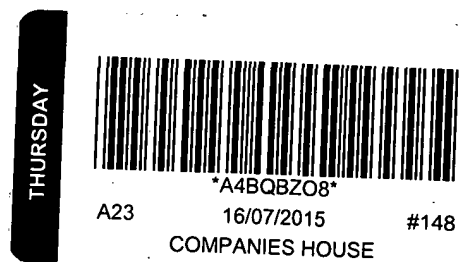


NES Global Talent Finance Limited

Annual report and financial statements
for the year ended 31 October 2014

Registered number: 08240401



Officers and professional advisers

DIRECTORS

S.W. Buckley

S.F. Coton

REGISTERED OFFICE

Station House

Stamford New Road

Altrincham

Cheshire

WA14 1EP

AUDITOR

Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester

United Kingdom

BANKERS

Credit Suisse

11 Madison Avenue

5th Floor

New York 10010-3629

USA

The Royal Bank of Scotland plc

1 Spinningfield Square

Manchester

M3 3AP

United Kingdom

HSBC Bank PLC

4 Hardman Square

Spinningfields

Manchester

M3 3EB

United Kingdom

Strategic report

For the year ended 31 October 2014

The directors present the strategic report on the company for the year ending 31 October 2014.

Principal activity and business model

The principal activities of the company are that of an intermediate holding company and to provide finance to subsidiary undertakings.

Strategy, objectives and future developments

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

Business review

The company made a loss of £16,818,000 in the year ended 31 October 2014 (2013: £4,572,000), due to the write off of an investment as a result of the capital reduction of NES Global Talent Holdco Limited. The balance sheet shows that the company has net liabilities of £20,382,000 (2013: £3,564,000) and is presented on page 8.

Principal risks and uncertainties

Financial risk

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

Liquidity risk relates to the company's ability to meet the cash flow requirements of the operations, while avoiding excessive levels of debt and/or breach of its debt covenants. The company's borrowings are principally in the form of intercompany loans and intercompany loan notes. The board closely monitors the amount of facilities drawn, particularly with respect to complying with all covenant restrictions.

The company has foreign currency denominated receivables and payables. Management continuously assesses the acknowledged exchange rate risk that the company is subject to at the present time. The company's exposure to exchange rate risk is continually monitored by management with appropriate steps taken to minimise the risk of adverse currency movements.

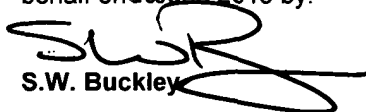
The company's credit risk is primarily attributable to its intercompany receivables, with the amounts presented in the balance sheet being net of allowances for doubtful receivables. The directors continuously review these balances for collectability and made adjustments as necessary.

These risks are kept under constant review.

Future outlook

Management expect the business to continue to act as a holding company and as a result will remain in a net liabilities position for the foreseeable future. As per the going concern paragraph on page 9, the company relies on parent company support to manage its working capital on a pooled basis across the group and distribute cash to its subsidiaries where required. The majority of the company's liabilities would be repaid using cash distributed from the parent company when required.

The strategic report of NES Global Talent Finance Limited was approved by the board of directors and signed on its behalf on 26 June 2015 by:



S.W. Buckley

Director

Directors' report

For the year ended 31 October 2014

The directors present their annual report on the affairs of the company, together with the audited statutory financial statements, for the year ended 31 October 2014.

Results and dividends

The audited financial statements for the year ended 31 October 2014 are set out on pages 7 to 17. The directors cannot recommend the payment of a dividend (2013: no dividend recommended).

Going concern

After making enquiries, and based on the assumptions outlined in note 1 to the financial statements, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

Matters included in the strategic report

In accordance with s414(C) (11) of the Companies Act, included in the strategic report is information relating to the future development of the business which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a directors' report.

Directors

The directors who served during the year and thereafter were:

S.W. Buckley

S.F. Coton

D.N. Tregarthen (resigned 30 April 2014)

Auditor

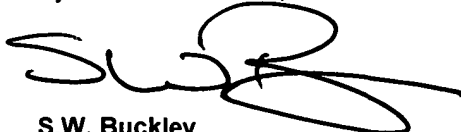
In the case of each of the persons who are directors of the company at the date when this report was approved:

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

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

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

By order of the Board,



S.W. Buckley
Director

26 June 2015

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NES GLOBALTALENT FINANCE LIMITED

We have audited the financial statements of NES Global Talent Finance Limited for the year ended 31 October 2014 which comprise the Profit and loss account, the Balance sheet, the Statement of total recognised gains and losses and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report and Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jane Boardman BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

26 June 2015

Profit and loss account

For the year ended 31 October 2014

	Notes	Year ended 31 October 2014 £'000	Thirteen month period ended 31 October 2013 £'000
Impairment of investment	7	(22,157)	-
Interest receivable and similar income	2	13,848	18,573
Interest payable and similar charges	3	(15,262)	(23,145)
Operating loss		(23,571)	(4,572)
Dividends receivable	4	6,753	-
Loss on ordinary activities before taxation	5	(16,818)	(4,572)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year/period	12, 13	(16,818)	(4,572)

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the loss for the financial year and prior financial period shown above. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

As at 31 October 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	7	<u>122,760</u>	<u>144,654</u>
Current assets			
Debtors	8	<u>27,675</u>	<u>13,871</u>
Creditors: Amounts falling due within one year	9	<u>(36,836)</u>	<u>(28,221)</u>
Net current liabilities		<u>(9,161)</u>	<u>(14,350)</u>
Total assets less current liabilities		113,599	130,304
Creditors: Amounts falling due after more than one year	10	<u>(133,981)</u>	<u>(133,868)</u>
Net liabilities		<u>(20,382)</u>	<u>(3,564)</u>
Capital and reserves			
Called-up share capital	11	1,000	1,000
Share premium account	12	8	8
Profit and loss account	12	<u>(21,390)</u>	<u>(4,572)</u>
Shareholder's deficit	13	<u>(20,382)</u>	<u>(3,564)</u>

The financial statements of NES Global Talent Finance Limited, registered company number 08240401, were approved by the board of directors and authorised for issue on 26 June 2015 and signed on its behalf by:



S.W. Buckley

Director

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

Notes to the financial statements

For the year ended 31 October 2014

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current year and the prior period, is set out below:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

The company has taken advantage of section 400 of the Companies Act 2006 in not producing consolidated financial statements, as it is a subsidiary of NES Global Talent Limited, which itself produces consolidated financial statements.

b) Going concern

The performance, financial position and the key risks impacting the company are detailed in the Directors' report on pages 2 to 3. The company is a subsidiary of NES Global Talent Limited, which manages its working capital on a pooled basis across the group. Based on the strong trading relationship between this company and the parent company, the directors of this company have sought and received a confirmation from the parent company that it will provide support as may be necessary for the foreseeable future, which is a period of at least twelve months from the date of signing these financial statements. As a result, notwithstanding the net liabilities position of \$20,382,000, the financial statements are prepared on a going concern basis. In relying on this parent company support, the directors of this company are cognisant of the following going concern disclosure which appears in the financial statements of NES Global Talent Limited for the year ended 31 October 2014.

"The Group manages its day-to-day working capital requirements through short and medium term credit facilities. At 31 October 2014, these facilities consisted of a \$60 million (£36 million) revolving credit facility, \$57 million (£36 million) of invoice discounting facilities and \$180 million (£113 million) senior term loan. The bank facilities are subject to covenant restrictions and no covenant breaches have occurred in the year under review.

In addition to the bank facilities the Group has \$266 million (£166 million) of loan notes which cause the Group to be in a net liability position at 31 October 2014 but are not due for repayment until 2032. 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. The majority of the Group's facilities are not repayable until 2019. Therefore the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements."

c) Investments

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

Notes to the financial statements (continued)

For the year ended 31 October 2014

Accounting policies (continued)

d) *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and law that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

e) *Finance costs*

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

f) *Cash flow statement*

The company has taken advantage of the exemption provided by FRS 1 and has not prepared a cash flow statement for the year as the financial statements of NES Global Talent Limited, the ultimate parent company, include a consolidated cash flow statement.

2 Interest receivable and similar income

	Year ended 31 October 2014 £'000	Thirteen month period ended 31 October 2013 £'000
Interest on loan notes	-	599
Interest on subordinated preference certificates	13,624	17,974
Foreign exchange gains on loan note retranslations	224	-
	<u>13,848</u>	<u>18,573</u>

Notes to the financial statements (continued)

For the year ended 31 October 2014

3 Interest payable and similar charges

	Year ended 31 October 2014 £'000	Thirteen month period ended 31 October 2013 £'000
Interest on loan notes	15,086	20,015
Amortisation of finance costs	176	189
Foreign exchange losses on loan note retranslations	-	2,941
	<u>15,262</u>	<u>23,145</u>

4 Dividend receivable

On 25 November 2013 a dividend of £6,753,000 was received from NES Global Talent Holdco Limited.

5 Loss on ordinary activities before taxation

The auditor's remuneration for the audit of the company's financial statements pursuant to legislation of £1,000 (thirteen month period ended 31 October 2013: £1,000) has been borne by NES Group Limited, a fellow group undertaking, without any right of reimbursement. There were no non-audit services provided by the auditor in the year. 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. This is because fair apportionment is not possible.

6 Tax on loss on ordinary activities

The differences between the total current tax of £nil (thirteen month period ended 31 October 2013: £nil) and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	<u>(16,818)</u>	<u>(4,572)</u>
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 21.8% (2013: 23.5%)	(3,666)	(1,070)
Effects of:		
Expenses not deductible for tax purposes	8,119	3,278
Income not taxable for tax purposes	(1,492)	-
Group relief claimed for nil consideration	(2,961)	(2,208)
Current tax charge for the year	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

For the year ended 31 October 2014

7 Fixed asset investments

	Subordinated preference certificates £'000	Subsidiary undertakings £'000	Total £'000
Cost and net book value			
At 1 November 2013	122,497	22,157	144,654
Exchange rate movements	263	-	263
Impairment	-	(22,157)	(22,157)
At 31 October 2014	<u>122,760</u>	<u>-</u>	<u>122,760</u>

On 19 October 2012 NES Global Talent Finance Limited invested in a £2,710,054,000 subordinated preference certificate 2042 issued at an initial price of £155,309,000 and a \$565,397,000 subordinated preference certificate 2042 issued at an initial price of \$32,402,000. The issuer, NES Global Talent Holdco Limited, may redeem these at any time at the GBP redemption price and/or the USD redemption price, as applicable.

As at 1 November 2013, the amounts outstanding on the subordinated preference certificate were £108,573,000 and \$22,652,000 (£13,924,000). No payments were received during the year.

The interest accrued on these subordinated preference certificates during the year was £13,624,000. Interest accrued at the balance sheet date was £26,486,000. The remaining principal on the certificates as at the balance sheet date was £108,573,000 and \$22,652,000 (£14,187,000).

On 25 November 2013, a capital reduction took place whereby the share capital of NES Global Talent Holdco Limited, a subsidiary of the company, was reduced to £1 and its share premium was eliminated. As a result the investment has been impaired to the value of the remaining share capital held of £1.

NES Global Talent Holdco Limited is a company incorporated in England and Wales whose principal activity is that of an intermediate holding company. NES Global Talent Holdco Limited is wholly owned subsidiary of NES Global Talent Limited. A list of the material subsidiaries owned by NES Global Talent Limited is included in the financial statements of that company.

Notes to the financial statements (continued)

For the year ended 31 October 2014

8 Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Interest receivable on subordinated preference certificates	26,486	12,862
Amounts owed by group undertakings	1,189	1,009
	<u>27,675</u>	<u>13,871</u>

9 Creditors: Amounts falling due within one year

	2014 £'000	2013 £'000
Unsecured listed A loan notes (see note 10)	26,486	12,862
Unsecured listed B loan notes (see note 10)	2,888	1,449
Amounts owed to group undertakings	7,546	13,796
Capitalised costs of raising finance (see note 10)	(176)	(176)
Accruals	92	290
	<u>36,836</u>	<u>28,221</u>

Notes to the financial statements (continued)

For the year ended 31 October 2014

10 Creditors: Amounts falling due after more than one year

	2014 £'000	2013 £'000
Unsecured listed A loan notes	122,760	122,704
Unsecured B loan notes	14,218	14,337
Capitalised costs of raising finance	(2,997)	(3,173)
	<u>133,981</u>	<u>133,868</u>

On 19 October 2012 NES Global Talent Finance Limited issued an unsecured A loan note instrument totalling £122,704,000. These loan notes were listed on the Channel Islands Stock Exchange on the 11 December 2012. The loan notes are denominated in sterling £108,573,000, and US dollars \$22,652,000. They were issued in five equal tranches for both the sterling and US dollar denominated loan notes. The loan note instruments are due for repayment in 2032 and attract interest at varying rates between 9.5% and 10.5% depending on the tranche of loan. Payment of interest due on the A loan notes can be made in cash, settled by the issue of PIK notes or deferred until any subsequent interest payment date, with the deferred interest being added to the aggregate nominal amount and interest being payable on the new aggregate sum.

During the year, £13,624,000 interest was accrued on the unsecured A loan notes. No capital repayments were made during the year. The interest accrued on the unsecured A loan notes at the balance sheet date is £26,486,000, and the remaining principal at the balance sheet date was £108,573,000 and US\$22,652,000 (£14,187,000).

On 4 October 2013 NES Global Talent Finance Limited issued an unsecured B loan notes instrument totalling £14,337,000. The loan notes attract interest at the rate of 10% per annum and are due for repayment in 2032. Payment of interest due on these B loan notes can be made in cash or deferred until any subsequent interest payment date, with the deferred interest being added to the aggregate nominal amount and interest being payable on the new aggregate sum.

During the year NES Global Talent Finance Limited repaid interest and principal in respect of the unsecured B loan notes. In total NES Global Talent Finance Limited repaid £21,000 interest and £119,000 of the principal amount of the B Loan notes. The remaining principal at the balance sheet date was £14,218,000. The interest accrued on these unsecured B loan notes during the year was £1,460,000. Total interest accrued at the balance sheet date was £2,888,000.

The unsecured A loan notes and unsecured B loan notes are stated net of allocated costs of raising finance of £3,173,000 as at the balance sheet date (2013: £3,349,000), of which £176,000 (2013: £176,000) is included in creditors due within one year. During the year £176,000 was amortised to the profit and loss account (2013: £176,000).

Notes to the financial statements (continued)

For the year ended 31 October 2014

10 Creditors: Amounts falling due after more than one year (continued)

Borrowings are repayable as follows:

	2014 £'000	2013 £'000
Unsecured A loan notes		
Less than one year	26,486	12,862
Between two and five years	-	-
Greater than five years	122,760	122,704
	<u>149,246</u>	<u>135,566</u>
Unsecured B loan notes		
Less than one year	2,888	1,449
Between two and five years	-	-
Greater than five years	14,218	14,337
	<u>17,106</u>	<u>15,786</u>
Capitalised costs of raising finance		
Less than one year	(176)	(176)
Between two and five years	(705)	(705)
Greater than five years	(2,292)	(2,468)
	<u>(3,173)</u>	<u>(3,349)</u>
Total borrowings		
Less than one year	29,198	14,135
Between two and five years	(705)	(705)
Greater than five years	134,686	134,573
	<u>163,179</u>	<u>148,003</u>
11 Called-up share capital		
	2014	2013
	£	£
<i>Allotted, called-up and fully-paid</i>		
1,000,451 ordinary shares of £1 each	<u>1,000,451</u>	<u>1,000,451</u>

Notes to the financial statements (continued)

For the year ended 31 October 2014

12 Reserves

	Share premium account £'000	Profit and loss account £'000
Cost and net book value		
At 31 October 2013	8	(4,572)
Loss for the financial year	-	(16,818)
At 31 October 2014	<u>8</u>	<u>(21,390)</u>

13 Reconciliation of movements in shareholder's deficit

	Year ended 31 October 2014 £'000	Thirteen month period ended 31 October 2013 £'000
Loss for the financial year/period	(16,818)	(4,572)
Share capital issued in the period	-	1,000
Share premium	-	8
Net increase in shareholder's deficit	<u>(16,818)</u>	<u>(3,564)</u>
Opening shareholder's deficit	(3,564)	-
Closing shareholder's deficit	<u>(20,382)</u>	<u>(3,564)</u>

14 Guarantees and other financial commitments

The company has entered into a joint guarantee and indemnity in respect of bank facilities granted to subsidiaries amounting to £6,009,000 at 31 October 2014.

Notes to the financial statements (continued)

For the year ended 31 October 2014

15 Related parties

The company has taken advantage of the exemption available in FRS 8 'Related Party Disclosures' not to disclose transactions with fellow group companies where ownership is 90% or more.

16 Ultimate parent company

The directors consider NES Global Talent Limited, a company incorporated in England and Wales, to be the company's ultimate parent company. NES Global Talent Limited is wholly owned by NES Global Talent LP, a Scottish limited partnership, of which the limited partners are funds managed and advised by AEA Investors LP, certain co-investors and management. The general partner of NES Global Talent LP is NES Global Talent GP Limited which is controlled by AEA Management (Cayman) Limited.

NES Global Talent Limited is the parent company of the largest and smallest group for which group financial statements as at 31 October 2014 are drawn up. Copies of the financial statements are available from Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.