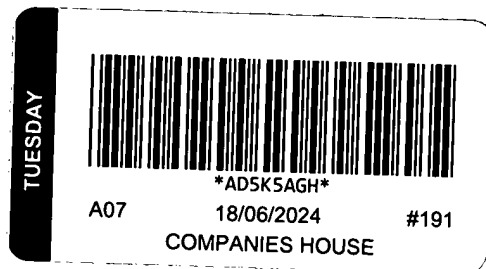


Company Registration Number: 03303053 (England and Wales)

NSC GLOBAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023



NSC Global Limited
Company Information
For the year ended 31 October 2023

Directors:

Y Khan
R Pursell

Company Number:

03303053

Registered Office:

3rd Floor West Building
1 London Bridge
London
SE1 9BG

Auditor:

Frazier & Deeter (UK Audit) LLP
20 St Dunstan's Hill
London
EC3R 8HL

Bankers:

Barclays Bank Plc
8 George Street
Richmond
Surrey
TW9 1QS

Citibank UK
Citigroup Centre
33 Canada Square
Canary Wharf
London
E14 5LB

NSC Global Limited
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NSC Global Limited
Strategic Report
For the year ended 31 October 2023

The directors present their strategic report for NSC Global Limited (the "Company") for the year ended 31 October 2023.

The principal activity of the Company during the year continues to be the development of communication infrastructures for a target set of global clients in the Technology, Media and Telecommunications sectors, through the commoditisation of solutions centred on our unique "sell-to" and "sell-through" strategies.

Our core values remain being nimble, customer focused and disciplined. We remain committed to further codify and entrench these values of being entrepreneurial, energetic and trusted partners within the organisation in our effort to create a systematic and sustainable base upon which to grow. The Company is wholly owned subsidiary of NSC Group PLC (the "Group").

The Company has had another good year in 2023. A number of initiatives focusing on productivity and project performance has continued the recent trend of improving profitability. All profitability measures have increased in the year with gross margins increasing from 18.7% (£10.5m) in FY22 to 21.5% (£11.8m) in FY23. Operating profit has also increased from 2.8% in FY22 to 4.8% in FY23. There was a slight reduction in revenue, however, all our key customer relationships remain strong with a good pipeline of new business expected in FY24.

The Company remains a well-capitalised and liquid company with minimal exposure to bank debt. Cash and cash equivalents have increased from £0.4m in FY22 to £2.4m in FY23. In FY23, the Company declared a dividend of £12m (nil in FY22).

The business continues to focus on developing relationships with a small number of global market leading companies, focusing on our core strengths and delivering a world class customer service. The directors are confident that this will allow the business to continue to improve profitability, deliver growth, resilient cash flows and allow for investments in our key markets and products.

Key performance indicators

The directors consider the following to be the key performance indicators for the Company:

	2023	2022
Revenue £'000	55,035	55,907
Gross margin £'000	11,817	10,474
EBITDA £'000	5,014	3,904
Gross margin % <i>*Gross margin / Sales</i>	21.5%	18.7%
Operating profit % <i>*Operating profit / Sales</i>	4.8%	2.8%
Asset utilisation indicators		
Sales to working capital <i>*Sales / Net working capital</i>	1.0	0.8
Return on Capital Employed (ROCE) % <i>*Operating Profit / Net Assets</i>	10.4%	4.3%
Liquidity indicators		
Day sales outstanding <i>*(Trade debtors / Sales)*365</i>	87	56
Days payable outstanding <i>*(Trade creditors / Cost of sales)*365</i>	90	82
Current ratio <i>*Current assets / Current liabilities</i>	2.5	2.3
Quick ratio <i>*(Current assets - Inventories) / Current liabilities</i>	2.5	2.3
Debt to Equity ratio <i>*Total liabilities / Shareholders equity</i>	3.3	2.7

NSC Global Limited
Strategic Report
For the year ended 31 October 2023

Financial instruments

The principal financial instruments of the Company comprise bank balances, bank and other borrowings, trade receivables and trade payables. The main purpose is to raise funds for the Company's operations.

Liquidity risk

The Company's policy on liquidity risk is to ensure that significant cash is available to fund ongoing operations. The ultimate holding company has borrowing facilities which are principally provided by a revolving credit facility, trade loans and vendor financing. These are regularly reviewed to ensure that the available facilities exceed forecast gross debt levels. The Company continues to avail itself of the Group borrowing facilities which consist of a £20.0 million revolving credit facility with an initial term of 2 years. The facility includes the option, subject to bank approval, to extend the credit amount by a further £15m and the term by an additional 2 years.

The Company has shown that it continues to be a strong cash generative business.

Foreign currency risk

The Company's principal foreign currency exposure arises from trade with overseas companies. The Company manages its exposure by using foreign currency accounts.

Credit risk

The Company's maximum exposure to credit risk in relation to financial assets is represented by bank balances and cash, trade and other receivables. The Company manages the exposure by close control of these resources.

Credit payment risk

The Company's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal trade practices and provided a supplier performs in accordance with the agreement to abide by such terms. The Company's trade payables figure as at the balance sheet date was equivalent to 90 days (2022: 82 days) based on amounts invoiced by suppliers during the period.

Customer concentration risk

The Company continues to monitor customer concentration as part of risk management.

Going concern

As part of their assessment of the appropriateness of adopting the going concern basis when preparing the financial statements, the Directors have considered the current strength of the Company's liquidity, recent trading performance indicators and the potential impact of forecast scenarios on the Company's financial position over the next 12 months.

The Company meets its day-to-day working capital requirements through a revolving credit facility, trade loans, vendor financing and ongoing operating cashflows. The Group's forecasts and projections (which include the Company), taking account of possible changes in trading performance, show that the Company will be able to operate within the level of its current facility for a period of at least 12 months, with forecasts being prepared for 2 years from the year end. In September 2023, the Group renewed a revolving credit facility which has an initial term of 2 years which is accessible by the Company from its parent, NSC Group PLC. The Directors are confident this will meet working capital needs for the foreseeable future.

The Group, of which the Company is a part, has carried out detailed reverse stress testing in order to consider how much forecasts have to reduce by in order to cause cash constraints, and also to consider the likelihood of this scenario occurring. The business has also looked at the financial covenants around its renewed revolver facility to ensure there is not a breach that is forecast to occur in the forecast period of 2 years from the year end. In light of all of this analysis, the directors are comfortable that a scenario which would cause these cash restrictions is deemed to be remote and therefore not a realistic outcome to consider.

NSC Global Limited
Strategic Report
For the year ended 31 October 2023

Going concern (continued)

Taking this into account and that the Parent has provided a legally binding letter of support to the Company, which the Company's directors also deem is an enforceable commitment and that the support will be forthcoming should it be required, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disabled employees

The Company considers applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the period, the policy of providing employees with information about the Company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Greenhouse gas emissions

The following table summarises our greenhouse gas emissions, together with our energy usage for the year ended October 2023. The Company has an office and a warehouse, with no gas usage or vehicles. The following information has been taken from the energy consumed in these locations and converted to CO_{2e} using the conversion factors published by the Department for Business, Energy and Industrial Strategy. Of the values below, 7% have been estimated as some electricity bills have had to be prorated to match the financial year, subject to audit.

	2023	2022
Scope 1: Direct emissions Tonnes of CO _{2e}	-	-
Scope 2: Indirect emissions Tonnes of CO _{2e} (Purchased electricity for own use)	52.74	55.15
Intensity Measure		
Emissions per full time UK employee equivalent (Tonnes of CO _{2e} / FTE)	0.25	0.23
Energy consumption in the UK (KWh)	254,712	285,174

We have also chosen to report emissions per FTE as our intensity measure as we believe this is the best indicator for the Company.

Electricity usage for the UK offices has reduced in the year as we have moved to a hybrid working model with most employees working from both home and office.

NSC Global Limited
Strategic Report
For the year ended 31 October 2023

Outlook

Since the inception of the Company, it has remained focused on a few chosen clients, albeit some of the largest organisations in the world who are the most dominant in their sectors. Whilst the competition has focused on technology differentiation, the Company has continued to do the opposite in focusing on helping out clients increase utilisation and improve efficiency on assets employed in the managed services space. In particular, the key success factors will be attributable to the following:

- Increasing global coverage;
- Quality of delivery;
- Reliability;
- Further strengthening of our relationships with clients and partners;
- Responsiveness; and
- Innovation

Global organisational consumption has changed; the desire for multi-national coverage, with consistency across multiple cultural and legislative hurdles, combined with the need to save costs, has played directly into the Company's hands. In particular, with the chosen verticals, the Company has enabled its clients to "sell" the value of their brand, whilst using our speed, geographic alignment and reliability. The Company continues to innovate, differentiate and adapt its offerings to further its capabilities with its clients.

Over the past five years, the Company has seen a huge shift from the resale of technology to the delivery of a range of core services. In particular, the delivery of Managed Resourcing, Transformation Services and a variety of Global Field Services. As we continue to grow and evolve further into a people-centric business, there is an ongoing investment into further expanding our human capital capabilities.

The Company's outlook is still positive following key new client wins subsequent to the year-end which are continuing to onboard. The Directors are confident of improving revenues and margins in the following years. We still have a healthy pipeline which will continue to contribute to annual growth. The long-term revolving credit facility renewed in December 2021 will help support the business. We remain committed to investing profits back into the business to increase operational efficiency of our workforce and thus further enhance the quality of our outputs. Thus, as an owner-managed business the focus remains to deliver controlled growth of a truly global differentiator, alongside enhancing the way solutions are delivered to ensure scalability and continuous improvement aligned to our core values.

On behalf of the Directors



Y Khan

Director

Date: 25 April 2024

NSC Global Limited
Directors Report
For the year ended 31 October 2023

The Directors present their annual report and financial statements for the year ended 31 October 2023.

Results and dividends

The results for the year are set out on page 11.

The operating profit amounted to £2.6 million (2022: £1.6 million).

Profit after tax for the year of £1.2 million (2022: £1.2 million) reflects a £73k increase on last year's performance.

The Company has paid a dividend of £12m in the current year (2022: £nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Y Khan

S Groeger (resigned 10th March 2023)

R Pursell (appointed 10th March 2023)

Strategic Report

The Company has chosen in accordance with Section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014 to set out within the Company's Strategic Report the Company's Strategic Report information required by Schedule 7 of the large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review. In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014 the Strategic Report preceding the Directors' Report includes information that would have formerly been included in the business review of the Directors' Report.

Statement of Compliance with Section 172 of the Companies Act

Under section 172(1) of the Companies Act 2006, the Directors of a company have a duty to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long-term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

The Directors of the Company have considered the above matters in the following specific ways:

- Prepared forecasts considering liquidity and trading performance, along with reverse stress testing and consideration of the required credit facility, as detailed in the Strategic Report on Page 2;
- Engaged with employees with live presentations to all employees as detailed in the Strategic Report on Page 3;

NSC Global Limited
Directors Report
For the year ended 31 October 2023

Statement of Compliance with Section 172 of the Companies Act (continued)

- Continue to develop partnerships with trusted suppliers and customers, utilising our unique "sell-to" and "sell through" strategies, as detailed in the Strategic Report on Page 1;
- Taken steps to reduce our energy consumption and greenhouse gas emission as detailed in the Strategic Report on Page 3;
- Maintained focus on building relationships with a small group of core customers and suppliers as detailed in the Strategic Report on Page 4; and
- Given full consideration to ensuring access for disabled employees as detailed in the Strategic Report on Page 3.

During the year ended 31 October 2023, the key decision considered to be of strategic importance by the board was:

- To primarily use the cash generated in the year to reduce borrowing to ensure financial stability.

The key stakeholders considered as part of the decision-making process were the Company's shareholders, employees, customers, suppliers, and financing partners.

The decisions were made by the board after considering forecasts, available funds, and in discussion with the providers of the Groups credit facilities. No other stakeholders were consulted as they were considered to only be positively impacted by the decisions taken.

The long-term effects of these decisions are to ensure the future financial stability and success of the Company.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information which the auditor is unaware.

Frazier & Deeter (UK Audit) LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting. Appointed in accordance with section 485 of the Companies House Act 2006.

On behalf of the board



Y Khan
Director

Date: 25 April 2024

NSC Global Limited
Statement of Directors' Responsibilities
For the year ended 31 October 2023

The directors are responsible for preparing the strategic report, the directors' 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 to the Members of NSC Global Limited

Opinion

We have audited the financial statements of NSC Global Limited ("the Company") for the year ended 31 October 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee the company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Strategic and Directors' report

The directors are responsible for the strategic report and the directors' report contained within the annual report. Our opinion on the financial statements does not cover this report and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the strategic and the directors' report and, in doing so, consider whether the information therein is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement in the directors' report, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of NSC Global Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Under the Companies Act 2006 we are required 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;

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation) and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected noncompliance.

Independent Auditor's Report to the Members of NSC Global Limited

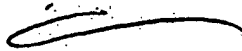
We assessed the risks of material misstatement in respect of fraud through reading board minutes and using analytical procedures to identify any unusual or unexpected relationships, alongside enquiring of directors and other management as to the company's high level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud. We also performed procedures including identifying journal entries to test based on a risk assessment and comparing the identified entries to supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities due to fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Peter Hine (Senior Statutory Auditor)

For and on behalf of Frazier & Deeter (UK Audit) LLP, Statutory Auditor
20 St Dunstan's Hill
London
EC3R 8HL
25 April 2024

NSC Global Limited
Statement of Comprehensive Income
For the year ended 31 October 2023

	Notes	2023 £' 000	2022 £' 000
Revenue	4	55,035	55,907
Cost of sales		(43,218)	(45,433)
Gross profit		11,817	10,474
Administrative expenses		(12,529)	(10,468)
Other income	5	3,327	1,544
Operating profit	6	2,615	1,550
Finance income	10	254	300
Finance costs	11	(1,314)	(473)
Profit on ordinary activities before taxation		1,555	1,377
Tax charge on profit on ordinary activities	12	(306)	(200)
Profit and total comprehensive income on ordinary activities for the year		1,249	1,177

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Notes 1 to 26 form part of these financial statements.

NSC Global Limited
Statement of Financial Position
For the year ended 31 October 2023

Company Registration Number: 03303053	Notes	2023 £' 000	2022 £' 000
ASSETS			
Non-current assets			
Property, plant and equipment	13	4,488	4,964
Intangible assets	14	3	17
Investments	15	11,426	11,426
Total non-current assets		15,917	16,407
Current assets			
Inventories	17	1,220	825
Trade and other receivables falling due after more than one year	18	53,191	53,235
Trade and other receivables falling due within one year	18	35,611	62,700
Cash and cash equivalents		2,412	431
Total current assets		92,434	117,191
LIABILITIES			
Current liabilities			
Trade and other payables	19	34,653	50,227
Taxation and social security		1,774	491
Total current liabilities		36,427	50,718
Net current assets		56,007	66,473
Total assets less current liabilities		71,924	82,880
Non-current liabilities			
Trade and other payables	19	46,819	47,024
Total non-current liabilities		46,819	47,024
Total liabilities		83,246	97,742
Net assets		25,105	35,856
CAPITAL AND RESERVES			
Called up share capital	21	20	20
Share premium account	22	3,167	3,167
Retained Earnings		21,918	32,669
Total Equity		25,105	35,856

These financial statements were approved by the Board of Directors and authorised for issue on 25 April 2024 and are signed on its behalf by:

Y Khan
Director



Notes 1 to 26 form part of these financial statements.

NSC Global Limited
Statement of Changes in Equity
For the year ended 31 October 2023

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balances as at 31 October 2021	20	3,167	31,492	34,679
Profit and total comprehensive income for the year	-	-	1,177	1,177
Balances as at 31 October 2022	20	3,167	32,669	35,856
Profit and total comprehensive income for the year	-	-	1,249	1,249
Dividends Paid	-	-	(12,000)	(12,000)
Balances as at 31 October 2023	20	3,167	21,918	25,105

Notes 1 to 26 form part of these financial statements.

The retained earnings reserve contains the net gains and losses recognised in the Statement of comprehensive income.

NSC Global Limited
Notes to the Financial Statements
For the year ended 31 October 2023

1 Accounting policies

Company information

NSC Global Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor West Building, 1 London Bridge, London SE1 9BG.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 110 and 113 (a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue Recognition;
- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of NSC Group Plc in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- The maturity analysis of lease liabilities, as required by paragraph 58 of IFRS 16 Leases, has not been disclosed separately as details of indebtedness required by Companies Act has been presented separately for lease liabilities in note 23.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

1 Accounting policies (continued)

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of NSC Group Plc. The group accounts of NSC Group Plc are available to the public and can be obtained as set out in note 26.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

1.2 Going concern

The Company meets its day-to-day working capital requirements through a revolving credit facility, trade loans, vendor financing and ongoing operating cashflows. The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Company will be able to operate within the level of its current facility. In December 2021, the Group obtained a revolving credit facility which has an initial term of 2 years which is accessible by the Company from its parent. The Directors are confident this will meet working capital needs for the foreseeable future.

The Company continues to generate cash and reduce the levels of borrowing on its credit facilities. The Company has significant headroom on its credit facilities, as well as continuing to perform well within the facilities covenants.

The Group, of which the Company is a part has carried out reverse stress testing in order to consider how much forecasts have to reduce by in order to cause cash constraints, and also to consider the likelihood of this scenario occurring.

The Group has also looked at the financial covenants around its revolver facility to ensure there is not a breach that is likely to occur in the forecast period. Considering all of this analysis, the directors are comfortable that a scenario which would cause these cash restrictions is deemed to be remote and therefore not a realistic outcome to consider.

Taking this into consideration and the fact that the Parent has provided the Company with a letter of support, which the Company's directors also deem is an enforceable commitment and that the support will be forthcoming should it be required, the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

1 Accounting policies (continued)

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when the relevant performance obligation is satisfied and it transfers control over a product or service to a customer in terms of the 5-step model prescribed by IFRS 15.

A contract with a customer exists when the Company has an enforceable contract with the customer that defines each party's rights regarding goods and services to be transferred and identifies payment terms related to these goods and services; the contract has commercial substance and the Company determines that collection of substantially all consideration for goods and services that are transferred is probable based on the customer's intent and ability to pay the promised consideration. Performance obligations promised in the contract that are identifiable and capable of being distinct. When a contract includes multiple performance obligations, the Company applies judgement in determining whether these products/ services are capable of being distinct and if not are accounted for as a combination of performance obligations.

The transaction price is determined based on the consideration the Company is entitled to receive, net of any variable consideration from rebates and discounts. The transaction price is allocated to the identified, distinct performance obligations.

Recognition of revenue when the company satisfies the performance obligation

The following is a description of principal activities – separated by reportable segments – from which the Company generates its revenue.

Products

Procurement & Logistic Solutions (PLS) is the global procurement, staging, storage and delivery of equipment including hardware and software.

The Company recognises revenue from the sale of product at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The amount of revenue recognised for the products is that of the selling price clearly stated for the identifiable product on the contract with the customer.

Services

The Company provides services under 5 main reporting segments, namely:

- Transformational Services (TS) where revenue is generated by providing customers with worldwide IT technology, resource and service transformations;
- Global Field Engineering Services (GFES), Global Customer Care (GOCC) & Global Client Service Delivery (GCSD) where on-site support services and short-term demand-based resourcing and the delivery of global client services include long term demand-based technical staffing and outcome-based IT project resourcing; and
- Operational Support Services (OSS) where revenue is generated through global maintenance and field engineering services.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

1 Accounting policies (continued)

Individual contracts are negotiated with the customer for the service to be provided. The performance obligations and transaction price are clearly defined and identifiable in the contracts. Revenue under service contracts are recognized with reference to the stage of completion of the contract which is determined as follows:

- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total;
- Cost of providing the service for the products sold, considering historical trends in the number of services actually provided on past goods sold;
- Revenue from time and material contracts are recognised at the contractual rates as labour hours are delivered and direct expenses incurred; and
- Revenue from fixed fee projects (mainly OSS) is recognised in a straight-line basis over the period of the contract as the customer simultaneously receives and consumes the benefits provided by the entity's performance over time

Bundle Services

In instances where a bundle is contracted it will relate to the combination of hardware (PLS) and maintenance (OSS) sales. The breakup of each component of these bundle sales will be evident on the contract and the company accounts for individual products and services separately. Each element on the contract is separately identifiable and a stand-alone selling price allocated to each product and service element.

1.4 Finance 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.

1.5 Finance costs

Finance costs are charges to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

1.6 Leased assets

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRS 4 and has reflected the adjustment in equity in the statement of changes in equity.

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; or
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

1 Accounting policies (continued)

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the income statement on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

1 Accounting policies (continued)

1.7 Intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The amortisation expense is included within the administration expense line of the income statement. Intangible assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

The significant intangibles recognised by the Company, their useful economic lives and the methods used to determine the cost of intangibles are as follows:

Intangible asset	Useful economic life	Valuation method
Customer relationships	Term of contract	Estimated discounted cash flow
Software	Term of licence	Estimated discounted cash flow

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company 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).

The recoverable amount is the higher of fair value less costs to sell and value in use. 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 immediately in the income statement.

Where an impairment loss is subsequently reversed 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 periods.

1.8 Foreign currencies

At each balance sheet date, monetary assets and liabilities that are denominated in currencies other than the entity's functional currency (foreign currencies) are retranslated at the rates prevailing at that date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the income statement for the period.

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.

1.9 Operating profit

Operating profit is stated after charging exceptional items but before finance income and finance costs.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

1 Accounting policies (continued)

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on estimated taxable profit for the period. 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 periods 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

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.

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.

1.11 Fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property	over the term of the lease
Fixtures and fittings	33.3% straight line
Capital spares	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Included in property, plant and equipment are capital spares which are usually purchased for use within a specific designated contract. These are initially recognised at cost in fixed assets and amortised over 3 years. Once a part is used as a replacement as part of a support contract, the net book value of the asset is depreciated over the remaining contract term.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

1 Accounting policies (continued)

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises of direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.13 Financial assets

Financial assets are recognised in Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Under IFRS 9 the classification of financial assets is based both on the business model and cash flow type under which the assets are held. There are three principal classification categories for financial assets: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. The Company has not classified any of its financial assets as fair value through other comprehensive income.

Amortised cost

These assets are non-derivative financial assets held under the 'held to collect' business model and attracting cash flows that are solely payments of principal and interest. They comprise trade and other receivables and cash and cash equivalents. They are initially measured at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade and other receivables are calculated using an expected credit loss model. Under this model, impairment provisions are recognised to reflect expected credit losses based on combination of historic and forward-looking information, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash, cash equivalents and investments

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. Investments comprise funds placed on short term deposits.

1.14 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities are stated at fair value with differences taken to the income statement. Interest on financial liabilities up to maturity is included in the finance costs line item in the income statement.

Trade and other payables

Trade payables and other payables are not interest bearing and are stated at their full value on initial recognition. For disclosure purposes, the fair values of trade and other payables are estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. As trade payables and other payables are short term in nature as at the reporting date, the carrying value is considered to be a reasonable approximation of fair value.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

1 Accounting policies (continued)

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised costs using the effective interest method, with interest recognised on an effective rate basis.

1.15 Retirement benefits: Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the Income Statement in the year to which they relate.

1.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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, considering the risks and uncertainties surrounding the obligation.

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.

1.17 Investments

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

2 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are 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 following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition

In the recognition of revenue from the sale of goods in accordance with the accounting policy, management consider the detailed criteria for the revenue recognition from the sale of goods set out in IFRS 15 Revenue recognition at the point in time when the relevant performance obligation is satisfied. The performance obligation is satisfied when goods have been transferred to the customer and the customer has obtained control of that asset.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

2 Critical accounting estimates and judgements (continued)

In the recognition of revenue from the sale of services in accordance with the accounting policy, management consider the detailed criteria for the revenue recognition from the sale of services set out in IFRS 15 Revenue recognition and whether the Company can measure the stage of completion of the transaction at the end of the reporting period reliably.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Valuation of inventories

The valuation of inventories includes provisions for any slow moving or obsolete stock, there is a provision that is based on an estimate of the age of inventories, any stock that becomes obsolete during the period is written off straight to the income statement.

Impairment of trade receivables

Management have followed the requirements of IFRS 9 in determining the impairment provision for trade receivables, being loss allowances for 'expected credit losses' (ECLs). The Company has applied the practical expedient in IFRS 9 of using a provision matrix to calculate ECLs. This requires the use of historical credit loss experience, as revealed for grouping of similar trade receivable assets, to estimate the relevant ECLs. However, during the last three-year period, the Company has recognised nil or highly immaterial credit losses, hence the Company has not made any adjustments to the expected credit loss provision during the year.

Probability of Contingent Liabilities and Provisions

Management estimates the probability of future liabilities based on current knowledge of legal and other proceedings, external advice obtained and historic conclusions to similar situations.

Deferred tax asset recoverability

Recognition of a deferred tax asset in respect of trading losses and accelerated capital allowances is based on the assessment of future profits around which there is always a degree of uncertainty (note 12).

3 Adoption of new and revised standards and changes in accounting policies

In the current year no new or revised Standards and Interpretations have been adopted by the Company.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

4 Revenue from Contracts with Customers

Disaggregation of revenue

The Company derives the following types of revenue:

	2023	2022
	£'000	£'000
Revenue from contracts with customers:-		
Sale of Product (point in time)	15,379	13,864
Sale of Services (over time):		
Operational Support Services	18,140	18,689
Global Client Service Delivery	10,120	14,645
Global Field Engineering Services	4,983	4,188
Transformational Services	6,413	4,521
	55,035	55,907

All revenue is generated in the United Kingdom. The following customers individually generate more than 10% of the Company's total revenue. Collectively, these customers generated 59% (2022: 46%) of the Company's total revenue. BP 31% (2022: 23%), Verizon 15% (2022: 8%) and Telefonica 13% (2022: 15%).

	2023	2022
	£'000	£'000
Balances from contracts with customers:-		
Trade receivables	13,126	9,117
Assets	1,460	1,801
Liabilities	(3,361)	(3,670)
	11,225	7,248

	Contract Assets	Contract Liabilities
	£'000	£'000
Opening Balance 1 November 2022	1,801	3,670
Transfer in the period from contract assets to trade receivables	(27,596)	
Amounts included in contract liabilities that were recognised as revenue during the period		23,280
Revenue accrued in advance of billing	27,255	
Amount of revenue deferred during the period		(23,589)
Closing balance 31 October 2023	1,460	3,361

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

4 Revenue from Contracts with Customers (continued)

Contract assets are initially recognised for revenue earned from performance obligations satisfied for services completed under the contract with the customer not yet billed.

Contract liabilities are initially recognised for billings in advance of fulfilment of the performance obligation.

5 Other income

	2023	2022
	£'000	£'000
Management fee	2,353	547
Other income	974	997
	3,327	1,544

6 Operating Profit

	2023	2022
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of property, plant and equipment	990	853
Depreciation of right-of-use assets	1,390	1,390
Amortisation of intangible assets	19	111
Costs of inventories recognised as an expense	12,800	12,642

7 Auditors remuneration

	2023	2022
	£'000	£'000
Fees payable to the company's auditor and associates:		
Audit of the financial statements of the company	42	39

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

8 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Sales	22	15
Commercial	20	19
Technical	138	159
Administration	44	43
Total	224	236

Their aggregate remuneration comprised:

	2023	2022
	£'000	£'000
Wages and salaries	15,096	14,715
Social security costs	1,445	1,548
Pension costs (note 20)	231	249
	16,773	16,512

9 Directors remuneration

	2023	2022
	£000	£000
Remuneration for qualifying services	509	600
Company pension contributions to defined contribution schemes	4	10
Total Directors' remuneration	513	610

	2023	2022
	£000	£000
Remuneration of highest paid director:	287	371
Total remuneration (excluding pension contributions)	287	371

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

10 Finance income

	2023	2022
	£'000	£'000
Interest receivable on bank facilities and loans	182	300
Foreign exchange	72	-
	254	300

11 Finance costs

	2023	2022
	£'000	£'000
Interest on lease liability	106	162
Interest on bank facilities and loans	1,208	303
Foreign exchange	-	8
	1,314	473

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

12 Taxation

	2023	2022
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	370	262
Other taxes		
Adjustments in respect of prior periods	(64)	(62)
Total UK tax	306	200

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2023	2022
	£'000	£'000
Profit before taxation	1,555	1,377
Expected tax charge based on a corporation tax rate of 22.5% (2022: 19%)	350	262
Tax effect of expenses that are not deductible in determining taxable profit	27	19
Adjustments in respect of prior years	(64)	(65)
Permanent capital allowances in excess of depreciation	15	3
Transition Adjustments	(22)	(19)
Taxation charge/(credit) for the year	306	200

As of 1 April 2023, the main rate of UK corporation tax increased from 19% to 25%. As the Company's financial year straddles this date, the blended corporation tax rate of 22.5% has been applied which has been calculated by apportioning the two tax rates on a weighted basis for the proportion of the financial year for which each rate was applicable.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

13 Property, plant and equipment

	Leasehold land and buildings	Fixtures and fittings	Capital spares	Right of Use Asset	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 31 October 2022	1,466	2,400	5,214	11,303	20,383
Additions	-	817	1,087	-	1,903
Disposals	-	-	-	-	-
At 31 October 2023	1,466	3,217	6,301	11,303	22,286
Accumulated depreciation and impairment					
At 31 October 2022	1,361	2,235	4,002	7,821	15,419
Charge for the year	71	233	686	1,390	2,380
Released on disposal	-	-	-	-	-
At 31 October 2023	1,432	2,468	4,688	9,211	17,799
Carrying amount					
At 31 October 2023	34	749	1,612	2,092	4,487
At 31 October 2022	105	165	1,212	3,482	4,964

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

14 Intangible assets

	Customer Relationships	Software	Total
	£'000	£'000	£'000
Cost			
At 31 October 2022	664	287	951
Additions - purchased	-	5	5
At 31 October 2023	664	292	956
Amortisation and impairment			
At 31 October 2022	664	270	934
Charge for the year	-	19	19
At 31 October 2023	664	289	953
Carrying amount			
At 31 October 2023	-	3	3
At 31 October 2022	-	17	17

15 Investments

	Shares in Group companies	Total
	£'000	£'000
Cost		
At 1 November 2022	11,614	11,614
At 31 October 2023	11,614	11,614
Amounts written off		
At 1 November 2022	188	188
At 31 October 2023	188	188
Net Book Value		
At 1 November 2022	11,426	11,426
At 31 October 2023	11,426	11,426

There are two subsidiaries of the Company with non-controlling interests which are immaterial to the Company and not separately disclosed.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

16 Subsidiaries

Details of the Company's subsidiaries at 31 October 2023 are as follows:

Name of undertaking	Country of Incorporation	Ownership interest (%)	Voting power held (%)	Registered Address
NSC Global Holdings, Inc. **	USA	100.00	100.00	418 Broadway, #4633, Albany, New York 12207, USA
NSC Global LLC ***	USA	100.00	100.00	418 Broadway, #4633, Albany, New York 12207, USA
NSC Global Managed Services LLC	USA	100.00	100.00	418 Broadway, #4633, Albany, New York 12207, USA
NSC Global Managed Resources LLC *	USA	100.00	100.00	418 Broadway, #4633, Albany, New York 12207, USA
NSC Global Holdings Limited	Cyprus	100.00	100.00	Office 201, 2 nd floor, 89 Kennedy Avenue, Nicosia, Republic of Cyprus
NSC Global PTY Ltd	Australia	100.00	100.00	Level 11, 1 Margaret Street, Sydney, NSW 2000, Australia
Network Solutions And Consulting Private Limited	India	89.80	89.80	Office 1414, 14 th floor, Rupa Solitaire Building, Millennium Business Park, Mhape, Navi Mumbai, MH 400710, India
NSC Global Technologia LTDA	Brazil	99.20	99.20	Rua Primeiro de Marco, 21 3o andar (parte), Rio de Janeiro, RJ, CEP: 20010- 000, Brazil

*This investment is indirectly owned through NSC Global Holding Limited (Cyprus).

**This investment is indirectly owned through NSC Global Managed Resources LLC.

***This investment is indirectly owned through NSC Global Holdings, Inc.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

17 Inventories

	2023	2022
	£'000	£'000
Finished goods	1,220	825

There is no material difference between the replacement cost of stocks and the amounts stated above.

18 Trade and other receivables

	Current		Non-current	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade receivables	13,068	8,619	-	-
Other receivables	68	4,078	-	-
Amounts owed by fellow group undertakings	17,391	38,255	37,180	36,359
Amounts owed by related parties (note 25)	397	4,477	13,525	13,911
Prepayments and contract assets	2,666	2,905	2,486	2,966
Directors loan account (note 24)	2,021	4,366	-	-
	35,611	62,700	53,191	53,236

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

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

Amounts due from Company undertakings have been classified as falling due after more than one year based on the agreed terms of repayment by subsidiaries in future periods.

The Company provides a specific provision against trade receivables where there are significant doubts as to future recoverability based on prior experience, on assessment of the current economic climate and on the length of time that the receivable has been overdue.

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the Company 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.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

As at 31 October 2023 an impairment charge of £nil was recognised in the year in relation to aged receivables (2022: £nil).

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

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

18 Trade and other receivables (continued)

Balances disclosed in non-current amounts due from fellow group undertakings and non-current amounts due from related parties are due to be settled on 30 September 2029, and accrue interest of 2.5% per annum.

19 Trade and other payables

	Current		Non-current	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade payables	10,621	10,264	-	-
Amounts owed to fellow group undertakings	6,594	24,270	45,589	44,493
Amounts owed to related parties (note 25)	8,091	5,639	-	-
Accruals and deferred income	6,013	6,755	-	-
Other payables	2,034	1,627	-	-
Lease liability (note 23)	1,301	1,672	1,230	2,531
	34,653	50,227	46,819	47,024

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases is 90 days (2022: 82 days). For most suppliers no interest is charged on trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

In September 2023, the Group renewed its existing revolving credit facilities for a period of one year to December 2024 and includes the option, subject to bank approval, to extend the facility to December 2025. The maximum drawdown of the Revolving Credit Facility during the period was £20 million.

The loan is secured by a charge over the assets of the Group and the Company: land, shares, investments, equipment, controlled accounts, intellectual property, goodwill, uncalled capital, authorisations, assigned agreements, insurances, contractual rights, present and future business, undertakings and assets which are not effectively mortgaged, charged by way of fixed charge or assigned under clause 3 of the Composite Debenture between the Group, the Company and Barclays Bank PLC as Security Agent.

Financial conditions for the Group (of which the Company is part) to be met are

- interest cover 5.0:1
- leverage not exceeding 2.0:1
- obligor revenue to make up 80% of total Group revenue;
- obligor gross assets to exceed £75m and
- obligor Earnings before Interest, Depreciation and Amortisation (EBITDA) to make up 80% of Group EBITDA.

The loan carries interest at EURIBOR for Euro borrowings, SOFR for US Dollar borrowings and SONIA for all other borrowings.

At 31 October 2023 the Group had available £20m (2022: £20m) of undrawn committed borrowing facilities in respect of which all the conditions to access said funds had been met.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

20 Retirement benefit schemes

Defined contribution scheme

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans was £231,405 (2022: £248,728)

21 Share capital

	2023	2022
	£'000	£'000
Ordinary share capital		
<i>Authorised</i>		
20,000 Ordinary of £1 each	20	20
<i>Issued and fully paid</i>		
20,000 Ordinary of £1 each	20	20

The Company has one class of ordinary share which carry no right to fixed income. Each ordinary share carries voting rights and full rights to dividends and capital distributions (including upon winding up). The number of shares authorised is 20,000 ordinary shares of par value £1 per share.

22 Share premium account

	2023	2022
	£'000	£'000
At the beginning and end of the year	3,167	3,167

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

23 Leases

The Company leases buildings and equipment. The information about the leases for which the entity is lessee is presented below:

Right of use assets	Land & buildings	Equipment	Total
	£'000	£'000	£'000
01 November 2022	2,230	1,252	3,482
Additions	-	-	-
Depreciation	(736)	(653)	(1,390)
31 October 2023	1,494	599	2,092

Liabilities	Land & buildings	Equipment	Total
	£'000	£'000	£'000
01 November 2022	(2,575)	(1,627)	(4,202)
Principal lease payments	862	916	1,778
Interest on lease liabilities	(51)	(56)	(106)
31 October 2023	(1,763)	(767)	(2,530)

24 Directors' transactions

	Y Khan
	£'000
Opening balance at 1 November 2022	4,366
Drawdowns in the period	2,021
Repayment of loan	(4,367)
Closing balance at 31 October 2023	2,020

Loans to Directors are advanced with the shared expectation that the Directors will repay the loans within 9 months of the end of the company's corporation tax accounting period. The prior period loan of £4.4m was fully repaid in line with this expectation during the current period. The £2.0m current period loan is interest free. Under the terms of the loan the company will accept cash or other assets, which have been agreed for transfer between the parties and valued by an independent third party, as acceptable forms of settlement. As at the date of signing the financial statements £2.0m remains outstanding and no amounts have been waived or written off.

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

25 Related party transactions

Related party transactions with other wholly owned members of the group headed by NSC Group plc are exempt from disclosure. However, the following amounts with other related parties or non-wholly owned subsidiaries were outstanding at the reporting date:

	2023	2022
	£'000	£'000
Amounts due from related parties		
NSC Global Tecnologia Ltda (Brazil)	-	71
NSC Global Services Limited (Japan Branch of UK Co)	317	363
NSC Global Services Limited (UK)	3,610	6,874
NSC Global Kft (Hungary)	7,977	8,492
Network Solutions and Consulting Private Limited (India)	2,018	1,970
NSC Recursos S. de R.L de CV (Mexico)	-	392
NSC Services Tecnologica S de R.L de C.V (Mexico)	-	226
	13,922	18,388
Current (note 18)	397	4,477
Non-current (note 18)	13,525	13,911
	13,922	18,388

	2023	2022
	£'000	£'000
Amounts due to related parties		
NSC Global Kft (Hungary)	6	761
Network Solutions and Consulting Private Limited (India)	8,030	4,832
NSC Services FZE (RAKIA, UAE)	-	46
NSC Global Tecnologia Ltda (Brazil)	32	-
NSC Services Tecnologica S de R.L de C.V (Mexico)	6	-
NSC Recursos S. de R.L de CV (Mexico)	16	-
	8,091	5,639

All amounts due to related parties are current (note 19)

NSC Global Limited
Notes to the Financial Statements (continued)
For the year ended 31 October 2023

25 Related party transactions (continued)

Other transactions with related parties

During the year the Company entered into the following transactions with related parties:

	Sales of services	
	2023	2022
	£'000	£'000
NSC Global Services Ltd (UK)	1,225	1,721
NSC Global Services Ltd (Japan Branch of UK co)	24	42
NSC Recursos S. de R.L de C.V (Mexico)	20	2
NSC Services Tecnologia S. de R.L de C.V (Mexico)	1,472	212
NSC Tecnologia Ltda (Brazil)	77	175
NSC Global Kft (Hungary)	644	393
Network Solutions and Consulting Private Limited (India)	121	65
NSC Services FZE (RAKIA, UAE)	4	-
	3,587	2,610

	Purchases of services	
	2023	2022
	£'000	£'000
NSC Global Services Ltd (UK)	909	297
NSC Global Services Ltd (Japan Branch of UK co)	32	57
NSC Recursos S. de R.L de C.V (Mexico)	14	-
NSC Services Tecnologia S. de R.L de C.V (Mexico)	695	-
NSC Tecnologia Ltda (Brazil)	-	81
NSC Global Kft (Hungary)	758	1,098
NSC Services FZE (RAKIA, UAE)	32	48
Network Solutions and Consulting Private Limited (India)	1,605	1,649
	4,045	3,230

26 Ultimate parent company

The ultimate parent company is NSC Group PLC, a company registered in England and Wales. NSC Group PLC prepares financial statements and copies can be obtained from 3rd Floor, West Building, 1 London Bridge, London SE1 9BG. The largest and smallest group in which the company is consolidated is that of NSC Group PLC.

The Company is controlled by Yaseen Khan by virtue of his majority shareholding in the parent company.