joined the NES Fircroft Group in 1995 as a recruiter and progressed up to his current role leading operations in 2008. He has been a key part of the executive team delivering the sale to AEA investors in 2012, and has made seven strategic and value adding acquisitions – expanding operations to 86 offices across the globe. Simon is also a statutory director of NES Fircroft Bondco AS.

OTHER DIRECTORS

JENS MELLBYE// CEO AND STATUTORY DIRECTOR OF NES FIRCROFT BONDCO AS

JOHNATHAN JOHNSON// DIRECTOR, NES FIRCROFT GROUP

NON-EXECUTIVE DIRECTORS

ALEXANDER HOFFMAN// A

Chairman - UK, appointed 4 Oct 2012

BRENDAN CONNOLLY// C

UK, appointed 3 Feb 2014

THOMAS PRYMA// C

US, appointed 31 Dec 2016

KARL ERIK KJELSTAD// A

Norway, appointed 26 Jan 2017

FELIX BRAUN// A, C

Germany, appointed 15 May 2023

FROYDIS CAMERON//

UK, appointed 19 Sep 2023

CATRIONA SCHMOLKE//

UK, appointed 21 Nov 2023

A - MEMBER OF AUDIT COMMITTEE

C - MEMBER OF COMPENSATION COMMITTEE

BOARD COMPOSITION//

The NES Fircroft Group board, as outlined within this Report, is established within NES Fircroft Group Limited, an indirect parent entity of NES Fircroft Bondco AS and the composition therefore differs from the Statutory Directors of NES Fircroft Bondco AS, which are identified on page 44. Their oversight and control of NES Fircroft Bondco AS is established and effected through the 100% ownership of NES Fircroft Bondco AS by NES Fircroft Midco Limited, its immediate parent company and member of the wider NES Fircroft Group.

The Board of Directors for the NES Fircroft Group is comprised of seven Non-Executive Directors and four Executive Directors, of which three are part of Group management, and inclusive of two statutory appointed Directors of NES Fircroft Bondco AS. As at 31 October 2023, the Executive Directors comprise the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. Our Board composition reflects the concentrated shareholding structure of NES Fircroft Group Limited and includes three identified independent Directors. The assessed skillset of the Board is considered to be sufficiently broad and deep, encompassing senior experience from across a wide range of industries and disciplines.

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

SECTION 172(1) STATEMENT//

Section 172 of the UK Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard to (amongst other matters) the:

- Likely consequences of any decisions in the long-term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

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

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

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

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

We set out throughout the Strategic report some examples of how the Directors have had regard to the matters set out in section 172(1) (a) to (f) when discharging their section 172 duty and the effect of that on certain of the decisions taken by them. By considering these matters the Directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duty under section 172. Please refer to page 23 for more details.

BOARD ACTIVITIES//

The Board and its committees met regularly during the year, as well as on an ad hoc basis, as required by business needs. Meetings were carried out both in person and virtually during the year. Throughout the year, the Board and its committees continued to engage effectively through the use of technology.

The Board reviewed project and operational performance throughout the year, as well as the latest view on full-year delivery against the Strategic Plan. Equally the Group's financial performance, liquidity, credit position and associated financial risks were closely and regularly monitored by the Board as part of its ongoing financial planning process.

On risk oversight, the Board, assisted by its committees, also regularly reviewed its principal and emerging risks, including the process through which they are managed. On internal controls, the Board also assessed the effectiveness of the Group's system of internal control and risk management.

No specific areas of significance were identified in this review and the Board considers the Group's system of internal control generally meets expectations of components to be included in internal control frameworks. In arriving at these conclusions, the Board took into account reports from Group risk and internal audit, as well as reviews undertaken by the Board and its committees during the year. In conducting reviews during the year, the Board and its committees considered the impact of remote working on the control environment, among other key factors.



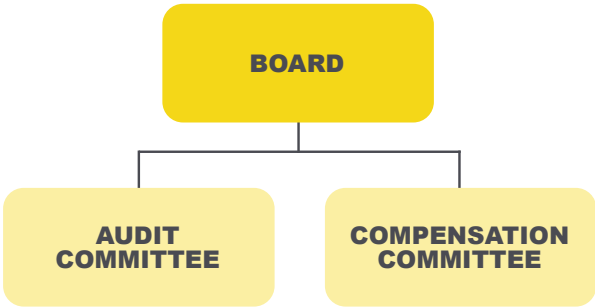
GOVERNANCE FRAMEWORK//

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

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

As detailed on page 17, the Board composition differs from the Company's statutory directors. The activities of the Board are focussed directly on the operations and financial results of NES Fircroft Bondco AS, with the internal reporting of the Group and reporting to the Audit Committee being produced for review at this level.

In turn, the statutory directors of NES Fircroft Bondco AS discharge their duties through their membership of the wider Group's existing leadership structures. Stephen Buckley (Chairman, NES Fircroft Bondco AS) and Simon Coton (Director, NES Fircroft Bondco AS) are both members of the NES Fircroft Group's Executive Committee. Jens Mellbye, as CEO of NES Fircroft Bondco AS, is a member of the NES Fircroft Group's Operating Committee. Through these forums the statutory directors meet periodically throughout the year and monitor the operational and financial performance of the NES Fircroft Bondco AS Group, as well as the trading of that Group's listed debt.



AUDIT COMMITTEE//

Role of the Committee

The Audit Committee is responsible for: the appropriateness of accounting policies, ongoing compliance with accounting standards, and the adequacy and effectiveness of internal reporting and control systems. It also oversees the scope of the external and internal audit plans and the role of the Auditor.

Key responsibilities:

- The approval of the Group's annual consolidated financial statements, including the appropriateness of accounting policies, compliance with accounting standards and material matters such as contingent liabilities;
- The scope of work for external audit, actions required as a result of the Auditor findings and conclusions, the Auditor remuneration and the reappointment or replacement of the Auditor; and
- Review and monitor the independence of the Auditor and review and approve non-audit services; and
- The adequacy and effectiveness of the Group's internal systems concerning reporting and control; including ensuring that the internal audit function is adequately resourced, has appropriate standing within the Company with a primary reporting line to the Audit Committee, and to review and approve internal audit plans of activity.
- The Committee receives regular updates on the audit programme from the Group Head of Internal Audit. It meets with the Group Head of Internal Audit and the external Audit Partner at least twice a year.

COMPENSATION COMMITTEE//

Role of the Committee

The Compensation Committee is responsible for making recommendations to the Board on the remuneration and other employment benefits of senior management employed by the Group. The Committee also oversees the introduction and amendment of any long or short term incentive plans.

Key responsibilities:

- The setting and monitoring of a fair and appropriate remuneration policy and its application for senior management;
- To ensure that policies, plan designs and reward decisions align with business strategy, are well cost governed and support sustainable business performance; and
- To balance the needs of Executive and shareholder interests and to ensure alignment of reward policies with talent management.

LEADERSHIP TEAM//

The Leadership Team represents the principal Executive Leadership of the Group. It comprises Tig Gilliam (*Chief Executive Officer*), Simon Coton (*Chief Operating Officer*) and Stephen Buckley (*Chief Financial Officer*). The Leadership Team are all full-time employees of the Group. Their biographies are set out on page 16.



KEY PERFORMANCE INDICATORS//

The Directors have outlined the key performance indicators that they rely on to manage the business. These key metrics focus on volume, efficiency, people and financial performance within our business operations.



	2018	2019	2020	2021 ²	2022 ²	2023 ²	YoY ³
Contractors supported (thousands)	11	13	16	22	22	23	5%
Offices worldwide	58	66	80	73	81	86	6%
Staff	725	956	1,166	1,511	1,735	1,865	7%
Nationalities of staff	127	133	145	157	134	139	4%
% Female staff	59	59	59	59	57	54	(5%)
Turnover (USD billion)	1.1	1.7	1.4	1.8	2.3	2.7	16%
Underlying EBITDA (USD millions) ¹	58	90	58	72	109	126	16%
Operating profit (USD millions)	22	41	23	2	86	92	7%
Operating cash flow (USD millions)	30	12	95	(55)	33	98	197%

¹Underlying EBITDA comprises earnings before interest, tax, depreciation and amortisation and before exceptional items and management recharges. This is considered a more representative approximation of profit as it is calculated by excluding non-trading expenditure and non-cash items from operating profit. A reconciliation of Underlying EBITDA to operating profit is included within note 28.

²All years represent revenue, underlying EBITDA and operating profit from continuing operations, with the exception of 2020 which includes 6 weeks of discontinued operations (considered immaterial).

³Year on Year growth represents the movement from 2022 to 2023.

CREATING VALUE//

To achieve our purpose, we focus on those areas where we can most effectively drive impact as a workforce solutions company for the benefit of all our stakeholders.

KEY STAKEHOLDERS	ACTIONS & INITIATIVES	BENEFITS
EMPLOYEES// c1,900 colleagues worldwide We invest in training and building our culture to ensure NES Fircroft is a great place to work, regularly engaging with employees via the intranet and town halls	<ul style="list-style-type: none"> • Learning Management System (LMS) training technology solution implemented • Emerging Female Talent development programme launched • Digital technology solutions to support colleagues working remotely 	We employed 649 new colleagues in 2023. 15,951 training courses completed on the LMS system (2022: 14,474), supplemented by CPD programmes based on individual needs. We have achieved our target of 50% female employees.
CANDIDATES// Connecting individuals to the world of work We build long-term relationships with our candidates, engaging with them through our website and social media	<ul style="list-style-type: none"> • Support and insight into the changing world of work • Customer experience reviews using Net Promoter Score (NPS®) technology solution 	We helped more than 23,000 candidates secure their next role
CLIENTS// Supporting workforce solutions We consult with our clients to understand their needs to deliver their business objectives	<ul style="list-style-type: none"> • Responding to changing demands driven by digital transformation and green transition • Customer experience reviews using Net Promoter Score (NPS) technology solution 	We worked with over 1,800 clients to help them find the workforce solutions they require to help deliver their business goals
COMMUNITIES// Local people and organisations We seek to have a positive impact on the communities where we operate, providing employment opportunities and supporting local community initiatives	<ul style="list-style-type: none"> • Job creation and local employment opportunities • Volunteer day initiatives • KindNES Wins foundation 	We are providing employment opportunities in the communities where we operate. We support voluntary activities by our colleagues that have a positive impact for the wider community.
PLANET// Operating in a sustainable way We are committed to supporting our clients in the energy transition and have committed to becoming a net-zero organisation	<ul style="list-style-type: none"> • Increasing internal and external awareness of sustainability and ESG strategy • Net-zero commitment by 2050 • Offset of business travel carbon footprint 	We are providing workforce solutions to our clients supporting the energy transition to a low-carbon world. We were Carbon Neutral in 2023, having fully offset our Global Scope 1 and Scope 2 emissions and are on the path to net-zero.
SHAREHOLDERS// Long-term capital providers We actively engage with our investors and are very grateful for their ongoing support	<ul style="list-style-type: none"> • Clear and consistent communications • Operational efficiency post-integration of merged business • Sustainability strategy with focus on ESG • Portfolio of digital technology solutions (in-house and third party) 	We have generated significant value for our shareholders
SUPPLIERS// Supporting our business We are committed to treating our suppliers fairly and have issued Code of Conduct and Anti Bribery & Corruption (ABC) policy documents for our suppliers	<ul style="list-style-type: none"> • Clear code of conduct and ABC policy documents 	Our code of conduct and ABC ethical standards are designed to advance long-term supplier relationships
GOVERNMENTS// Overseeing our markets We contribute to national economies directly and indirectly through our activities and the taxes we pay as well as the employment opportunities we provide for our staff and candidates	<ul style="list-style-type: none"> • Ensuring worker tax and regulatory compliance • Clear code of conduct, ABC policy, Modern Slavery statement 	Our tax charge on profits was USD 13 million and we paid USD 26 million of corporation tax in the year

RISK MANAGEMENT//

Our Risk Management Philosophy

We believe corporate risk processes create value and protect the Group by:

- allowing us to be better prepared;
- providing oversight of opportunities;
- helping us prioritise and deploy limited resources; and
- minimising the impacts of risks that subsequently materialise

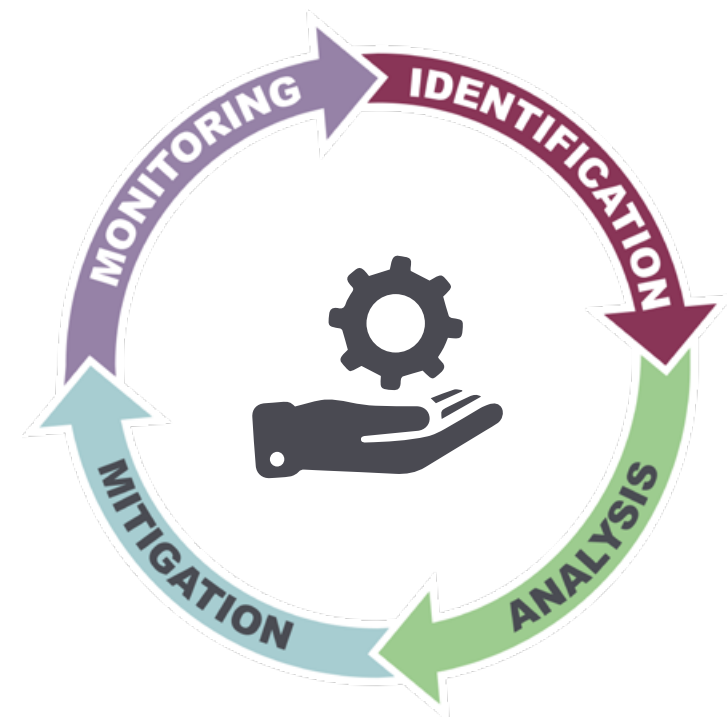
RISK MANAGEMENT PROCESSES//

Our risk management processes provide assurance to all key stakeholders that we will achieve our performance, profitability, and related environmental, social and governance (ESG) objectives. While the focus is on managing and mitigating identified risks, we pay equal attention to identifying opportunities.

The risk review process is conducted on a regular basis, steered by Group management and overseen and approved by the Board. Regional management is engaged as well as Group management and corporate functions, to ensure consistency and comprehensive coverage by leveraging the expertise of the people in the organisation closest to the risks.

Risks are consolidated and assessed for likelihood of occurrence to identify those risks that could have a significant impact on operations and our ability to meet our objectives. This enables us to focus attention on the aspect of risk management that matters the most: identifying additional mitigation activity needed to maintain our risk profile.

A number of additional committees and working groups provide governance over key risks, such as information security or regulatory compliance.







EMPLOYEE ACCIDENT, INJURY AND ABSENCE INFORMATION//

The Group records accident, injury and absence statistics for its employees:

	FY 2023	FY 2022	FY2021	FY2020
Total Lost Time Incidents	-	-	-	-
Total Lost Time Incident Rate	-	-	-	-
Total Medical Treatment Cases	-	-	-	-
Total Medical Treatment Rate	-	-	-	-
Total Recordable Injuries	-	-	-	-
Total Recordable Injuries Rate	-	-	-	-
Total Number of Fatal Accidents	-	-	-	-
Sick Leave	0.57%	0.43%	0.44%	0.58%
Male	0.38%	0.31%	0.32%	0.45%
Female	0.74%	0.54%	0.53%	0.68%

DEFINITIONS//

-  **Lost Time Injury:** An injury sustained by an employee that resulted in a loss of productive work time
-  **Lost Time Incident Rate:** Number of lost time incidents per 100 employees
-  **Total Incident Frequency:** Combined number of incidents per 100 employees
-  **Employee Absence Rate:** Cost productive work time as a proportion of total contractual hours

REPORTING PRINCIPLES//

Employees are workers under direct supervision of NES Fircroft. For the purpose of recording health and safety statistics, ‘employees’ does not include contract workers delivering services to host clients. Health and safety statistics for employees are included for the period they are employed by or otherwise in service for NES Fircroft.

Contractors are workers who are under contract to execute work for NES Fircroft’s clients, and who are under the direct supervision of the Host Client, operating from client worksites.

Total recordable injuries (TRI) is calculated as the sum of LTI + RWC + MTC. See definitions of the components further down. TRI rate is calculated per 200,000 hours worked (being the number of hours that would be logged by 100 employees, working 40 hours per week, for one year).

Lost time injury (LTI) is a personal injury at work leading to unfitness for work and absence beyond the day of the accident.

Restricted work case (RWC) is a personal injury at work that does not lead to absence beyond the day of the accident, because of alternative job assignment.

Medical treatment case (MTC) is treatment, other than first aid, administered by a physician or registered professional personnel under the standing orders of a physician.

Sick leave is the proportion of absence compared to the individual's contractual hours.

Standardised statistics, as defined above, are prepared and reported within board papers on a monthly basis. the reporting tools for incidents regarding health, safety, security and environment. Data covers all business units within the NES Fircroft Group globally.

CONTRACTORS//

In addition to its employees, the Group pro-actively monitors the health and safety of its contractors. NES Fircroft strives to ensure that its contracting engagements and customers meet suitable screening criteria in order to ensure an appropriate environment for our contractors where possible.



KEY BUSINESS RISKS//

PRINCIPAL RISKS AND UNCERTAINTIES

The following describes our major business risks and how we manage them.

CANDIDATE ATTRACTION & RETENTION

Risk Context	We depend on our ability to attract and retain candidates who possess the skills and experience to meet our clients' needs.
Main Controls & Mitigation	We aim to attract the best talent through various sources, including online platforms and technologies using digital tools. Our value proposition for candidates goes beyond providing employment opportunities or consecutive assignments. We also offer complementary support services and mobility packages to provide access for a more diverse set of candidates. We regularly measure our candidate NPS® to help identify and respond to their needs.

KEY CUSTOMERS

Risk Context	Our business model focuses on customers who are among the market leaders in their respective sectors. This can potentially result in concentration of sales on a number of key customers. The termination of a project by a key customer may also lead to a loss of revenue.
Main Controls & Mitigation	The Group has more than 1,000 customers and there is no significant customer dependency - the largest customer accounting for less than 8% of revenues. There is an ongoing focus on customer service and quality processes to maintain excellent relationships with customers. Key account management teams are in place for all major customers to deliver the highest quality customer service. We regularly measure our customer NPS® to help identify and respond to their needs. We have procedures and controls to monitor credit risk for all our customers and credit insurance is taken out for customers to mitigate associated credit risk where considered appropriate.

COMPLIANCE WITH LAWS & REGULATIONS

Risk Context	Regulation covers many of our activities, including safety, data protection, privacy, anti-bribery, tax, and data protection. The ability to comply with these regulations is critical to maintaining our operational and financial performance. We are also exposed to the risk of unethical behaviour by individual employees or groups of employees resulting in fines or losses to our business.
Main Controls & Mitigation	We retain legal counsel for all jurisdictions where we operate and maintain close relationships through a network of professional advisors to ensure that our operations stay in compliance with all required legislation. We have comprehensive training schemes and controls in place to prevent and detect noncompliance. E-learning courses have been established covering safety, privacy, data protection and anti-bribery compliance. Completion of these courses is mandatory for everyone across the Group on an annual basis and immediately upon joining the company. We continue to invest annually to ensure employee awareness of regulatory compliance matters. Our Data Protection Team has a remit of oversight ensuring compliance with data protection and privacy regulations. The team provides support to the business in the design and operation of processes and procedures that use personal data, as well as managing customer and employee privacy requests and complaints from data subjects. There was no enforcement action in 2023 from any data protection regulator.

INFORMATION TECHNOLOGY & DATA SECURITY

Risk Context	We are dependent on IT systems for most of our principal business processes. The failure of a key system through an internal or external threat (including a cyber-attack) or event may cause significant disruption to operations or result in loss of revenue. Unauthorised access or loss of customer or employee data could also lead to significant reputation and financial damage. We have a duty and a requirement to ensure customer and employee data is only used within the legislative requirements of the Data Protection Act and for purposes to which data subjects have consented.
Main Controls & Mitigation	We have an IT Security team for the management of our technology and data security risk. The team also provides oversight of our information security programme. System controls, disaster recovery and business continuity arrangements exist to mitigate the risk of a critical system failure. We conduct a range of information security measures including network monitoring, vulnerability scanning, penetration testing to keep our data safe and secure. We also deploy a wide range of preventative and detective controls, including technical solutions, to minimise the threat to our systems from cyber-attacks. Ongoing investment and efforts are directed to this risk to keep our operating models and processes under continuous review to reflect the evolving nature of this threat.

LIQUIDITY & FINANCING

Risk Context	Liquidity risks are driven by business performance, our financing structures, and the timing of associated cash flows. We have a requirement to meet a range of covenants and agreements that relate to our cash balances and third party reporting. Failure to meet these requirements or deliver this information could result in the early repayment of loans and other working capital facilities. We also have a net exposure to a number of currencies due to local currency transactions in our overseas operations. Repatriation may also be constrained in countries where exchange controls are imposed to regulate the flow of money.
Main Controls & Mitigation	Group Treasury oversees day to day cash management activity and strategic cash decisions, supported by regular cash modelling and cash forecasting activity. We have processes and controls to ensure accurate forecasting and reporting of our covenant compliance, supported by modelling of cash flows. Where possible we reduce our foreign exchange exposure through the matching of receipts and payments in individual currencies. For countries where remittance challenges and risks exist, we closely monitor our currency exposure to identify any issues at an early stage and to take remedial action, both operational and financial, to minimise the value of these restricted funds.

SUSTAINABILITY//

The digital transformation following the COVID-19 pandemic has impacted all our working lives and changed employment markets profoundly. This change has altered the way we work and presented new opportunities for both employers and employees. We are committed to delivering a brighter tomorrow by providing employment opportunities for our communities and the skilled engineers that our clients require to deliver the energy and scientific solutions that will safeguard our planet for future generations.

Delivering a brighter tomorrow by supporting our clients as they accelerate the transition to sustainable energy production, comes with an unwavering responsibility to our people, planet and communities. As we enter 2024, we are focused on using our business as a force for good delivering the energy and scientific solutions that will safeguard our planet for future generations. We have set out the three pillars of our sustainability strategy – protecting our planet, empowering our people and providing employment opportunities for our communities.

OUR PEOPLE

Our people are at the heart of everything we do. We provide a workplace that is based on equality of opportunity, recognises each individual and celebrates diversity of perspective.

COMMUNITIES

We seek to have a positive impact on the communities where we operate, providing employment opportunities and supporting local community initiatives and charitable activities.

PLANET

We are committed to supporting our clients in the energy transition and have committed to becoming a net-zero organisation.

KEY FOCUS AREAS

- Diversity, Equity and Inclusion
- Learning & Development
- Supporting communities in which we operate
- Resourcing the transition to a low carbon world
- Journey to net-zero by 2050

SDG ALIGNMENT



TARGETS & ACTIVITY

- | | | |
|---|--|---|
| Maintaining 50%+ female workforce (54% at end 2023) | Supported more than 23,000 candidates in securing their next employment opportunity | Providing workforce solutions to clients in energy transition/ renewables sectors (22% annual growth in renewable placements in 2023) |
| Emerging Talent Programme supporting targets of females in Senior Management roles (increase from 16% to 17% females in 2023) | KindNES Foundation funding (\$200k+) and staff volunteer initiatives in support of local community charities | Off-setting carbon footprint of all staff business travel |
| Surveying staff regularly on Diversity & Inclusion topics | | Expanding measurement and reporting of our Scope 1, 2 and 3 carbon emissions |
| Establishing internal colleague diversity and inclusion networks | | Supplementing existing ISO certification of our EMS with Green Mark accreditation. |

PEOPLE//

People are at the heart of everything we do.

We provide a workplace that is based on equality of opportunity, recognises each individual and celebrates diversity of perspective.

We support our people to be at their very best.

We attract and retain talented, collaborative and innovative people who bring a broad range of skills, backgrounds and experiences.

We approach career development and promotion in the same equitable way and value the contribution of every individual.

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

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

Our values inform how we do business and the decisions we make. We use these values as part of our recruitment, performance management and retention processes.

Our code of conduct is based on these values and sets clear expectations for how our people work.

% FEMALE WORKFORCE

We monitor the gender and nationality of our people split at different levels across the business and report to the Board on a regular basis.

	End 2022	End 2023
Total Headcount	57%	54%
Senior Management Grade	16%	17%



“

Ensuring we have a mix of people with the right skills and values will enable us to achieve our vision

SIMON COTON, CHIEF OPERATIONS OFFICER, NES FIRCROFT GROUP

”

INTERNALLY//



We continue to review our internal policies and practices around recruitment, career development and retention to ensure we are fully inclusive.



We utilise technology solutions to communicate our diversity initiatives and to celebrate the achievements of people from all backgrounds across our global business.



The technology we use includes chat-bot artificial intelligence, gender decoding and bias interruption tools. Training and e-learning courses on diversity and inclusion are in place to ensure our people are actively engaged in supporting the diversity goals of our clients by providing them with shortlists of candidates from a variety of backgrounds and facilitating an unbiased recruitment process.



We have diversity groups set up across the business encouraging engagement in how we can drive more diverse talent both internally and with our clients. Initiatives include our “Lean In” and “Belong” groups across the business which provide a support network to let our people know they belong irrespective of gender or background.

EXTERNALLY//



We survey female engineers annually to understand the challenges they are facing and identify actionable insights for us and our clients to address these.



We recognise that we have a key role in supporting our clients achieve their own workforce diversity and inclusion goals and are committed to identifying a wide candidate pool for our clients including people from all backgrounds.



We work closely across industry networks that support career development for females and under-represented groups in our sector. We are active in our membership of “Women in recruitment” and “Ally Energy”. Our participation includes committee representation alongside our senior management contributing directly to their development programmes.

GLOBAL CO₂ EMISSIONS//



	FY23 tCO2e	FY22 tCO2e
Scope 1	694	592
Natural Gas	207	170
Transportation	487	422
Scope 2	1,320	988
Purchased Electricity	1,320	988
Scope 3	23,640	24,633
Purchased Goods & Services	7,644	4,757
Capital Goods	897	1,386
Fuel-related Emissions	753	549
Upstream Transportation and Distribution	26	50
Waste Generated	96	81
Business Travel	12,446	16,208
Employee Commuting	1,778	1,602
Total Emissions	25,654	26,213
Scope 1 & 2 which are offset	2,041	1,588
Intensity Ratio (tCO2e/USDm Revenue)	9.5	11.2

PLANET//

We recognise the risk that climate change poses to society and to our business. We support the goals of the Paris Agreement as well as the target set by the UK Government of net-zero emissions by 2050. The transition to a lower carbon economy presents both risks and significant business opportunities for our business. We are committed to providing the skilled engineers and workforce needed to support our clients whilst minimising our own carbon intensity.

The Renewables and Alternative Energies markets have developed at pace in recent years, as our clients increase their focus on developing sustainable low carbon solutions to meet the world's energy demands. Energy transition will continue to increase in importance as companies commit to decarbonisation and net-zero targets. We actively support our clients in their efforts by providing the engineers and technical

workforce needed to support our clients move to cleaner and more efficient low carbon solutions and achieving their own net-zero commitments by 2050.

In support of carbon neutral growth, we monitor and offset 100% of our business travel for all employees globally, making our global business carbon neutral. We seek to do business responsibly and continually strive to improve our environmental behaviours and footprint. We report our energy consumption in line with the Greenhouse Gas Protocol. Over the course of the reported year, we were able to reduce our emissions by 2% overall, consistent with our target to reduce energy consumption. In 2023, we also achieved Green Mark Level 1 external environmental accreditation across our global hub office locations.

COMMUNITIES//

We are committed to not only provide employment opportunities but also to give back to the local communities in areas where we are active. We pride ourselves on providing a locally tailored service to our customers and supporting the local economy. For example, although we are now a global organisation we are immensely proud of our North West roots in the UK and in 2023 we invested in our local football team (Altrincham FC), who were looking for investment and sponsorship to help them obtain football league status for the first time. We are now the proud sponsors of the Fanzone and offer staff the chance to attend games and lend their support in the stands! We adopt the same approach to the charitable activities we support. Each of our hub offices has a “Belong” committee who meet regularly to discuss how

we can promote a truly inclusive culture at NES and choose which local charities are meaningful to them. We provide one paid working day per year for staff to pursue a voluntary activity which contributes to their local community in a positive way. The KindNES foundation which was established in 2022 to brings together our volunteer activities across the world – working together to build a kinder world. The Foundation aims to support people living with long term illness and help young people from disadvantaged backgrounds to find employment. We have pledged USD 10 per contractor each year to worthy causes, pledging over USD 220,000 in 2023. As part of the KindNES programme, our colleagues globally walked over 25 million steps to raise funds – equivalent to walking one and half times around the world.



COMPLIANCE WITH THE TRANSPARENCY ACT//

NES Fircroft has published a statement in accordance with the Norwegian Transparency Act which is available on the company's website at: <https://www.nesfircroft.com/investor-relations>



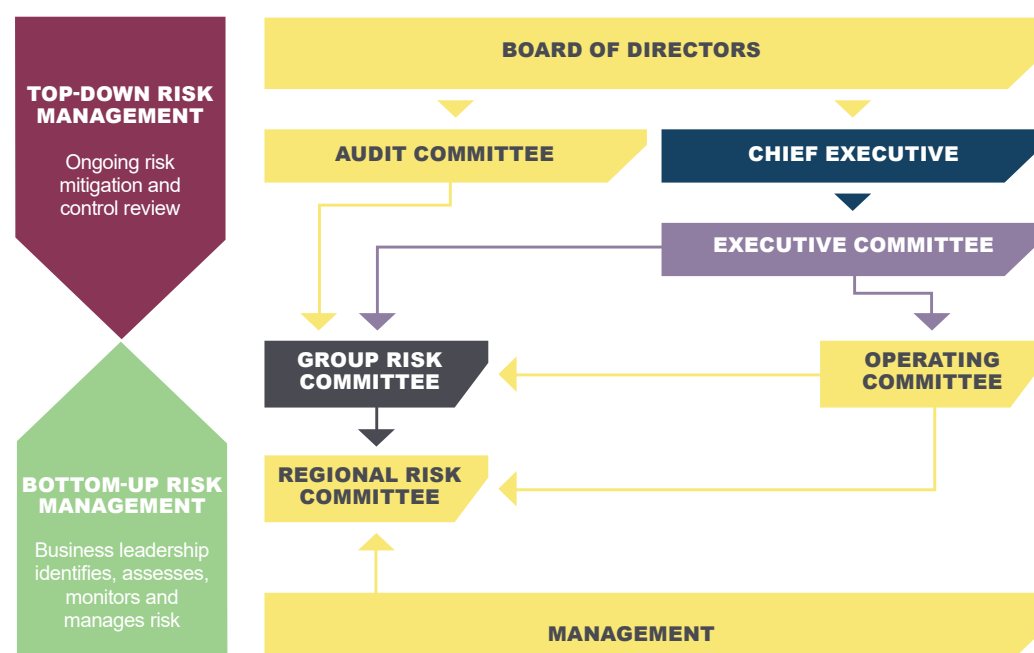
GOVERNANCE //

The Board, as defined on page 16, has primary oversight for NES Fircroft Group's performance, including ESG considerations, and monitors risks and opportunities, including climate-related ones. The Board considers climate-related issues when reviewing and guiding strategy, risk management policies, annual budget and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance and overseeing major capital expenditures.

Any new emerging risks or changes in risk profile are considered at the Risk and Audit Committee meetings and a decision is made on whether they should be included in the Group's risk register. The Risk Committee was established at the beginning of 2020. The Committee consists of key

stakeholders from across the Group including members of the Executive Board and members of the Operating Committee. Tig Gilliam (CEO) is the Chair of the Risk Committee and is responsible for informing the Board of the Committee's findings and of any required actions. Climate-related risks are identified, assessed and managed in line with the Group's risk management process which allows for both a holistic, top-down and bottom-up view on key risks and opportunities.

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



STRATEGY //

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

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

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

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

As a people-focused business, some risks are centred around our people wanting to work for environmentally conscious businesses. We believe that our employee engagement and D&I initiatives will communicate our

sustainability progress to current and prospective employees which may give us access to a wider talent pool.

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









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

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

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

CLIMATE-RELATED RISKS AND OPPORTUNITIES//

The table below details the impact and resilience of the business against each risk and opportunity:

RISK	LIKELYHOOD	IMPACT	RESLIANCE & RESPONSE
Acute physical: Reduced revenue due to workforce disruption during extreme weather events.	Likely		NES Fircroft is well mitigated against this risk. We have virtual working in place globally, and our employees can work and communicate with clients and candidates from either the office or home.
Chronic physical: Increased costs or reduced revenues from disruption to operations in high climate-risk locations.	Likely		The majority of NES Fircroft offices are located in countries where, generally, vulnerability to climate change is relatively low and readiness to improve resilience in the context of climate change is relatively high. We operate office leases offering lots of flexibility for relocating offices.
Regulation: Failure to comply with current and emerging GHG regulation.	Possible		NES Fircroft has a legal and compliance team that monitor emerging regulatory obligations. NES Fircroft is currently in compliance with all mandatory regulation and is reviewing emerging regulation such as updates to EU Corporate Sustainability Reporting Directive (CSRD).
Market: Increased costs because of higher energy prices.	Possible		NES Fircroft has a target to be Net Zero by 2050. A key element of this is to reduce energy consumption and reduce GHG emissions, thus reducing our reliance and exposure to energy price fluctuations and the cost of carbon offsets.
Reputation: Reduced revenue from decreased demand for services if NES Fircroft were to fail to meet stakeholder expectations around decarbonisation.	Possible		NES Fircroft has a target to be Net Zero by 2050 and has comprehensive GHG emissions disclosures. NES Fircroft is making good progress in assessing our carbon emissions. We are already Carbon Neutral in respect of our Scope 1 & 2 emissions.
Client disruption: Reduced revenue from decreased demand for services from client's in high emission sectors.	Possible		The Group's strategy is to expand and diversify its client-base by industry sectors. There is an associated opportunity for increased demand in recruitment services – and therefore greater revenues - from clients that will grow and have strong business performance during the energy transition, for example those in the renewables energy and carbon capture sectors.
OPPORTUNITY	LIKELYHOOD	IMPACT	RESLIANCE & RESPONSE
Products & services: Increased revenue from increased demand for energy transition services.	Likely		NES Fircroft is expanding its business in the renewables and energy transition sectors and has made strong progress in growing them year on year.
Resource efficiency: Reduced operating costs through energy efficiency gains and reduced business travel spend.	About as likely as not		NES Fircroft has a target to be Net Zero by 2050 and this is already driving efficiency across offices. Our hub locations received external Green Mark Level 1 sustainability certification in 2023. These activities will drive some cost savings such as reduced business travel with alternative technology options. NES Fircroft is already taking advantage of these opportunities.

 Low Impact  High Impact

MARKETS AND METRICS//

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

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

Our internal metrics and targets help us measure and manage financial risk associated with potential future carbon-related risks and opportunities. Targets used to manage risks and opportunities:

- 10% year on year increase in net fee income from diversified sector business; and
- 10% year on year increase in placements on renewables and energy transition projects.

In 2023, we completed our reporting of scope 1,2 and 3 emissions globally, following improvements made to our data collection systems. These now include purchased goods and services, capital goods, and waste, across our global operations.

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

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

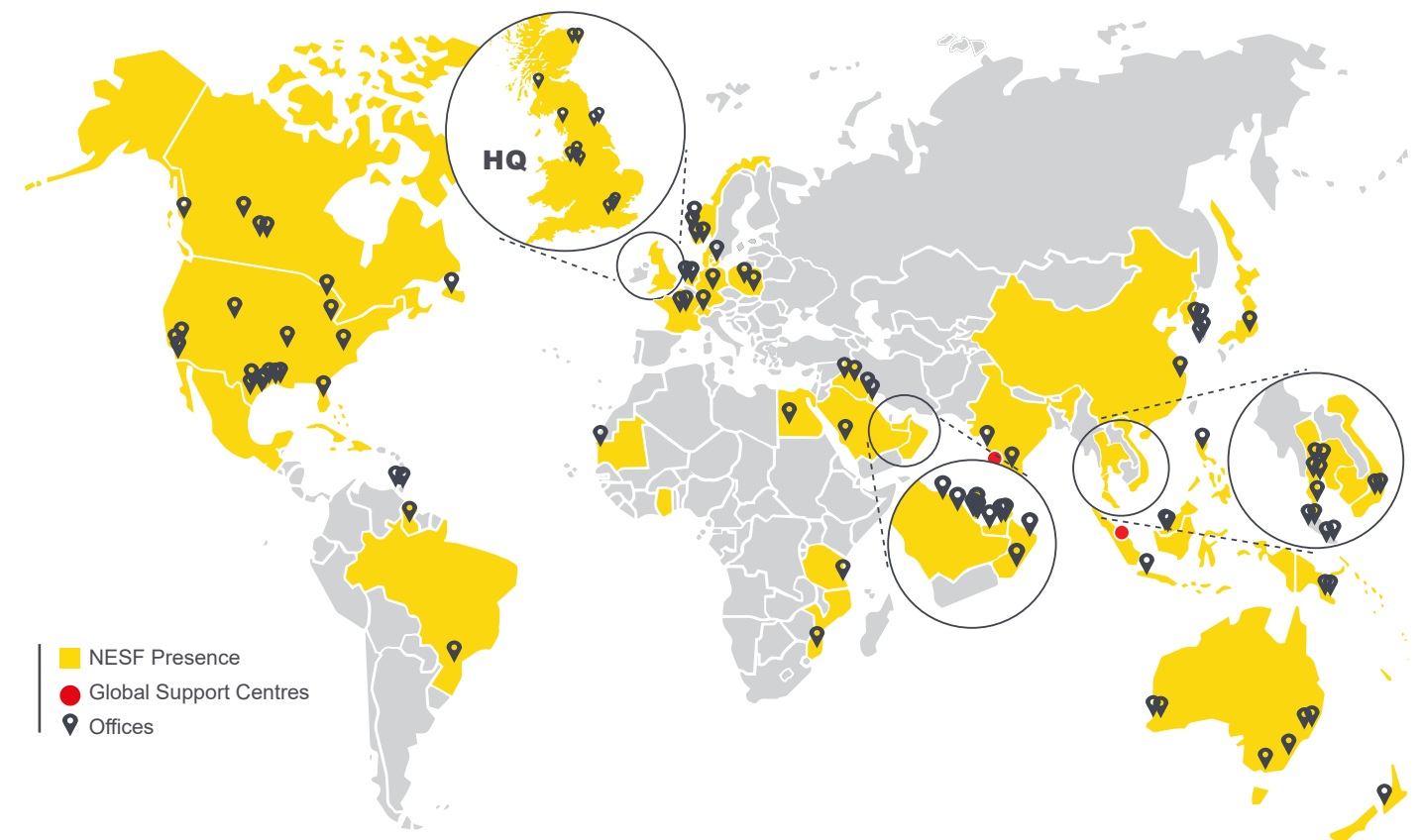
DIRECTORS' REPORT//

The Directors present their annual report and the audited financial statements for NES Fircroft Bondco AS for the period to 31 October 2023, and the audited financial statements of the Company and its subsidiary companies (together, "the Group") for the year ended 31 October 2023. The comparative amounts are stated for the year ended 31 October 2022.

PRINCIPAL ACTIVITY AND BUSINESS INFORMATION//

The principal activity of the Group is the sourcing and provision of technical and highly-skilled labour for our customers through permanent, contract and fully-managed service offerings. NES Fircroft operates across a diverse range of sectors, including energy, life sciences and chemicals.

NES Fircroft operates in 45 countries and is present in nearly all regions of the world with the exception of the Commonwealth of Independent States. Set out below is an overview of the Group's geographical footprint:



RESULTS, BUSINESS REVIEW AND FUTURE DEVELOPMENTS//

The results of the Group for the period are set out on page 10-13 and are commented on within the Strategic report which is set out on pages 6-39. The Strategic report also contains a review of the business, risk management and the future developments which would otherwise be required to be contained in the Directors' report.

EMPLOYEES//

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

GOING CONCERN//

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

The Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future, defined as a period of no less than 12 months from the date of signing these financial statements.

DIRECTORS AND DIRECTORS' INTERESTS//

The statutory appointed Directors of NES Fircroft Bondco AS, who held office during the period and up to the date of signing were Stephen Buckley, Simon Coton and Jens Mellbye.

The details of the full Board of Directors of the wider NES Fircroft Group, which includes two of the statutory appointed Directors listed above, is set out in the Strategic Report on page 16. The Group has indemnity insurance in place on behalf of all of its Directors during the year which remains in force at the date of this report.

DIVIDENDS//

Dividends of USD 4.2m were paid to non-controlling interests during the year (2022: USD 1.2m).

The Directors did not declare or pay interim ordinary dividends in respect of the year ended 31 October 2023 (2022: USD Nil).

The Directors recommend that no final ordinary dividend be paid in respect of the year ended 31 October 2023 (2022: USD Nil).

SUBSEQUENT EVENTS//

The Directors have not identified any discloseable subsequent events which have arisen since the end of the financial year.

ENERGY AND CARBON REPORTING//

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

Methodology GHG emissions are quantified and reported according to the Greenhouse Gas Protocol. Consumption and production data has been collated and converted into CO2 equivalent using the UK Government 2022 Conversion Factors for Company Reporting to calculate emissions from corresponding activity data.

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

Data collected relates to the most recent 12 month period where data was available.

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

- **Scope 1:** Direct emissions from owned and controlled resources of the Group; and
- **Scope 2:** Indirect emissions from purchased energy for the Group; and
- **Scope 3:** Indirect emissions from sources not directly controlled by the Group.

The energy and carbon reporting for the period is set out and is commented on within the Strategic Report on page 34.

POLITICAL CONTRIBUTIONS//

No company in the Group made any political donations or incurred any political expenditure during the year (2022: USD Nil).

AUDITORS//

Deloitte AS will be deemed to be reappointed and will therefore continue in office as statutory auditors of NES Fircroft Bondco AS.


DISCLOSURE OF INFORMATION TO AUDITOR//

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


The below listed parts of the NES Fircroft Bondco AS Annual Report also constitute part of the Report of the Board of Directors

REGULATION	CONTENT	ANNUAL REPORT CHAPTER REFERENCE	PAGE REFERENCE
NORWEGIAN ACCOUNTING ACT			
Section 3-3a, 1st para	Information regarding the nature and location of the business, including information on any branch offices.	Highlights Directors' Report	05 41
Section 3-3a, 2nd para	Review of the development and results of the company's operations and position together with a description of the key risks and uncertainty factors facing the company, hereunder also information on research and development activities.	CFO Statement Key Performance Indicators Risk Management Sustainability	10-13 20-21 24-19 37
Section 3-3a, 5th par	A description that provides a basis for assessing the company's further outlook, including whether the results for the year agree with previously stated target results and expected developments and give reason for any discrepancy	CFO Statement Key Performance Indicators	10-13 21
Section 3-3a, 6th para	Information regarding any financial risk that is significant to the evaluation of the company's assets, liabilities, financial position and results.	Risk Management Sustainability	28-29 38
Section 3-3a, 7th para, cfr. Section 4-5	Information regarding the going concern assumption.	Directors' Report	42
Section 3-3a, 8th para	Proposal for the allocation of profit or settlement of loss.	Directors' Report CFO Statement	42 10-13
Section 3-3a, 9th para	Information about the work environment, along with an overview of implemented measures relevant to the working environment and including information on injuries, accidents and sick leave rates.	Risk Management	24-27
Section 3-3a, 10th para	Information on matters relating to the business, hereunder its factor inputs and products, which may result in a not insignificant impact on the external environment. The environmental impact each aspect of the business has or may have, as well as measures implemented or planned implemented to prevent or reduce any negative environmental impacts, shall be stated.	Sustainability	30-37
Section 3-3a, 11th para	Information on whether insurances covering the board members' and CEO's potential liabilities towards the company and third parties are maintained, including information on the relevant insurance coverage.	Directors' Report	42
Section 3-3b	Report on corporate governance: Board and Committee composition Financial reporting control and risk management Corporate governance principles Diversity and inclusion	Board Composition Board Composition Corporate Governance Sustainability	16 -19 19 15 30-33
Section 3-3c, 1st para	Report on social responsibility.	Sustainability	30-37


Approved and signed by the Board of NES Fircroft Bondco AS:



Stephen Buckley • 28 February 2024
Chairman, NES Fircroft Bondco AS, Chief Financial Officer, NES Fircroft Group



Jens Mellbye • 28 February 2024
CEO, NES Fircroft Bondco AS, Director



Simon Coton • 28 February 2024
Director, NES Fircroft Bondco AS, Chief Operating Officer, NES Fircroft Group



RESPONSIBILITY STATEMENT//

RESPONSIBILITY STATEMENT FROM THE BOARD AND THE CEO//

We confirm to the best of our knowledge that the consolidated financial statements for 2023 have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union (EU IFRS), as well as additional information requirements in accordance with the Norwegian Accounting Act, that the financial statements for the parent company for 2023 have been prepared in accordance with EU IFRS, and that the information presented in the financial statements gives a true and fair view of the assets, liabilities, financial position and result of NES Fircroft Bondco AS and the NES Fircroft Bondco AS Group for the period. We also confirm to the best of our knowledge that the Annual Report includes a true and fair review of the development, performance and financial position of NES Fircroft Bondco AS and the NES Fircroft Bondco AS Group, together with a description of the principal risks and uncertainties that they face.

Approved and signed by the Board of NES Fircroft Bondco AS:

Stephen Buckley • 28 February 2024
Chairman, NES Fircroft Bondco AS, Chief Financial Officer, NES Fircroft Group

Jens Mellbye • 28 February 2024
CEO, NES Fircroft Bondco AS

Simon Coton • 28 February 2024
Director, NES Fircroft Bondco AS, Chief Operating Officer, NES Fircroft Group

ANNUAL REPORT • 2023

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The background of the entire page is a dark blue field with a complex overlay of financial data. In the lower right, there is a close-up, shallow depth-of-field shot of several silver coins, likely Euro coins, stacked and scattered. Overlaid on this and the rest of the image are various digital graphics: a green bar chart with four bars of increasing height, a red line graph with a peak and a dip, and a network of thin, glowing blue and white lines connecting dots, suggesting a global or digital network. The overall aesthetic is high-tech and professional, typical of corporate financial reporting.

FINANCIAL STATEMENTS//

To the General Meeting of NES Fircroft Bondco AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of NES Fircroft Bondco AS, which comprise:

- The financial statements of the parent company NES Fircroft Bondco AS (the Company), which comprise the balance sheet as at 31 October 2023, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
- The consolidated financial statements of NES Fircroft Bondco AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 October 2023, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 October 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 October 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of NES Fircroft Bondco AS for 2 years from the election by the general meeting of the shareholders on 27 September 2022 for the accounting year 2022.

Other Matters

The consolidated financial statements for the previous period have not been audited and the consolidated comparative figures have therefore not been subject to audit. We refer to the section Group reorganisation in Note 2. This matter does not affect our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of provisions

Description of the Key Audit Matter	How the matter was addressed in the audit
<p>The group operates in many territories across the globe and as at 31 October 2023 there were a number of claims against the group in relation to legal and taxation matters where the financial outcome remains uncertain. Hence, there is a range of possible outcomes for provisions and contingencies in relation to these claims and management is required to make certain judgements in respect of estimates of exposures and contingencies in order to assess the adequacy of the related provisions and disclosures.</p> <p>There is a risk that the provisions held by the group have not been valued correctly. These items are complex and management are required to make judgements in recording a valuation based on their best estimate. We have on this basis assessed valuation of provisions to be a key audit matter.</p> <ul style="list-style-type: none"> - \$5.6m legal provisions relating to ongoing legal matters and claims across different countries in which the group operates; and - \$0.4m tax provisions relating to certain open tax matters across different jurisdictions in which the group operates. <p>Onerous contracts provision related to contracts exited in prior years have been utilized and released in 2023. No new contractual commitments are assessed to be onerous as at 31 October 2023.</p> <p>Refer to note 2 for the group's accounting policy in respect of recognising and valuing provisions and the related key sources of estimation uncertainty, and refer to note 24 for the group provisions note as at 31 October 2023.</p>	<p>In order to assess the valuation of provisions as at 31 October 2023, we have performed the following procedures;</p> <ul style="list-style-type: none"> - Obtained an understanding of the relevant controls relating to the valuation of provisions; - Assessed management's policies for recognition of each provision and their rationale for the valuation of each provision recognised; - Tested a sample of provisions by assessing each item against the recognition criteria under IAS 37 and agreeing each selection to relevant independent documentation or other evidence to support the valuation of item selected; - Held independent discussions with management's tax specialists in order to assess the position for certain provisions; and - Assessed the associated disclosure included within Note 24 to the Financial Statements.

Valuation of goodwill

Description of the Key Audit Matter	How the matter was addressed in the audit
<p>The Group holds material goodwill on its balance sheet split across three cash generating units. Under IAS 36, goodwill must be reviewed at least annually for impairment. In addition to this required annual impairment test, the business must also assess whether there are any indicators of impairment using both internal and external information.</p> <p>There is inherent uncertainty involved with the forecasting and discounting of future cash flows and the level of management judgment involved. Further considering the large size of the goodwill balance and the listing of group borrowings on the Norwegian main market, we have assessed goodwill valuation to be a key audit matter.</p> <p>The group's accounting policy in respect of goodwill and impairment testing is defined in note 2. As disclosed in note 11, the carrying amount of goodwill amounted to \$135.1m as at 31 October 2023.</p>	<p>In order to assess the valuation of goodwill balance as at 31 October 2023, we have performed the following procedures;</p> <ul style="list-style-type: none"> - Obtained an understanding of the controls relevant to management's goodwill impairment review; - Obtained and assessed the appropriateness of management's goodwill valuation model, being a free cash flow model for the next ten years, based on projected EBITDA performance for the Group for the next year and an assumption of no annual growth in years two to ten; - Understood and challenged the discount rate applied within management's goodwill valuation model with the support of internal specialists; - Understood and challenged the forecasts applied within management's goodwill valuation model; - Assessed management's model for mathematical and mechanical accuracy; and - Assessed the associated disclosure included within Note 11 to the Financial Statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

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

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

Our opinion on the Board of Directors' report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Stavanger, 28 February 2024
Deloitte AS

Arnstein Antonsen
State Authorised Public Accountant

Arnstein Antonsen

Statsautorisert revisor

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IP: 217.173.xxx.xxx

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Consolidated Income Statement

For the year ended 31 October 2023

	Notes	31 October 2023 \$'000	31 October 2022 (Unaudited) \$'000
<u>Revenue</u>	3	2,698,935	2,332,294
Cost of sales		(2,380,489)	(2,055,644)
<u>Gross profit</u>		318,446	276,650
Administrative expenses	4	(225,996)	(190,587)
<u>Operating profit from continuing operations</u>		92,450	86,063
Finance income	6	326	19,536
Finance costs	7	(74,633)	(33,931)
<u>Profit before tax from continuing operations</u>	8	18,143	71,668
Tax charge	10	(12,985)	(18,656)
<u>Profit from continuing operations</u>		5,158	53,012
Profit/(loss) from discontinued operations (net of tax)	25	7	(918)
<u>Profit for the year</u>		5,165	52,094
Attributable to:			
Owners of the Company		(1,371)	45,234
Non-controlling interests		6,536	6,860
		5,165	52,094

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

Consolidated Statement of Comprehensive Income

For the year ended 31 October 2023

	31 October 2023 \$'000	31 October 2022 (Unaudited) \$'000
<u>Profit for the year</u>	5,165	52,094
<i>Items that may be reclassified subsequently to profit and loss:</i>		
Exchange gain/(loss) on retranslation of foreign operations	17,140	(44,774)
<u>Other comprehensive income for the year, net of tax</u>	17,140	(44,774)
<u>Total comprehensive income for the year</u>	22,305	7,320
Attributable to:		
Owners of the Company	15,801	573
Non-controlling interests	6,504	6,747
	22,305	7,320

Consolidated Balance Sheet

As at 31 October 2023

		2023 \$'000	2022 (Unaudited) \$'000
<u>Non-current assets</u>	Notes		
Goodwill	11	135,140	123,486
Intangibles	12	46,384	54,317
Property and equipment	13	18,385	14,868
Deferred tax asset	19	2,582	7,712
		<u>202,491</u>	<u>200,383</u>
<u>Current assets</u>			
Trade and other receivables	15	555,041	522,537
Cash and bank balances	15	90,717	94,428
Assets in disposal groups classified as held for sale	25	-	16,167
		<u>645,758</u>	<u>633,132</u>
<u>Total assets</u>		<u>848,249</u>	<u>833,515</u>
<u>Equity</u>			
Share capital	21	3	3
Share premium		178,801	178,801
Retained earnings		(325,061)	(318,355)
Merger reserve		258,341	258,341
Translation reserve		(20,353)	(42,860)
<u>Equity attributable to owners of the Company</u>		<u>91,731</u>	<u>75,930</u>
Non-controlling interests		8,004	5,700
<u>Total equity</u>		<u>99,735</u>	<u>81,630</u>
<u>Current liabilities</u>			
Trade and other payables	16	333,861	311,323
Current tax liabilities		3,391	9,013
Borrowings	17	107,170	112,950
Total liabilities associated with assets held for sale	25	-	8,627
		<u>444,422</u>	<u>441,913</u>
<u>Non-current liabilities</u>			
Borrowings	17	286,025	281,296
Deferred tax liabilities	19	4,419	11,993
Other non-current liabilities	20	7,591	7,344
Provisions	24	6,057	9,339
		<u>304,092</u>	<u>309,972</u>
<u>Total liabilities</u>		<u>748,514</u>	<u>751,885</u>
<u>Total equity and liabilities</u>		<u>848,249</u>	<u>833,515</u>

The accompanying notes are an integral part of this consolidated balance sheet. The consolidated financial statements of NES Fircroft Bondco AS (Company number 927 143 690) were approved by the board of directors and authorised for issue on 28 February 2024. They were signed on its behalf by:

S.W. Buckley
Chairman of NES
Fircroft Bondco AS

S. Coton
Director

J. Mellbye
CEO of NES
Fircroft Bondco AS



NES
FIRCROFT

Consolidated Cash Flow Statement

For the year ended 31 October 2023

		31 October 2023	31 October 2022 (Unaudited)
	Notes	\$'000	\$'000
<u>Cash inflow from operating activities</u>	22	97,584	32,889
<u>Investing activities</u>			
Purchases of property and equipment	13	(2,602)	(2,472)
Proceeds on disposal of property and equipment		62	163
Net cash outflow on disposal of subsidiary undertaking	25	(1,157)	-
Net cash outflow on acquisition of subsidiary undertaking	14	(21,948)	(375)
Purchases of intangibles	12	(1,789)	(1,319)
<u>Net cash outflow from investing activities</u>		<u>(27,434)</u>	<u>(4,003)</u>
<u>Financing activities</u>			
Repayment of borrowings	17	-	(262,958)
Interest paid		(52,032)	(26,450)
Proceeds of bond, net of fees deducted at source	17	-	286,464
Deferred and contingent consideration paid on previous acquisitions		(6,375)	-
Dividends paid to non-controlling interests		(4,200)	(1,162)
Repayment of lease liabilities	23	(9,770)	(8,353)
<u>Net cash used in financing activities</u>		<u>(72,377)</u>	<u>(12,459)</u>
<u>Net (decrease)/increase in cash and cash equivalents</u>		<u>(2,227)</u>	<u>16,427</u>
Net exchange rate movements	22	(457)	3,404
<u>Cash and cash equivalents at beginning of year</u>		<u>(13,769)</u>	<u>(33,600)</u>
<u>Cash and cash equivalents at end of year</u>	22	<u>(16,453)</u>	<u>(13,769)</u>

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

Consolidated Statement of Changes in Equity

For the year ended 31 October 2023

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Merger reserve \$'000	Translation Reserve \$'000	Non- controlling interests \$'000	Total \$'000
<u>At 1 November 2021</u>	<u>3</u>	<u>178,801</u>	<u>(363,589)</u>	<u>258,341</u>	<u>1,801</u>	<u>115</u>	<u>75,472</u>
Net profit for the year	-	-	45,234	-	-	6,860	52,094
Exchange Rate loss on translation of foreign operations	-	-	-	-	(44,661)	(113)	(44,774)
Total comprehensive income/(expense) for the year	-	-	45,234	-	(44,661)	6,747	7,320
Dividend paid to non-controlling interests	-	-	-	-	-	(1,162)	(1,162)
<u>At 31 October 2022</u>	<u>3</u>	<u>178,801</u>	<u>(318,355)</u>	<u>258,341</u>	<u>(42,860)</u>	<u>5,700</u>	<u>81,630</u>
Net (loss)/profit for the year	-	-	(1,371)	-	-	6,536	5,165
Exchange gain/(loss) on retranslation of foreign operations	-	-	-	-	17,172	(32)	17,140
Total comprehensive (expense)/income for the year	-	-	(1,371)	-	17,172	6,504	22,305
Loss reclassified to retained earnings on the winding up of foreign operations	-	-	(5,335)	-	5,335	-	-
Dividends paid to non- controlling interests	-	-	-	-	-	(4,200)	(4,200)
<u>At 31 October 2023</u>	<u>3</u>	<u>178,801</u>	<u>(325,061)</u>	<u>258,341</u>	<u>(20,353)</u>	<u>8,004</u>	<u>99,735</u>

Notes to the Consolidated Financial Statements

For the year ended 31 October 2023

1 GENERAL INFORMATION

NES Fircroft Bondco AS is a private company limited by shares, registered in Norway and incorporated on 5 May 2021. The basis on which the Group is consolidated is detailed within the accounting policies set out below in note 2. The address of the registered office is Snarøyveien 36, 1364 Fornebu, Norway. The nature of the NES Fircroft Bondco Group's (hereafter referred to as "the Group") operations and its principal activities are set out in the Strategic Report and the Directors' Report on pages 6 to 47. 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 IFRS® (International Financial Reporting Standards) Accounting Standards as adopted by the European Union ('EU IFRS'), their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 October 2023.

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

Going concern

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

On 14 September 2022, NES Fircroft Bondco AS, the parent and immediate controlling party of the NES Fircroft Bondco Group, secured committed funding via a senior secured bond which was used for the repayment of the senior term loan held within the Group. The bond is due for repayment in 2026 and attracts a fixed interest rate at 11.75%. The Group also secured committed funding via a \$72 million revolving credit facility which replaced the existing revolving credit facility. The new facility matures in 2026. In the year ended 31 October 2023 the revolving credit facility was increased to \$84 million. Subsequent to year end, the revolving credit facility was increased by \$6 million to \$90 million.

The combined Group facilities in place at 31 October 2023 consist of a \$84 million revolving credit facility, \$159 million of invoice discounting facilities and a senior secured bond of \$300 million. Despite the continued increase in trade since year end, the Group had undrawn committed facilities of \$128 million at 31 January 2024, showing the Group continues to have significant unutilised financing facilities in place.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group expects to operate within the level of its current facilities and covenants. Scenario analysis has been performed on these forecasts, taking into account upside and downside sensitivities to flex EBITDA by 10%. The key sensitivities within the forecasts are current and future growth in trading performance. As such, management would consider mitigating actions to manage the growth of the business in line with the facilities that are in place, if required. The forecasts showed ongoing compliance with financial covenants and no liquidity issues for the period to the end of February 2025.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

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

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

Adoption of new and revised standards

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

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

New and revised IFRSs in issue but not yet effective

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 October each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. During the year there was a group reorganisation; the details of this can be seen in the Group reorganisation policy below.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Note 16 of the Company only financial statements includes a list of investments of NES Fircroft Bondco AS.

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

This is the first year the results of the subsidiaries of NES Fircroft Bondco AS have been presented on a consolidated basis following the Group reorganisation on 19 September 2023 (see Group reorganisation policy below for further detail).

Business combinations

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Group reorganisation

NES Fircroft Bondco AS acquired the entire share capital of NES Fircroft Limited on 27 September 2022 through a share for share exchange. Although the transaction resulted in NES Fircroft Limited becoming a wholly owned subsidiary of NES Fircroft Bondco AS, the shareholders of NES Fircroft Limited acquired a controlling interest in NES Fircroft Bondco AS. This is a common control transaction and is not regulated under IFRS. The transaction was therefore accounted for using the principles of merger accounting with retrospective application, a policy choice developed in accordance with IAS8.

In accordance with merger accounting principles, these consolidated financial statements represent a continuation of the consolidated statements of NES Fircroft Limited and its subsidiaries and include:

- The assets and liabilities of NES Fircroft Limited and its subsidiaries at their pre-acquisition carrying amounts and the results for both years; and
- The assets and liabilities of NES Fircroft Bondco AS at 27 September 2022 and its results from the date of the reorganisation.
- Equity has been restated to reflect the NES Fircroft Bondco AS equity that would have been in issue had the transaction been made at the beginning of the comparative period.

This was not a business combination under IFRS3 therefore under merger accounting principles, there is no goodwill created and the difference between the nominal value of the shares issued and the NES Fircroft Limited balances recognised, was adjusted to the merger reserve. As this is the first time the consolidated financial statements of NES Fircroft Bondco AS have been prepared, the comparative amounts included in this set of financial statements are unaudited.

Revenue recognition

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

Operating profit

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

Borrowing costs

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

Interest income and costs

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

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

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

Intangible assets – customer relationships and brands

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

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

Intangible assets – computer software

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

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

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

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.

Leasing

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

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

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

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

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

Retirement benefit costs

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

Foreign currencies

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

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES (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

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

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

Financial assets

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

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

Trade receivables, loans and other receivables

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

Impairment of financial assets

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

Objective evidence of impairment could include:

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

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

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

Cash and bank balances

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition of financial assets

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

Financial liabilities and equity

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

Equity instruments

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

Financial liabilities

Loans and borrowings

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

Derecognition of financial liabilities

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Group's accounting policies

The directors consider the critical judgment in applying the Groups accounting policies in the current year to relate to the merger accounting following the Group's reorganisation – see Group reorganisation accounting policy for further details.

Key sources of estimation uncertainty

The directors consider a key source of estimation uncertainty to relate to the level of provision required to settle outstanding legal and tax claims. Due to the complex nature of these provisions, actual costs may differ to the originally estimated provision – see note 24.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

3 SEGMENTAL REPORTING

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

4 ADMINISTRATIVE EXPENSES

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Staff costs (note 9)	127,206	110,155
Management recharges	1,046	910
Exceptional items (note 5)	5,900	(3,802)
Depreciation (note 13)	10,049	8,275
Amortisation of intangible assets (note 12)	16,571	17,406
Other administrative expenses	65,224	57,643
	<u>225,996</u>	<u>190,587</u>

5 EXCEPTIONAL ITEMS

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

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Deal costs	3,651	4,909
Restructuring	4,000	1,409
Legal matters	(653)	1,124
Tax matters	(1,098)	(11,244)
	<u>5,900</u>	<u>(3,802)</u>

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

5 EXCEPTIONAL ITEMS (CONTINUED)

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

Restructuring – relate to various restructuring activities across the Group including the liquidation of legacy entities.

Legal and tax matters – relate to charges and credits for one-off or significant legal and tax matters (exclusive of corporation tax). Allowance for the legal and tax claims when not settled during the year are included in the provisions balance within note 24.

6 FINANCE INCOME

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Interest receivable from related parties	326	300
Non-cash foreign exchange gains	-	19,236
	<u>326</u>	<u>19,536</u>

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

7 FINANCE COSTS

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Interest payable on bank loans and overdrafts	52,004	29,517
Amortisation of debt issue costs (note 17)	4,787	2,229
Debt issue costs written off (note 17)	-	1,165
Interest on lease liabilities (note 23)	1,231	1,020
Non-cash foreign exchange losses	16,611	-
	<u>74,633</u>	<u>33,931</u>

Finance costs relating to discontinued operations not included in the above total is \$Nil (2022: \$2,098,000), see note 25 for further detail.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

8 PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

Profit before tax from continuing operations is stated after charging:

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Depreciation of right of use assets (note 13)	8,292	6,759
Depreciation of other property and equipment (note 13)	1,757	1,516
	<hr/> 10,049	<hr/> 8,275
Amortisation of intangible assets (note 12)	16,571	17,406
Gain on disposal of property and equipment (note 13)	(42)	(46)
Staff costs (note 9)	127,206	110,155
Rental of low value assets (note 23)	81	75
	<hr/>	<hr/>
The analysis of auditor's remuneration is as follows:		
Auditor's remuneration for audit services – parent's consolidated financial statements	1,498	-
Auditor's remuneration for audit services – parent company's financial statements	-	16
Auditor's remuneration for audit services – subsidiaries' financial statements	2,047	1,810
	<hr/> 3,545	<hr/> 1,826
<u>Total audit fees</u>		
Tax services – compliance	361	341
Tax services – advisory	111	-
Assurance services	750	24
Other fees – corporate finance services	-	890
	<hr/> 1,222	<hr/> 1,255
<u>Total non-audit fees</u>		
<u>Total fees</u>	<hr/> 4,767	<hr/> 3,081

Of the \$2,047,000 (2022: \$1,810,000) audit fee for subsidiaries' financial statements, \$1,306,000 (2022: \$Nil) relates to fees incurred for non-statutory obligations for funding requirements.

9 STAFF COSTS

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

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

During the year the average number of full-time equivalent employees was 1,814 (2022: 1,601).

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

9 STAFF COSTS (CONTINUED)

	2023	2022 (Unaudited)
	\$'000	\$'000
Their aggregate remuneration (including executive directors) comprised:		
Wages and salaries	118,919	102,814
Social security costs	6,596	5,742
Pension costs	1,691	1,599
	<u>127,206</u>	<u>110,155</u>

See note 27 for details of key management compensation .

Staff costs relating to discontinued operations not included in the above total \$114,337 (2022: \$2,606,000).

10 TAX CHARGE

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Current tax expense		
Current tax on profits for the year	18,550	21,599
Current tax – prior period adjustments	(132)	(667)
<u>Total current tax charge</u>	<u>18,418</u>	<u>20,932</u>
Deferred tax		
Deferred tax – origination and reversal of temporary differences	(4,404)	(997)
Deferred tax – prior period adjustments	(1,029)	(219)
<u>Total deferred tax credit</u>	<u>(5,433)</u>	<u>(1,216)</u>
<u>Continuing and discontinued operations</u>		
Income tax expense from continuing operations	12,985	18,656
Income tax expense from discontinued operations	(1)	1,060
<u>Total current tax charge</u>	<u>12,984</u>	<u>19,716</u>

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

10 TAX CHARGE (CONTINUED)

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

The tax charge for the year can be reconciled as follows:

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Profit for the year	5,165	52,094
Income tax expense (including income tax on discontinued operations)	12,984	19,716
<u>Profit before tax</u>	18,149	71,810
Profit before tax multiplied by the standard rate of corporation tax in Norway of 22% (2022: 22%)	3,993	15,798
Effects of:		
Expenses not deductible	3,058	2,246
Adjustments in respect of current income tax of previous years	(132)	(667)
Adjustments in respect of deferred tax of previous years	(1,029)	(219)
Interest not deductible	6,583	2,540
Group relief surrendered/(claimed) outside of the consolidation	761	(2,283)
Deferred tax rate change adjustment	-	326
Deferred tax on short-term timing differences not previously recognised	(3,742)	(171)
Deferred tax on unremitted earnings	797	1,175
Deferred tax not provided	1,298	3,330
Adjustments in respect of withholding taxes	3,036	2,310
Adjustments in respect of other taxes	141	2,735
Effect of overseas corporation tax rates	(1,780)	(7,404)
<u>Tax charge for the year</u>	12,984	19,716

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

11 GOODWILL

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

12 INTANGIBLES

	Computer software \$'000	Customer relationships \$'000	Brands \$'000	Total \$'000
<u>Cost</u>				
At 1 November 2021	11,496	386,788	4,889	403,173
Additions	1,319	-	-	1,319
Disposals	-	(11,417)	-	(11,417)
Assets reclassified as held for sale (note 25)	(142)	-	-	(142)
Exchange rate movements	(1,915)	(56,712)	(776)	(59,403)
At 31 October 2022	10,758	318,659	4,113	333,530
Acquisitions (note 14)	-	7,218	-	7,218
Additions	1,789	-	-	1,789
Disposals	(219)	(212,291)	-	(212,510)
Exchange rate movements	447	4,921	192	5,560
At 31 October 2023	12,775	118,507	4,305	135,587
<u>Amortisation</u>				
At 1 November 2021	(6,690)	(316,385)	(546)	(323,621)
Charge for the year (note 8 & 25)	(1,518)	(15,479)	(452)	(17,449)
Disposals	-	11,417	-	11,417
Impairment of assets held for sale (note 25)	(77)	-	-	(77)
Assets reclassified as held for sale (note 25)	142	-	-	142
Exchange rate movements	1,189	49,059	127	50,375
At 31 October 2022	(6,954)	(271,388)	(871)	(279,213)
Charge for the year (note 8 & 25)	(1,375)	(14,765)	(436)	(16,576)
Disposals	215	212,291	-	212,506
Exchange rate movements	(287)	(5,598)	(35)	(5,920)
At 31 October 2023	(8,401)	(79,460)	(1,342)	(89,203)
<u>Carrying amount</u>				
At 31 October 2023	4,374	39,047	2,963	46,384
At 31 October 2022	3,804	47,271	3,242	54,317
At 1 November 2021	4,806	70,403	4,343	79,552

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

13 PROPERTY AND EQUIPMENT

	Leasehold improvements \$'000	Computer equipment \$'000	Fixtures, fittings and equipment \$'000	Motor vehicles \$'000	Right of use assets (note 21) \$'000	Total \$'000
<u>Cost</u>						
At 1 November 2021	1,680	3,686	2,164	197	19,859	27,586
Additions	680	1,379	413	-	9,065	11,537
Disposals	-	(61)	(1)	(120)	(6,585)	(6,767)
Assets classified as held for sale (note 25)	-	(230)	(111)	-	(522)	(863)
Exchange rate movements	(213)	(647)	(277)	(14)	(2,049)	(3,200)
At 31 October 2022	2,147	4,127	2,188	63	19,768	28,293
Acquisitions (note 14)	-	2	24	17	439	482
Additions	491	1,638	473	-	12,042	14,644
Disposals	-	-	(26)	(31)	(7,363)	(7,420)
Exchange rate movements	36	40	22	(12)	(9)	77
At 31 October 2023	2,674	5,807	2,681	37	24,877	36,076
<u>Accumulated depreciation</u>						
At 1 November 2021	(971)	(2,315)	(1,099)	(122)	(8,160)	(12,667)
Charge for the year (note 8 & 25)	(308)	(911)	(360)	(27)	(7,410)	(9,016)
Disposals	-	-	-	94	5,705	5,799
Impairment of assets held for sale (note 25)	-	(136)	(39)	-	(77)	(252)
Assets classified as held for sale (note 25)	-	230	111	-	416	757
Exchange rate movements	153	497	179	11	1,114	1,954
At 31 October 2022	(1,126)	(2,635)	(1,208)	(44)	(8,412)	(13,425)
Charge for the year (note 8 & 25)	(360)	(981)	(420)	(2)	(8,331)	(10,094)
Disposals	-	-	22	15	5,772	5,809
Exchange rate movements	(25)	(38)	(22)	11	93	19
At 31 October 2023	(1,511)	(3,654)	(1,628)	(20)	(10,878)	(17,691)
<u>Carrying amount</u>						
At 31 October 2023	1,163	2,153	1,053	17	13,999	18,385
At 31 October 2022	1,021	1,492	980	19	11,356	14,868
At 1 November 2021	709	1,371	1,065	75	11,699	14,919

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

14 ACQUISITION OF SUBSIDIARY

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

The transaction with Evolve qualified as a business combination as defined in IFRS 3. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	\$'000
Property and equipment	476
Deferred tax asset	198
Identifiable intangible assets	7,218
Trade and other receivables	3,954
Cash and other equivalents	882
Trade and other payables	(2,159)
Deferred tax liabilities on intangible assets	(2,205)
Total identifiable assets acquired, and liabilities assumed	8,364
Goodwill	11,332
Total consideration transferred	19,696
Net cash outflow arising on acquisition:	
Cash consideration paid	(19,696)
Recognition of other receivables	(3,131)
Cash and cash equivalent balances acquired	882
	(21,945)

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

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

Evolve contributed \$26,335,000 revenue, \$1,670,000 profit after tax to the Group's profit after tax for the period between the date of acquisition and the reporting date. If the acquisition of Evolve had been completed on 1 November 2022, Group revenues for the period to 31 October 2023 would have been \$2,706,996,000, adjusted Group EBITDA would have been \$126,865,000 and Group profit after tax would have been \$2,906,000.

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

15 OTHER CURRENT ASSETS

Trade and other receivables

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Amounts receivable for the sale of services	461,301	441,171
Allowance for doubtful debts	(4,168)	(4,245)
	<hr/> 457,133	<hr/> 436,926
Other debtors	26,530	23,517
Amounts receivable from related parties (note 27)	8,038	6,774
Prepayments	11,207	9,243
Accrued income	52,133	46,077
	<hr/> 555,041	<hr/> 522,537

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

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

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

Trade receivables

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

15 OTHER CURRENT ASSETS (CONTINUED)

Trade receivables (continued)

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

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
AMEA (Asia, Middle East and Australasia)	245,687	192,187
Americas	132,696	144,071
Europe	82,918	104,913
	<u>461,301</u>	<u>441,171</u>

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

Cash and bank balances

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

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Cash and bank balances	<u>90,717</u>	<u>94,428</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

16 OTHER CURRENT LIABILITIES

	31 October 2023 \$'000	31 October 2022 (Unaudited) \$'000
Trade payables	210,903	182,105
Sales and payroll taxes and social security	42,625	42,038
Lease liabilities (note 23)	6,938	4,822
Amounts owing to related parties (note 27)	9,443	9,450
Accruals and deferred income	63,952	70,934
Contingent consideration (below)	-	1,974
	<u>333,861</u>	<u>311,323</u>

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

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

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

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

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

Contingent consideration

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

17 BORROWINGS

	31 October 2023 \$'000	31 October 2022 (Unaudited) \$'000
<u>Secured borrowings at amortised cost</u>		
Secured bond	300,000	300,000
Related capitalised costs of raising finance	(13,975)	(18,704)
Net senior bank loans	286,025	281,296
Bank overdrafts	107,170	112,950
	<u>393,195</u>	<u>394,246</u>
<u>Total borrowings</u>		
Amount due for settlement within 12 months	107,170	112,950
Amount due for settlement after 12 months	286,025	281,296
	<u>393,195</u>	<u>394,246</u>

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

Secured Bond

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

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

Bank overdrafts

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

18 FINANCIAL INSTRUMENTS

Significant accounting policies

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

Categories of financial instruments

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Financial assets		
Cash	90,717	94,428
Debtors	465,171	443,700
Financial liabilities		
Overdrafts	107,170	112,950
Liabilities measured at amortised cost	520,900	486,837

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

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

Financial assets – Trade receivables

Comprise of trade and other receivables. Details are provided in note 15 to the consolidated financial statements.

Financial liabilities – Trade and other payables

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

Financial liabilities – Borrowings

Details of bank loans are provided in note 17 to the consolidated financial statements.

Financial risk management objectives

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

Capital and liquidity risk management

The Group manages its capital to ensure that all entities within the Group continue as a going concern. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 17, cash and cash equivalents and equity attributable to the equity holders of the parent comprising issued share capital and retained earnings disclosed in the Statement of changes in equity and note 21. The Group manages liquidity risks by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. The available undrawn committed facilities of the Group at 31 October 2023 are set out in note 17.

Interest rate risk management

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

18 FINANCIAL INSTRUMENTS (CONTINUED)

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 balances owed from many customers across the Group and geographies. The majority of customers by value are blue chip companies. The Group's exposure to individuals and credit risk is detailed in note 15.

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.

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

The following significant exchange rates were applied during the year:

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

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

	Monetary assets		Monetary liabilities	
	2023 \$'000	2022 (Unaudited) \$'000	2023 \$'000	2022 (Unaudited) \$'000
UK sterling	489	1,909	(3,481)	(4,131)
Euro	5,951	8,101	(7,137)	(2,280)
Australian dollar	19,285	1,397	(18,120)	(1,070)
Norwegian krone	12,033	7,314	(11,770)	(7,094)
Other	9,388	13,527	(6,658)	(14,331)
	<u>47,146</u>	<u>32,248</u>	<u>(47,166)</u>	<u>(28,906)</u>

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

18 FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency exchange risk (continued)

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

	Profit or loss and equity 2023 \$'000	2022 (Unaudited) \$'000
Sterling	(1,375)	(361)
Euros	(72)	(40)
Australian dollar	(51)	(42)
Norwegian krone	(79)	(47)

19 DEFERRED TAXATION

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

19 DEFERRED TAXATION (CONTINUED)

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

No deferred tax asset 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 (2022: \$Nil).

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

The Group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes

20 OTHER NON-CURRENT LIABILITIES

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Lease liabilities (note 23)	7,591	7,344

21 CALLED-UP SHARE CAPITAL

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
<i>Authorised, allotted, called-up and fully paid</i>		
1,000 ordinary shares of NOK 30 each (2022: 1,000 shares)	3	3

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

22 NOTES TO THE CASH FLOW STATEMENT

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Profit from continuing operations	5,158	53,012
Profit/(loss) from discontinued operations	7	(918)
	<u>5,165</u>	<u>52,094</u>
Adjustments for:		
Income tax charge	12,985	19,716
Finance costs	74,307	16,426
Depreciation of property and equipment	10,094	9,016
Amortisation and impairment of intangibles	16,576	17,449
Impairment of assets reclassified to held for sale	-	329
Gain on disposal of property and equipment	(42)	(74)
Loss on disposal of subsidiary	506	-
	<u>119,591</u>	<u>114,956</u>
Operating cash flows before movements in working capital		
Increase in receivables	(19,350)	(56,698)
Increase/(decrease) in payables	23,542	(4,347)
	<u>123,783</u>	<u>53,911</u>
Cash generated from operations		
Income taxes paid	(26,199)	(21,022)
	<u>97,584</u>	<u>32,889</u>
Net cash inflow from operating activities		

The cash flow statement does not differentiate between continuing and discontinued operations. The cash flows of discontinued operations are shown separately in note 25.

The cash flow impact of exceptional items included in note 5 was \$4,324,000 (2022: \$5,089,000).

Balances at 31 October 2023 comprise:

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Cash and bank balances	90,717	94,428
Bank overdrafts	(107,170)	(112,950)
Cash and bank balances attributable to discontinued operations	-	4,753
	<u>(16,453)</u>	<u>(13,769)</u>

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

22 NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

Analysis of changes in net debt

	1 November 2022 \$'000	Cash flow \$'000	Amortisation of debt costs \$'000	Capitalised costs of debt \$'000	Net cash outflow from acquisitions \$'000	Net cash outflow on disposal of subsidiary \$'000	Movements in foreign exchange \$'000	31 October 2023 \$'000
Cash and bank balances	99,181	13,464	-	-	(21,948)	(1,157)	1,177	90,717
Bank overdrafts and invoice discounting facilities	(112,950)	7,414	-	-	-	-	(1,634)	(107,170)
	(13,769)	20,878	-	-	(21,948)	(1,157)	(457)	(16,453)
Senior secured bond	(281,296)	-	(4,787)	58	-	-	-	(286,025)
Net debt	(295,065)	20,878	(4,787)	58	(21,948)	(1,157)	(457)	(302,478)

Changes in liabilities arising from financing activities

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

	1 November 2022 \$'000	Cash flows \$'000	Amortisation of debt costs \$'000	Capitalised costs of debt \$'000	Interest rolled up \$'000	Net lease additions \$'000	Exchange movements \$'000	31 October 2023 \$'000
Borrowings (note 17)	(281,296)	-	(4,787)	58	-	-	-	(286,025)
Lease liabilities (note 23)	(12,166)	9,770	-	-	(1,231)	(10,792)	(110)	(14,529)
Total	(293,462)	9,770	(4,787)	58	(1,231)	(10,792)	(110)	(300,554)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

23 LEASES

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

23 LEASES (CONTINUED)

Income statement

	2023	2022 (Unaudited)
	\$'000	\$'000
Interest expense (note 7)	1,231	1,020
Interest expense relating to discontinued activities (note 25)	-	45
Depreciation of right of use assets (note 8)	8,292	6,759
Expense relating to leases of low-value assets – other operating lease rent (note 8)	81	75
	<u>9,604</u>	<u>7,899</u>

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

24 PROVISIONS

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

25 DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARY

In early 2022, geopolitical tensions around the Russia and Ukraine conflict escalated and continue to cause uncertainty within the region. Immediately following the Russian invasion, the board resolved to cease all operations in Russia, a sale of Fircroft Kazakhstan CIS LLP and Fircroft Kazakhstan LLP was agreed on 13 December 2022

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

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

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

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

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

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

25 DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARY (CONTINUED)

The net cash flows incurred by the disposals group were:

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

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

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

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

26 CONTINGENT LIABILITIES

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

27 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 entities that have significant influence over the Group

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

The Group incurred fees and expenses during the year to AEA Investors LP of \$737,000 (2022: \$645,000). At the balance sheet date \$190,000 (2022: \$145,000) was owed to AEA Investors LP which is included within trade payables.

Transactions with other related parties

The following are costs that have been incurred on behalf of, and recharged to related parties:

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
NES Global Talent Holdco Limited	43	37

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

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Fircroft Engineering Services Holdings Limited	219	166
NES Global Talent Holdco Limited	107	119
NES Fircroft Midco Limited	-	15
	326	300

The following are amounts owed by related parties:

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Fircroft Engineering Services Holdings Limited	5,535	4,280
NES Global Talent Holdco Limited	2,498	2,006
NES Fircroft Midco Limited	5	488
	8,038	6,774

The following are amounts owed to related parties:

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
NES Fircroft Group Limited	(6,220)	(9,450)
Amounts owed to key management personnel	(3,223)	-
	(9,443)	(9,450)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

27 RELATED PARTY TRANSACTIONS (CONTINUED)

Fircroft Engineering Services Holdings Limited holds an indirect non-controlling interest in NES Fircroft Bondco AS and its subsidiaries.

NES Global Talent Holdco Limited holds an indirect controlling interest in NES Fircroft Bondco AS and its subsidiaries.

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

NES Fircroft Group Limited holds an indirect controlling interest in NES Fircroft Bondco AS and its subsidiaries.

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

Key management compensation

The compensation of key management personnel is set out below:

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
Short-term employee benefits	6,670	4,350

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.

The remuneration to senior executives disclosure, as required by Section 7-31b of the Norwegian Accounting Act is stated in note 15 of the Company financial statements on page 111. Out of the total remuneration disclosed of \$6,670,000. \$4,898,000 has been recognised within the consolidated financial statements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 October 2023

28 ALTERNATIVE PERFORMANCE MEASURES

NES Fircroft Bondco AS discloses alternative performance measures (APMs) in addition to those normally required by IFRS as such performance measures are frequently used by analysts, investors and other stakeholders. Alternative performance measures provide an enhanced insight into the operations, financing and future prospects of the Group.

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

Gross profit margin is defined as Gross profit as a percentage of Revenue. Underlying EBITDA margin is defined as Underlying EBITDA as a percentage of Revenue.

	31 October 2023	31 October 2022 (Unaudited)
	\$'000	\$'000
<u>Gross profit</u>	318,446	276,650
Staff costs (note 9)	(127,206)	(110,155)
Other administrative expenses	(65,224)	(57,643)
<u>Underlying EBITDA</u>	126,016	108,852
Depreciation (note 13)	(10,049)	(8,275)
Amortisation of intangible assets (note 12)	(16,571)	(17,406)
Management recharges	(1,046)	(910)
Exceptional items (note 5)	(5,900)	3,802
<u>Operating profit from continuing operations</u>	92,450	86,063
Finance income (note 6)	326	19,536
Finance costs (note 7)	(74,633)	(33,931)
<u>Profit before tax from continuing operations</u>	18,143	71,668
Tax charge (note 10)	(12,985)	(18,656)
<u>Profit from continuing operations</u>	5,158	53,012
Profit/(loss) from discontinued operations (net of tax) (note 25)	7	(918)
<u>Profit for the year</u>	5,165	52,094
Gross profit margin	11.7%	11.9%
Underlying EBITDA margin	4.7%	4.7%

29 ULTIMATE PARENT AND ULTIMATE CONTROLLING PARTY

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

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

Company Income Statement

For the year ended 31 October 2023

		Year ended 31 October 2023 \$'000	Period ended 31 October 2022 \$'000
Administrative expenses		(563)	-
<u>Operating loss</u>		(563)	-
Finance income	2	34,862	2,972
Finance costs	3	(41,523)	(3,433)
<u>Loss before taxation</u>	4	(7,224)	(461)
Taxation	5	1,743	-
<u>Loss for the financial period</u>		(5,481)	(461)

All activity has risen from continuing operations.

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


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

Company Balance Sheet


As at 31 October 2023

	Notes	31 October 2023 \$'000	31 October 2022 \$'000
<u>Non-current assets</u>			
Investments	6	178,803	178,803
Non-current other receivables	7	282,106	283,876
Deferred tax asset	12	1,645	-
		<u>462,554</u>	<u>462,679</u>
<u>Current assets</u>			
Trade and other receivables	8	7	4
Cash at bank and in hand		94	-
		<u>101</u>	<u>4</u>
<u>Total assets</u>		<u>462,655</u>	<u>462,683</u>
<u>Current liabilities</u>			
Trade and other payables	9	(3,768)	(3,044)
<u>Net current liabilities</u>		<u>(3,667)</u>	<u>(3,040)</u>
<u>Non-current liabilities</u>			
Borrowings	10	(286,025)	(281,296)
<u>Total liabilities</u>		<u>(289,793)</u>	<u>(284,340)</u>
<u>Net assets</u>		<u>172,862</u>	<u>178,343</u>
<u>Equity</u>			
Share capital	13	3	3
Share premium	13	178,801	178,801
Retained earnings		(5,942)	(461)
<u>Total equity</u>		<u>172,862</u>	<u>178,343</u>

The accompanying notes are an integral part of this balance sheet. The Company financial statements of NES Fircroft Bondco AS company number 927 143 690 were approved by the board of directors and authorised for issue on 28 February 2024. They were signed on its behalf by:

 **S.W. Buckley**
Chairman of NES Fircroft Bondco AS

 **S. Coton**
Director

 **J. Mellbye**
CEO of NES Fircroft Bondco AS

Company Cash Flow Statement
For the year ended 31 October 2023

	Notes	Year ended 31 October 2023 \$'000	Period ended 31 October 2022 \$'000
<u>Cash inflow/(outflow) from operating activities</u>	14	2,155	(4)
<u>Investing activities</u>			
Interest received		31,681	-
<u>Net cash received in investing activities</u>		31,681	-
<u>Financing activities</u>			
Proceeds from bond		-	286,464
Payment of NES Fircroft Limited loan		-	(286,464)
Interest paid		(33,742)	-
<u>Net cash received in financing activities</u>		(33,742)	-
<u>Net change in cash and cash equivalents</u>		94	(4)
<u>Cash and cash equivalents at beginning of the period</u>		-	4
<u>Cash and cash equivalents at end of the period</u>		94	-

Company Statement of Changes in Equity

For the year ended 31 October 2023

	Called-up share capital \$'000	Share premium \$'000	Profit and loss account \$'000	Total \$'000
At 31 December 2021	3	1	-	4
Share capital decrease (note 13)	(3)	-	-	(3)
Issue of share capital (note 13)	3	178,800	-	178,803
Loss for the period and total comprehensive expense	-	-	(461)	(461)
At 31 October 2022	3	178,801	(461)	178,343
Loss for the year and total comprehensive expense	-	-	(5,481)	(5,481)
At 31 October 2023	3	178,801	(5,942)	172,862

Notes to the Company Financial Statements

For the year ended 31 October 2023

1 ACCOUNTING POLICIES

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

General information and basis of accounting

The financial statements have been prepared in accordance with IFRS[®] Accounting Standards as adopted by the European Union ('EU IFRS'). The financial statements have been prepared on the historical cost basis unless otherwise specified under the accounting policies listed in note 1. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Adoption of new and revised standards

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

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

New and revised IFRSs in issue but not yet effective

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

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

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

1 ACCOUNTING POLICIES (CONTINUED)

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

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

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

Taxation

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

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

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

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

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

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

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

1 ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Equity instruments

Equity instruments are contracts that evidence residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Loans and borrowings

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

Derecognition of financial liabilities

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Company's accounting policies

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

Investments

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

2 FINANCE INCOME

	Year ended 31 October 2023 \$'000	Period ended 31 October 2022 \$'000
Interest receivable from loan with group undertakings	34,515	2,972
Group contribution received	347	-
	<u>34,862</u>	<u>2,972</u>

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

3 FINANCE COSTS

	Year ended 31 October 2023 \$'000	Period ended 31 October 2022 \$'000
Interest payable on bank loans and overdrafts	36,735	3,035
Amortisation of debt issue costs (note 10)	4,787	398
Non-cash foreign exchange losses	1	-
	<u>41,523</u>	<u>3,433</u>

4 LOSS BEFORE TAXATION

The auditor's remuneration for the audit of the Company's financial statements pursuant to legislation of \$641,000 (2022: \$Nil) is included within the loss before taxation figure. There were additional fees of \$1,306,000 (2022: \$Nil) incurred in relation to non-statutory obligations for funding requirements included within the loss before taxation figures.

There are no employees other than directors and no remuneration has been paid to the directors, their remuneration being borne by other group companies, and not recharged to the Company (2022: Same). This is because fair apportionment is not possible.

5 TAX ON LOSS

There is a tax credit for the year of \$1,743,000 (2022: \$Nil). The differences between the total current tax shown and the amount calculated by applying the standard rate of corporation tax to the loss before tax are as follows:

	Year ended 31 October 2023 \$'000	Period ended 31 October 2022 \$'000
Loss before tax	(7,224)	(461)
Loss before tax multiplied by the standard rate of corporation tax 22% (2022: 22%)	(1,589)	(101)
Effects of:		
Adjustment for prior years	(99)	-
Deferred tax not provided	220	101
Permanent differences	(275)	-
Total tax credit for the year	<u>(1,743)</u>	<u>-</u>

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

6 INVESTMENTS

	31 October 2023 \$'000	31 October 2022 \$'000
Cost and net book value		
At the beginning of the period	178,803	-
Additions	-	178,803
At the end of the period	<u>178,803</u>	<u>178,803</u>

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

7 OTHER NON-CURRENT RECEIVABLES

	31 October 2023 \$'000	31 October 2022 \$'000
Amounts owed by group undertakings	<u>282,106</u>	<u>283,876</u>

Amounts owed by group undertakings are unsecured, interest bearing and there is no intention to recall within the next 12 months. Interest is charged at a rate of 11.8%

8 OTHER CURRENT ASSETS

	31 October 2023 \$'000	31 October 2022 \$'000
Other debtors	-	4
Prepayments	2	-
Amounts owed by related parties (note 15)	5	-
	<u>7</u>	<u>4</u>

Cash and bank balances

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

	31 October 2023 \$'000	31 October 2022 \$'000
Cash and bank balances	<u>94</u>	<u>-</u>

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 October 2023 \$'000	31 October 2022 \$'000
Trade creditors	13	-
Accruals	3,755	3,041
Amounts owing to related parties (note 15)	-	3
	<u>3,768</u>	<u>3,044</u>

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

10 BORROWINGS

	31 October 2023 \$'000	31 October 2022 \$'000
<u>Secured borrowings at amortised cost</u>		
Secured bond	300,000	300,000
Related capitalised costs of raising finance	(13,975)	(18,704)
	<u>286,025</u>	<u>281,296</u>

Total borrowings

Amount due for settlement within 12 months	-	-
Amount due for settlement after 12 months	286,025	281,296
	<u>286,025</u>	<u>281,296</u>

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

Secured Bond

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

During the year, total costs of \$58,000 (2022: \$19,102,000) were capitalised in relation to raising finance for the bond. \$4,787,000 (2022: \$398,000) of capitalised costs of raising finance for the bond have been amortised to finance costs during the year. The remaining \$13,975,000 will be amortised to finance costs over the term of the bond.

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

11 FINANCIAL INSTRUMENTS

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenditure are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

	31 October 2023 \$'000	31 October 2022 \$'000
<u>Financial Assets</u>		
Cash	94	-
Debtors	282,109	283,876
	<hr/>	<hr/>
<u>Financial liabilities</u>		
Liabilities measured at amortised cost	(300,013)	(300,003)
	<hr/>	<hr/>

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

Financial assets – Cash and cash equivalents

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

Financial assets – Debtors

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

Financial liabilities

These comprise of trade creditors and borrowings. Details are given in notes 9 and 10 respectively.

Financial risk management objectives

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

Capital and liquidity risk management

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

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

11 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk management

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

Foreign currency exchange risk

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

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

Based on currency balances held as at 31 October 2023, the Company had no exposure to foreign currency risk that would impact operating profit, (2022: same).

12 DEFERRED TAXATION

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

	31 October 2023 \$'000	31 October 2022 \$'000
Long-term receivables and liabilities in foreign currency	(844)	(5)
At 31 October 2023	(844)	(5)
Accumulated losses to be brought forward	(7,633)	-
Deferred taxation not provided for	1,001	(5)
At 31 October 2023	(7,476)	-
Deferred tax asset calculated at the standard rate of tax in Norway of 22% (2022: 22%)	1,645	-

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

13 CALLED-UP SHARE CAPITAL AND SHARE PREMIUM

	31 October 2023 \$'000	31 October 2022 \$'000
<i>Authorised, allotted, called-up and fully paid</i>		
1,000 ordinary shares of NOK 30 each	3	3
Share premium	178,801	178,801

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

On 27 September 2022, the share capital of the Company was reduced by \$3,000 (NOK 30,000) to \$Nil, which took place through the redemption of shares owned by NES Fircroft Midco Limited. The share capital was then increased by \$3,000 (NOK 30,000), by issuance of 1,000 new shares to the Company's shareholder, NES Fircroft Midco Limited, each with a nominal value of NOK 30. In connection with the share capital increase, the Company received all of the outstanding shares in NES Fircroft Limited. The total subscription amount was \$178,804,000, (NOK 1,920,096,000), of which \$3,000 (NOK 30,000) was share capital and \$178,801,000 (NOK 1,920,066,000) was share premium.

14 NOTES TO THE CASHFLOW STATEMENT

	Year ended 31 October 2023 \$'000	Period ended 31 October 2022 \$'000
Loss for the year	(5,481)	(461)
Adjustments for:		
Taxation	(1,743)	-
Finance income	(34,862)	
Finance costs	41,523	461
Operating cash flows before movements in working capital	(563)	-
Decrease/(increase) in receivables	5,032	(4)
Decrease in payables	(2,314)	-
Cash inflow/(outflow) from operating activities	2,155	(4)

Balances at 31 October 2023 comprise:

	31 October 2023 \$'000	31 December 2022 \$'000
Cash and bank balances	94	-

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

15 RELATED PARTY TRANSACTIONS

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

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

The following are amounts owed by related parties:

	31 October 2023 \$'000	31 October 2022 \$'000
NES Fircroft Midco Limited	5	-
	<u>5</u>	<u>-</u>

The following are amounts owed to related parties:

	31 October 2023 \$'000	31 October 2022 \$'000
NES Fircroft Midco Limited	-	3
	<u>-</u>	<u>3</u>

Remuneration earned by Executive Management

Included in the below table is a list of executive management of the Group appointed during the year with their corresponding position within the NES Fircroft Group.

Name	Position
Theron I. Gilliam Jr	NES Fircroft Group Chief Executive Officer
Stephen Buckley	NES Fircroft Group Chief Financial Officer, NES Fircroft Bondco AS Chairman
Simon Coton	NES Fircroft Group Chief Operating Officer, NES Fircroft Bondco AS Director
Jens Mellbye	NES Fircroft Bondco AS Chief Executive Officer and Director
Brendan Connolly ^C	NES Fircroft Group Non-Executive Director
Alexander Hoffman ^A	NES Fircroft Group Non-Executive Director
Thomas Pryma ^C	NES Fircroft Group Non-Executive Director
Karl Erik Kjelstad ^A	NES Fircroft Group Non-Executive Director
Felix Braun ^{A C}	NES Fircroft Group Non-Executive Director

^A Member of the audit committee

^C Member of the compensation committee

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

15 RELATED PARTY TRANSACTIONS (CONTINUED)

The below amounts were earned by the executive management of the Group, and represent the total compensation for services to the wider NES Fircroft Group, of which NES Fircroft Bondco AS is a member. These amounts relate to total compensation earned across the NES Fircroft Bondco AS Group and subsidiaries and the wider NES Fircroft Group. No compensation was paid or expensed by, or recharged to, NES Fircroft Bondco AS, the parent company of the Group. Any executive not included in the below table received no compensation during the year from the NES Fircroft Bondco AS Group or wider NES Fircroft Group.

Name	Salary \$'000	Bonus \$'000	Other non-cash benefits treated as remuneration \$'000	Defined contribution pension \$'000	Other reward \$'000	Total compensation \$'000
Theron I. Gilliam Jr	636	817	18	-	1,384 ¹	2,855
Stephen Buckley	363	395	21	1	886 ²	1,666
Simon Coton	335	345	12	2	886 ²	1,580
Jens Mellbye	238	193	11	11	67 ¹	520
Brendan Connolly	49	-	-	-	-	49
	<u>1,621</u>	<u>1,750</u>	<u>62</u>	<u>14</u>	<u>3,223</u>	<u>6,670</u>

¹On 13 December 2023, these executives received a cash bonus as per the terms of the Management Incentive Plan of NES Fircroft Midco Limited.

²On 13 December 2023, these executives transferred legal and beneficial interest of C shares in NES Fircroft Midco Limited, to NES Fircroft Group Limited at \$1 per share.

The executives above are subject to contractual notice periods of between 6 to 12 months.

None of the executives listed above received compensation in the form of share based payments, shares, options, or equity certificates in the year. No loans, advances or other debt has been provided to the directors by the Group during the year.

16 ULTIMATE PARENT COMPANY

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

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

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

17 LIST OF SUBSIDIARY UNDERTAKINGS

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

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Limitada (1)	Rua Nicolau Gomes Spencer, N. 1, Maculusso, Luanda, Angola	Angola	49%
North Eagle Star Limitada (1)	Rua Comandante Gika, Travessa dos Militares, No. 1, Alvalade, Luanda, Angola	Angola	98%
Evolve Scientific Recruitment Pty Limited (1)	William Buck Services (NSW) Pty Ltd, Level 29, 66 Goulburn Street, Sydney NSW 2000, Australia	Australia	100%
NES Fircroft Australia Pty Limited (1)	Parmelia House Level 12, 191 St Georges Terrace, Perth, WA 6000, Australia	Australia	100%
NES Global Pty Limited (1)	Level 29, 66 Goulburn Street, Sydney, NSW 2000, Australia	Australia	100%
Fircroft Azerbaijan LLC (1)	69 Nizami Street, Nasimi district Baku, AZ1005, Azerbaijan	Azerbaijan	100%
Fircroft Caspian Services LLC (1)	69 Nizami Street, Nasimi district Baku, AZ1005, Azerbaijan	Azerbaijan	100%
NES Bahrain WLL (1)	Office 49d, 49th Floor, Harbour Towers – West Tower, Bahrain Financial Harbour, Road 4626, Manama 346, PO Box 11782, Kingdom of Bahrain	Bahrain	49%
NES Global Technical Consultants Limited (1)	9 Mohakhali C/A (11th & 12th Floor), Dhaka-1212, Bangladesh	Bangladesh	100%
NES Global Limitada (1)	Avenida Presidente Vargas, 309, 21 ° andar, parte, Centro, Rio de Janeiro, CEP 20040-010, Brazil	Brazil	100%
NES Global Talent Sdn Bhd (1)	8th Floor, PGGMB Building, Jalan Kinanggeh, BS8111 Bandar Seri Begawan, Brunei	Brunei	70%
NES Advantage Solutions Canada Limited (1)	450, 855 - 2nd Street SW Calgary, Alberta, T2P 4K7, Canada	Canada	100%
NES Global Limited (1)	333 11th Avenue SW, Suite 1602, Calgary, Alberta, T2R 1L9, Canada	Canada	100%
NES Global Talent Chile, S.A. (1)	Providencia 1760 603, Providencia, Santiago, Chile	Chile	100%
NES Global Talent Services (Shanghai) Co. Limited (1)	Room 804-805, Shui On Plaza, No.333 Middle HuaiHai Road, HuangPu District, Shanghai, 200021, China	China	100%

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Technical Services (Shenzen) Co. Limited (1)	R16, 4th floor, 2nd Building, Wuhe Avenue, NanKeng, Bantian street, Longgang District, Shenzhen, China	China	100%
NES Global Technical Consultants (Shanghai) Co., Limited (1)	Room 804-805, Shui On Plaza, No.333 Middle HuaiHai Road, HuangPu District, Shanghai, 200021, China	China	100%
Fircroft Engineering Services ApS (1)	C/o GTS Nordic ApS, Kalkbraenderilobskaj 6, 2100 Kobenhavn, Denmark	Denmark	100%
NES Global Talent Egypt (1)	3 Oraby Street, Ground Floor, Maadi, Cairo, Egypt	Egypt	100%
NES Global France SASU (1)	Spaces La Défense, Le Bélvédère, 1-7 Cours Valmy, 92 800, Puteaux, France	France	100%
Fircroft Engineering Services Limited SARL (4)	Montagne Sainte (à côté d'Air France) BP 74 19, Liberville, Gabon	Gabon	100%
NES Global Talent Limited SARL (1)	366 Rue Alfred Marche, PO Box 2164, Libreville, Gabon	Gabon	100%
NES Global Deutschland GmbH (1)	Glücksteinallee 45, D-68163 Manneheim, Germany	Germany	100%
FES Ghana Limited (1)	20 Jones Nelson Road, Accra, PO Box GP 821, Ghana	Ghana	100%
Fircroft Ghana Limited (1)	20 Jones Nelson Road, Accra, PO Box GP 821, Ghana	Ghana	100%
NES Global Talent (Ghana) Limited (1)	No. 5, 1st Ridge Link, North Ridge, Accra, Ghana	Ghana	100%
North Eagle Star Limited (1)	PO Box CT 3466, 1st Floor, Earbeam Plaza, George Walker Bush Highway, Dzorwulu, Accra, Ghana	Ghana	49%
PB Services Limited (1)	HNO.15 Kofi Dzata Dzorwulu, Kofi Dzata Street, Accra, Ghana	Ghana	100%
Red Coral Services Limited (1)	P.O Box DS 733, Dansoman, Accra, Ghana	Ghana	100%
Fircroft Guyana Inc (1)	Lot 62 Hadfield and Cross Streets, Werk-en-Rust, Georgetown, Guyana	Guyana	100%
NES Global Talent Guyana Inc (1)	Lot 62 Hadfield & Cross Street, Werk-en-Rust, Georgetown, Guyana	Guyana	100%
NES Global Limited (1)	Level 11, 535 Tower, 535 Jaffe Rd, Causeway Bay, Hong Kong	Hong Kong	100%

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Specialist Engineering Services Private Limited (1)	CB-15, A Wing 8th Floor, Reliable Tech Park, Behind Reliable Plaza, Thane - Belapur Road, Airoli, Navi Mumbai, Thane, Maharashtra, India, 400708	India	100%
PT NES Global Technical Consultant (1)	Cyber 2 Tower, 18th Floor, Jl. H.R. Rasuna Said Blok X-5 Kav, 13 Jakarta 12950, Indonesia	Indonesia	95%
PT NES Global Teknik (1)	Cyber 2 Tower, 18th Floor, Jl. H.R. Rasuna Said Blok X-5 Kav, 13 Jakarta 12950, Indonesia	Indonesia	70%
Al Mazaya General Services & Manpower Recruitment for Iraqis, Arabs & Foreigners LLC (1)	Al Rubaie Street, Al Zaytouna Building, Al Mazaya, Flat 21, Al Rubaie Street, Al Zaytouna Building, Baghdad, Iraq	Iraq	100%
NES Global for Recruitment of Foreign Manpower Limited (1)	100 St Italian Village, Villa 404, Erbil, Kurdistan, Iraq	Iraq	100%
North Eagle Star for General Services & Manpower recruitment for Foreigners, Arabs & Iraqis, LLC (1)	Adhamiya district, Floria Commercial Complex, Fourth Floor, Flat No 6, Baghdad, Iraq	Iraq	100%
NES Global Talent Limited (1)	The Black Church, St. Mary's Place, Dublin, D07 P4AX, Ireland	Ireland	100%
NES Fircroft Co., Limited (1)	6F Sanno 2-1-2, Ota-Ku, Tokyo 143-0023, Japan	Japan	100%
NES Global Talent KK (1)	Level 6, Fukumatsu Bldg, 7-1 Sumiyoshicho, Shinjuku-ku, Tokyo, Japan	Japan	100%
NES Polarities Co., Limited (1)	4F Omori-Kita 1-14-1, Ota-Ku, Tokyo 143-0016, Japan	Japan	100%
Fircroft Kenya Limited (1)	145805, 6th Floor, Delta Corner, PWC Tower, Nairobi, 00800Kenya	Kenya	100%
NES Global Talent for Project Management WLL (1)	Unit No. 12, Eastern Plaza Complex, Plot No. 42, Block 8, East Ahmadi, Kuwait	Kuwait	49%
NES Global Technical Consultants Sdn. Bhd. (1)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	70%
Fircroft Malaysia Sdn. Bhd. (2)	Unit 30-01, Level 30, Tower A The Vertical Business Suite Avenue, 8, Jalan Kerinchi Bangsar South 59200 Kuala Lumpur, Malaysia	Malaysia	100%
NES Global Talent Sdn. Bhd. (2)	Unit C-12-4, Level 12 Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur, Malaysia	Malaysia	100%
Agensi Pekerjaan NES Global Talent Sdn. Bhd. (1)	Unit C-12-4, Level 12, Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, Kuala Lumpur	Malaysia	49%
NES Global Sdn. Bhd. (1)	Unit C-12-4, Level 12, Block C, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450, Kuala Lumpur Wilayah Persekutuan	Malaysia	30%

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent S. de R.L. de C.V. (1)	Bosque de Ciruelos No.180 Piso 4, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de Mexico, 11700	Mexico	100%
NMEXSTAFF S. de R.L. de C.V.(1)	Bosque de Ciruelos No.180 Piso 4, Col. Bosque de las Lomas, Miguel Hidalgo, Ciudad de Mexico, 11700	Mexico	100%
Fircroft Mozambique Limitada (1)	Rua dos Desportistas, nº 833.Edifício JAT V-1, 15º andar Maputo, Mozambique	Mozambique	100%
North Eagle Star Limitada (1)	Bairro Central, Avenida Vladimir Lenine, no. 174, 1o andar, Edifício Millenium Park, Maputo, Mozambique	Mozambique	100%
NES Global (Myanmar) Private Limited (1)	No. 18/G/F, Tha Pyay Nyo Street, Shin Saw Pu Quarter, Sanchaung Township, Yangon, Myanmar	Myanmar	100%
NES Global Limited (1)	Vero House, Level 2, 10 Devon Street East, PO Box 8262, New Plymouth Central, 4342, New Zealand	New Zealand	100%
NES Global Talent Nigeria Limited (1)	4th Floor, Coscharis Building, 68A Adeola Odeku Street, Victoria Island, Lagos, Nigeria	Nigeria	49%
NES Advantage Solutions AS (1)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Advantage Solutions Group AS (2)	Snarøyveien 36, 1364 Fornebu, Norway	Norway	100%
NES Global Management AS (1)	Trallfa Twin Farm, Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Offshore AS (1)	Trallfa Twin Farm, Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Norge AS (1)	Trallfa Twin Farm, Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Global Talent Norway Holdings AS (1)	Trallfa Twin Farm, Luramyrvæien 40, 4313 Sandnes, Norway	Norway	100%
NES Global LLC (1)	Office A410, Al Assalah Towers, South Ghubrah, PO Box 199, Muscat, Oman	Oman	70%
New Eagle Services (1)	1st Floor Office No. BAZ-104 Al-Baz Commercial Centre Salalah, Oman	Oman	100%
New East Services Distinctive LLC (1)	Office A410, Al Assalah Towers South Ghubrah PO Box 199 Al Khuwair Muscat, Oman	Oman	100%
NES Global Limited (1)	Pacific Palms, Level 1, Harbourside West Building, Stanley Esplanade, PO Box 1140, Port Moresby, NCD, Papua New Guinea	Papua New Guinea	100%

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Talent Sp. z.o.o.(1)	ul. Grzybowska 5a, 00-132, Warszawa, Polska	Poland	100%
Fircroft Portugal Limitada (2)	Rua Afonso Praça, nº 30, 1º D, 1495 – 061 Alges, Lisboa, Portugal	Portugal	100%
Fircroft Qatar LLC (6)	Office No. 1101, 11th Floor, Marina Twin Towers, Lusail, PO BOX 200183, DOHA, QATAR	Qatar	49%
NES Overseas Qatar WLL (1)	Floor 4, Office 3, Burj Al Gassar, Majlis Al Taawon Street, West Bay, PO Box 24530, Doha, Qatar	Qatar	49%
Fircroft LLC (1)	Workplace 2t, Room V, Building 12/9, 1 Tekstilshchikov Street, Tekstilshchiki Municipal Districtm Moscow, 109390, Russia	Russia	100%
NES Global Arabia Company Limited (1)	Al Turki Business Park,9th Floor, 7448 King Saud, Ad Dawhah Al Janubiyah Dist, 34455, Dhahran, Kingdom of Saudi Arabia	Saudi Arabia	55%
NES Global Private Limited (1)	20-02, 61 Robinson Road, Singapore, 068893, Singapore	Singapore	100%
Fircroft South Africa Pty Limited (1)	Lynnwood Bridge, 4 Davenry Street, Lynnwood Manor, Pretoria, 0081, Republic of South Africa	South Africa	100%
NES Global South Africa Pty Limited (1)	C/o Deloitte & Touche, Deloitte Place, Building 4, The Woodlands, 20 Woodlands Drive, Woodmead, 2052, South Africa	South Africa	100%
NES Global Korea Yuhan Hoesa (1)	302, Okpo-ro, 189, Geoje-Si, Gyeongsangnam-do, 53228, South Korea	South Korea	100%
NES Global Talent Suisse AG (1)	Seefeldstrasse 69 Zurich 8008 Switzerland	Switzerland	100%
NES Global Talent Taiwan Co. Limited (1)	10F, No. 156, Section 3, Minsheng East Road, Songshan District, Taipei City 105, Taiwan	Taiwan	100%
Fircroft Tanzania Limited (1)	357 United Nations Road, Dar es Sallam, 11102, Tanzania	Tanzania	100%
NES Global (East Africa) Limited (1)	Plot no 211 Chabruma street, Kinondoni District, P.O. BOX 4524, Dar es Salaam, Tanzania	Tanzania	100%
NES Fircroft Recruitment (Thailand) Co. Limited (1)	No. 399 Interchange Tower, 35th Floorm Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	49%
NES Fircroft Engineering (Thailand) Co. Limited (2)	399 Interchange Building, 35th Floor, Sukhumvit Road, Klongtoey-Nua, Wattana, Bangkok, 10900, Thailand	Thailand	49%
NES Fircroft (Thailand) Co. Limited	No. 399 Interchange Tower, 35th Floorm Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	49%

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
Northern Engineering Services (Thailand) Company Limited (1)	No. 399 Interchange Tower, 35th Floor Sukhumvit Road, Khlong Toei Nuea, Sub-district, Vadhana district, Bangkok 10110, Thailand	Thailand	100%
NES Global B.V. (1)	Bredaseweg 8, 4844 CL Terheijden, Netherlands	The Netherlands	100%
Fircroft Trinidad Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad & Tobago	Trinidad & Tobago	100%
NES Global Talent Limited (1)	Maritime Centre, 2nd Floor, 29 Tenth Avenue, Barataria, Trinidad & Tobago	Trinidad & Tobago	100%
Aim Academy Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Fircroft Engineering Services Limited (1)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Italic Managed Solutions Limited (6)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
NES 2 Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Advantage Solutions Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Finance Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Limited (6)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Finco Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Global Talent Holdings Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Group Limited (7)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Holdings Limited (5)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES International Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES IT Limited (4)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Managed Services Limited (8)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Recruitment Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Trustees Limited (9)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES UK Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Engineering Services Limited (1)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NES Fircroft Limited (7)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
NESCO Holdings Limited (2)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
North Eagle Star Limited (3)	Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP	UK	100%
Professional Laboratory Services Limited (2)	Lingley House, 120 Birchwood Point, Birchwood Boulevard, Warrington, Cheshire, WA3 7QH	UK	100%
Fircroft Ukraine LLC (1)	35 Svitlytskoho, Office 108/4, 04123 Kyiv, Ukraine	Ukraine	100%
NES Global Energy Services DMCC (1)	Unit No. 409, Indigo Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates	United Arab Emirates	100%
NES Global Talent Recruitment Services – Sole Proprietorship LLC (1)	Office Unit 26-D2, Marina Square, Tamouh Tower, Al Reem Island, PO Box 63107, Abu Dhabi, United Arab Emirates	United Arab Emirates	100%
Bedrock Petroleum Consultants, LLC (1)	800 Gessner Road, Suite 800, Houston, Texas, 77024	USA	100%
Fircroft, Inc. (1)	800 Gesner Road, Suite 800, Houston, Texas, 77204, USA	USA	100%
NES Advantage Solutions Inc.(1)	800 Gesner Road, Suite 800, Houston, Texas, 77204, USA	USA	100%
NES Global Construction LLC (1)	800 Gessner Road, Suite 800, Houston, Texas, 77024	USA	100%
NES Global Downstream LLC (1)	800 Gessner Road, Suite 800, Houston, Texas, 77024	USA	100%
NES Global LLC (1)	800 Gessner Road, Suite 800, Houston, Texas, 77024, USA	USA	100%

Notes to the Company Financial Statements (Continued)

For the year ended 31 October 2023

Investments directly held	Address of registered office	Country of incorporation	Percentage ownership
NES Global Onshore Upstream, LLC (1)	800 Gessner Road, Suite 800, Houston, Texas, 77024	USA	100%
NES Global Talent US Inc. (5)	1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100%
Redbock LLC (1)	21684 Granada Avenue, Suite B, Cupertino, California, 95014, USA	USA	100%
NES Global Technical Consultants Vietnam Ltd (1)	Level 3, Residential and commercial complex and offices, 21 Vo Truong Toan Street, Thao Dien Ward, Thu Duc City, Ho Chi Minh City, Vietnam	Vietnam	100%

Principal activities of related undertakings:

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

All subsidiary undertakings have been included in the consolidation.