Air Energi Group Holdings Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 08166518

Air Energi Group Holdings Limited

Report and financial statements
for the year ended 31 December 2020

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Directors
D A Gregson
I M Langley
M Harrison

Registered office
Delphian House, 4th Floor, Riverside, New Bailey Street, Manchester, Greater Manchestei

Company number
08166518

Auditor
BDO LLP, 3 Hardman Street, Manchester, M3 3AT

Air Energi Group Holdings Limited

The Directors present their Strategic Report together with the audited Financial Statements of the group and company for the year ended 31 December 2020.

The Group has prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) in confirmity with the requirements of the Companies Act 2006. More information on the preparation of the financial statements is disclosed within the note 2 of the accounts.

Principal activity

The principal activity of the company is that of a holding company, which has a 55.5% indirect shareholding in Airswift Holdings Limited. The principal activity of Airswift Holdings Limited and its subsidiaries is the provision of Global Manpower Solutions to the Process, Infrastructure and Energy Industry sectors.

Business review and future developments

This report summarises the performance in 2020, our assessment of the impact of COVID-19 on our business and the principal risks and uncertainties.

2020 was the fifth period of trading for the combined Airswift group, formed from the merger of the Swift business and Air business on 20 January 2016. The combined strength of these businesses, including our people and our geographical reach, has enabled us to take advantage of our market opportunities and the business benefited from a period of sustained growth (2017 – 2019). As for many businesses 2020 has been a challenging year given the backdrop of the on-going COVID-19 pandemic and the suppressed oil price during the year. Revenue was $796m (2019: $980m) and gross profit was $96m (2019: $123m). Given the fast-moving pace of 2020 the business took pro-active cost actions so whilst the GP declined 22%, Adjusted EBITDA* fell by 20%. Our Adjusted EBITDA was $37m (2019: $47m). Adjusted EBITDA is considered an appropriate measure of the underlying performance of the business. The Directors are satisfied with this trading performance. Our loss for the year after interest and taxation was $(25)m (2019: $(18)m).

The group incurred $3m (2019: $3m) of exceptional costs primarily related to the group re-organisation programmes, litigation and other one off costs. The group had an operating cash inflow of $62m (2019: $51m). Our borrowings reduced by $10m to $316m (2019: $326m), primarily as a result of a reduction in invoice discounting. Due to the reduction in trade there was a less of a requirement for invoice discounting facilities. Current borrowings have increased significantly as both the term loan and loan notes mature in July 2021.

The Directors believe that Airswift is well positioned to grow, meet the needs of our customers and to service new projects. However, the Directors also acknowledge that although we believe the worst of the COVID-19 is behind us we are still in the midst of a global pandemic and therefore still operating in uncertain times. The Group and Company have not seen any demonstrable impact on cash collections through the pandemic and our aged trade receivables finished at an all-time low. The business has adapted well to home working which has had no noticeable impact on productivity. The board of Directors continue to manage the situation closely to ensure the business can adapt quickly as required. Our term loan matures in July 2021 and we are in the process of refinancing this debt. This process is in very advanced stages, and we have secured committed funding via senior secured bond. Settlement is set for 12 May 2021 and proceeds from the bond issue will be used to repay the existing term loan. As such, we do not expect an impact on trading activities or any disruption to the Group during 2021.

Our business is about our people, underpinned by our culture and common goals. We have a culture of empowerment, inclusion and responsibility. Ensuring our values and culture is demonstrated every day will continue to be our key building block to enable us to be the number one brand in our industry.

Principal risks and uncertainties

The global market in the Oil & Gas Industry remains highly competitive. The Group seeks to manage the risk of losing customers by providing a customised service whilst working in partnership with our clients and maintaining a strong relationship throughout the world. Given the current COVID-19 pandemic the company acknowledges this is an increased period of uncertainty. The Group have taken actions to develop protocols for working from home, travel to and from affected areas and ensuring self-isolation where appropriate to protect employees. The Directors have reviewed various potential scenarios and their likely impact on the Group and Company for the period of 12 months following the signing of the financial statements. The full extent of the impacts and duration of Covid-19 remains unclear however, we are optimistic the worst is behind and are starting to see green shoots of increased demand in the market.

The Group's presentational currency is US Dollars, however during the year the Group had exposure to currencies of other countries in which it trades. Appropriate steps are taken to cover this risk and wherever practicable, the Group matches payments and receipts in the same currency.

The Group credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and reviewing existing customers payments against contractual agreements.

Principal risks and uncertainties (Continued)

In order to ensure that sufficient funds are available for on-going operations and future developments, the Group uses a mixture of short-term and medium-term credit facilities which can be drawn upon on demand when needed. The Board closely monitors the amount of facilities drawn, particularly with respect to complying with all covenant restrictions. The liquidity risk of each group entity is managed centrally by the group treasury function. Where facilities of group entities need to be increased, approval must be sought from the Board.

The Group acknowledges that it faces interest rate risk, however with the level of debt sustained and the interest rates the Group could potentially face, the risk is adequately covered through the operating performance that the Board will continue to monitor.

Key performance indicators

The primary performance indicators used by management are:

- Gross profit as a proportion of revenue - 12.1% (2019 - 12.5%)
- Adjusted EBITDA* - $37.2m (2019 - $46.8m)
- Adjusted EBITDA as a proportion of revenue - 4.7% (2019 - 4.8%)

*Adjusted EBITDA is defined as operating profit before interest, taxation, depreciation, amortisation, exceptional items and exchange (losses)/ gains.

Section 172 Statement

In line with Section 172(1) of the Companies Act 2006, the Directors recognise their responsibility to exercise their duty in a way which promotes the success of the company for the benefit of all its stakeholders. We have evaluated the key stakeholders and explain below how engagement with them has occurred during the year.

Stakeholder Group	Why we engage	How we engage
Employees	Our employees are key to the delivery of the company's services and therefore to the long-term success of the business. It is important to develop our employees and keep them actively engaged and motivated. Our employees rely on us to provide opportunities to realise their potential in a working environment where they can be at their best.	Staff communication and engagement occurs through email communication, team meetings and quarterly all colleague calls. The company also has an annual employee global survey to gauge what we do well and what we could improve on. Findings from the survey are reviewed by the Board. Improvement actions and progress made on these actions are communicated. During the year a new online tool was rolled out across the business to encourage effective performance and development discussions between managers and teams.
Customers	The Directors recognise that the ability to secure new clients and maintain long term client relationships is fundamental to the success of the business. The way the business engages with customers will determind how successful it is at growing and retaining its services with customers.	Our commercial team have regular communication with customers to ensure we are meeting their requirements. This is also done to ensure that a relationship to nurtured and developed before, during and after assignment.
Suppliers	The main suppliers to the business are contractors that have specialist skills required by our customers. They are fundamental to our ability to deliver services to our customers on time, safely and to the standards expected by our customers.	Relationships with suppliers are developed through daily business activities and regular meetings. The business ensures that contractors are paid on time. We also ensure that contractors are aware of the company's policies and are required to carry out compliace and safety training.
Environment	Sustainability is quickly becoming a key pillar of modern business and society. The majority of clients we supply to (or wish to engage with) are actively moving towards ethical supply chains, therefore, our objectives need to be aligned with theirs and the global business climate.	The company has a Sustainability Group with representatives made up of employees across the globe. The group is responsible for identifying new intitiatives, assessing progress and driving the culture of sustainabilty within the company.
Shareholders and lenders	It is important that our investors have confidence in the company, how it is managed and in its strategic objectives. The company's long term success is dependent on its good relationship with its lenders and their continued willingness to lend.	Lenders and investors are kept up to date with financial performance and have the opportunity to ask further questions. Communication is carried out mainly via weekly calls. Representatives of shareholders sit on the main Board.
Community and charities	We recognise that by actively supporting our local communities we develop closer ties and trust, bring long term sustainbility to the locations we do business and form lasting relationships with local communities.	We recognise our employees are best placed to understand the needs of the local communities and support them with their own fund raising events.

Air Energi Group Holdings Limited

Strategic Report
for the year ended 31 December 2020

The table below shows the key events and decisions made by the Board during the year, the stakeholders they impacted and the associated actions taken by the Directors to engage with the relevant stakeholders. Events and decisions are considered to be key if they are either material to the business or have a significant impact on one or more category of stakeholder,

Key events/decision	Stakeholders affected	Actions and impact
Bank Loan amendments	*Shareholders and lenders*	- *Lenders initially consulted on proposed* amendments and rationale outlined. - Discussions held involving lenders and laywers representing shareholders and Airswift.
Restructuring due to business reorganisation and Covid-19	Employees	- Local managers were initially consulted by Human Resources on proposed restructuring to take place. - Legal advice was taken where needed to ensure local requirements and regulations were met and followed. - Affected employees were given notice of redundancy and given the opportunities to raise any questions.
Response to Covid-19	Employees, customers	- Employees were kept informed of developments and the Group's response to Government advice via email and all staff update calls. Employees were consulted during the development of a "Return to workplace" strategy to ensure employees concerns and needs were considered as far as possible. - Customers were consulted to ensure that contractors could continue to work safely at their sites.

Approved on behalf of the Board

M Langley
Director

16 December 2021

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Results and dividends

The consolidated results for the year and financial position of the group are as shown in the attached financial statements and a detailed review is set out in the strategic report.

No dividends were paid or declared during the year (2019 - $nil).

Financial instruments

The group's operations are financed by a mixture of retained profits and invoice discounting facilities for ongoing working capital and a medium term treasury loan facility. In addition, various financial instruments such as trade debtors and trade creditors arise directly from the group's operations.

Going Concern

As at 31 December 2020 the Group had net liabiliites of $62.7m (2019: $30.6m) and net current liabilities of $236.6m (2019: net current assets of $42.7m). The Group is in a net current liabilities position because the term loan and loan notes mature in July 2021. In May 2021 we secured committed funding via senior secured bond. The bond is irrevocable. Proceeds from the bond issue was used for the repayment of the existing term loan – as such, we did not see an impact on trading activities or any disruption to the Group during 2021. In regards to the loan notes, the Loan Note Holders are entitled to and have extended the term of the Loan Notes up to at least May 2025.

The Directors acknowledge that although we believe the worst of COVID-19 is behind us we are still in the midst of a global pandemic and therefore still operating in uncertain times. The Group and Company have not seen any demonstrable impact on cash collections through the pandemic and our aged trade receivables finished at an all-time low. The business has adapted well to home working which has had no noticeable impact on productivity. The board of Directors continue to manage the situation closely to ensure the business can adapt quickly as required. The risks associated with the Covid-19 pandemic have been given additional focus due to the uncertainty of both its potential impact on the global economy, oil prices and the possible duration of any such impact. The Group have taken actions to develop protocols for working from home, travel to and from affected areas and ensuring self-isolation where appropriate.

The Directors have a reasonable expectation that the business has sufficient resources to operate for a period of at least 12 months from the date of approval of these financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis.

Our people

In order to meet the Group's strategic objectives it is critical that the Group can attract and retain high calibre employees. We engage with out workforce so that we can understand and address areas where we need to improve. The company is committed to improving employee engagement, measuring their views annually, and taking action to improve the perception of the company by employees. Staff engagement is measured formally via the Employee Engagement Survery. The results are shared with employees along with actions to be taken by the Group in response to feedback. Employees are also kept informed through continued communications of the Group's performance, development and progress.

We have a culture that is rich with opportinities for development, enabling our staff to build a long-term and fulfiling career with us. We view people are individuals, each with their own unique professional aspirations and learning style. Our Learning and Development Team facilitate training not only in person but also online through a learning management system.

The company's aim is to meet the objectives of the code of good practice on the employment of disabled people. Full and fair consideration is given to disabled applicants for employment and training, and career development is encouraged on the basis of their aptitude and abilities. It is company policy to retain employees who become disabled whilst in its service, where practicable.

Exceptional items

Exceptional items relate to material non-recurring items and as such do not form part of the underlying results. The Group incurred $2.6m (2019: $2.8m) of exceptional items in the year, see note 5 for more details.

Air Energi Group Holdings Limited

Report of the directors
for the year ended 31 December 2020

Existence of branches outside the UK
Some of the group's subsidiaries have branches outside the UK in France, Azerbaijan, Georgia, Angola, Russia and Netherlands.

Post balance sheet events
Post Year end the Group secured committed funding via a senior secured bond. Proceeds from the bond have been used to repay the term loan which matured in July 2021. On the 17th June 2021, the Airswift Group merged with Competentia AS. As a result, the company as ultimate parent in lineage has a loss of control in the new business combination. The remaining shareholding is now owned by Airswift Global Limited which was incorporated as part of the merger.

Directors

The directors of the company during the year were as follows:

D A Gregson
I M Langley
M Harrison

Statement of directors' responsibilities

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 group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group 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 they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concem 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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Streamlined Energy and Carbon Reporting (SECR)

The SECR framework is a mandatory UK-wide energy and carbon reporting scheme. The reporting requirements are designed to:

- Increase internal awareness of energy usage and cost;
- Drive adoption of energy efficiency measures and;
- Provide greater transparency for stakeholders on energy efficiency.

From 1 April 2019 all large UK organisations are required to make an annual public disclosure within their Directors' Report and Accounts of their UK energy use and carbon emissions. Of the UK registered companies within the Airswift Group, Air Resources Limited is classed as a large company.

Energy efficiency measures

During the financial year the business has set up the Airswift Sustainability Group. The purpose of the initiative is to recognise the growing importance of sustainability. The mission of the Sustainability Group is to combine the healthy portfolio of sustainable activities in place around the world as well as identifying new goals and create and evolving culture of sustainability throughout the company. As part of the agenda for 2020 the Group began reviewing a carbon offset proposal through Gold Standard Projects. The was based on employee travel from the past four years.

As well as ethical fulfilment it is widely recognised that companies authentically adopting a sustainable approach are increasingly benefiting from a range of advantages including brand improvement, stronger client relationships and employee retention. Also, the majority of clients we supply to are actively moving towards ethical supply chains, therefore our objectives are aligned with theirs and the global business climate.

Methodology

A carbon footprint provides a quantitative assessment of the Grenhouse gas emissions from an organisation's business acitivites. On calculation of a carbon footprint an organisation can begin to identify opportinities for emission reductions.

The carbon footprint is calculated in accordance with the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance. Activity data has been converted into carbon emissions using the published UK Government GHG Conversion Factors for Company reporting. The SECR requirements are that Scope 1 (direct) emissions and Scope 2 (Indirect) emissions are disclosed. The business does not generate any Scope 1 emissions and therefore only Scope 2 emissions have been calculated. The results below are representative of Air Resources Limited only.

Energy usage

The annual quantity of emissions in tonnes of carbon dioxide equivalent (CO2e) resulting from the total UK energy use from electricity, gas and transport is 25,832 kg CO2e.

Intensity measurement

Carbon emissions are measured as tonnes CO2e per number of employees. Most emissions are generated through activities relating to employee usage e.g. office electricity. The measurement for the year was:

- Tonnes of CO2e per full time equivalents: 173.4kg CO2e/ employee

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has taken the exemption available to subsidiary companies not to disclose information in respect of greenhouse gas emissions, energy consumption and energy efficiency action given this is disclosed in the consolidated financial statements of the ultimate parent company, Airswift Holdings Limited.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors 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 of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

By order of the Board

I M Langley
Director

16 December 2021

Air Energi Group Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR ENERGI GROUP HOLDINGS LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Company's affairs as at 31 December 2020 and of the 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.

We have audited the financial statements of Air Energi Group Holdings Limited ("the Group and Company") for the year ended 31 December 2020 which comprise the Consolidated income statements, the consolidated statement of financial position, the consolidated cash flow statements,the statement of changes in equity, the company statement of financial position and notes to the financial statements, including a summary of 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 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

Conclusions relating to 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 Company'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.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of 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.

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

Air Energi Group Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR ENERGI GROUP HOLDINGS LIMITED

Opinion on the financial statements

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report of the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Based on our understanding and accumulated knowledge of the Group and Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the non-statutory financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as accounting policies, UK GAAP, the Companies Act 2006, relevant taxation legislation, Health and Safety and the Bribery Act 2010.

We determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates in particular relation to carrying value of investments;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or including specific keywords;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of Board meetings throughout the period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Opinion on the financial statements

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 Group and 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.

DocuSigned by:
Steven Roberts
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Steven Roberts
(Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester, UK

16 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Air Energi Group Holdings Limited

Consolidated Income Statement
for the year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Revenue	3	795,746	979,996
Cost of sales		(699,754)	(857,271)
Gross profit		**95,992**	**122,725**
Administrative expenses		(78,061)	(98,740)
Operating profit before exceptional items, depreciation, amortisation and exchange (losses)/gains ('Adjusted EBITDA')		**37,127**	**46,675**
Exceptional items charge	5	(2,646)	(2,873)
Depreciation		(5,418)	(5,693)
Amortisation		(10,797)	(10,702)
Exchange losses		(335)	(3,422)
Operating profit	4	**17,931**	**23,985**
Finance costs	8	(37,119)	(37,821)
Loss on ordinary activities before income tax		**(19,188)**	**(13,836)**
Income tax charge	9	(5,867)	(3,748)
Loss for the financial year		**(25,055)**	**(17,584)**
Loss for the financial year attributable to:			
Controlling interest		(20,160)	(15,381)
Non-controlling interest		(4,895)	(2,203)
		(25,055)	**(17,584)**

Notes 1 to 28 form part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2020

	2020 $'000	2019 $'000
Loss for the financial year	(25,055)	(17,584)
Exchange (loss)/gain on retranslation of foreign subsidiaries	(7,097)	(5,708)
Total items that will not be reclassified to profit or loss	(32,152)	(23,292)
Total comprehensive expense attributable to:		
Controlling interest	(26,260)	(20,670)
Non-controlling interest	(5,892)	(2,622)
	(32,152)	**(23,292)**

Notes 1 to 28 form part of these financial statements.

Air Energi Group Holdings Limited

Consolidated Statement of Financial Position
as at 31 December 2020

Company Number 08166518

	Note	2020 $'000	2019 $'000
Non-current assets			
Intangible assets	12	184,130	194,588
Property and equipment	13	2,039	2,414
Right-of-use assets	14	7,306	11,538
Deferred tax asset	10	8,321	8,857
		201,796	217,397
Current assets			
Trade and other receivables	16	133,030	183,037
Corporation Tax receivables	10	384	-
Cash and cash equivalents	21	16,770	16,450
		150,184	199,487
Total assets		351,980	416,884
Current liabilities			
Trade and other payables	17	(68,692)	(89,360)
Lease liabilities	14	(3,593)	(5,018)
Borrowings	18	(308,111)	(58,729)
Corporation tax liabilities	9	-	(4)
Provisions	20	(6,422)	(3,692)
		(386,818)	(156,803)
Non-current liabilities			
Borrowings	18	(7,883)	(266,954)
Lease liabilities	14	(4,346)	(7,027)
Deferred tax liability	10	(15,676)	(16,691)
		(27,905)	(290,672)
Net current (liabilities)/assets		(236,634)	42,684
Total assets less current liabilities		(34,838)	260,081
Total liabilities		(414,723)	(447,475)
Net liabilities		**(62,743)**	**(30,591)**
Equity			
Called up share capital	22	324	324
Share premium	23	1,081	1,081
Merger reserve	23	27,550	27,550
Foreign exchange reserves	23	(11,878)	(5,779)
Retained earnings	23	(120,592)	(100,433)
		(103,515)	**(77,257)**
Non-controlling interest		40,774	46,666
Total equity		**(62,741)**	**(30,591)**

Notes 1 to 28 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2021.

By order of the Board

I M Langley
Director

16 December 2021

Air Energi Group Holdings Limited

Consolidated cash flow statement
for the year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash generated from operating activities	21	62,239	50,785
Income taxes paid		(4,979)	(2,330)
Net cash from operating activities		**57,260**	**48,455**
Investing activities			
Purchases of property, plant and equipment		(415)	(674)
Purchase of intangible assets		(332)	(833)
Net cash used in investing activities		(747)	(1,507)
Financing activities			
(Repayment of)/ proceeds from revolving credit facility		(1,806)	713
Repayment of invoice discounting facility		(821,230)	(1,036,912)
Proceeds from invoice discounting facility		789,803	1,017,259
Shareholder loan		-	6,000
Interest paid		(14,432)	(16,967)
Repayment of bank loan		(2,843)	(1,186)
Principal paid on lease liabilities		(4,556)	(4,603)
Interest paid on lease liabilities		(1,129)	(1,293)
Net cash (used) in financing activities		(56,193)	(36,989)
Net increase in cash and cash equivalents		320	9,959
Cash and cash equivalents at beginning of year	19	16,450	6,491
		16,450	6,491
Cash and cash equivalents at end of year			
Bank balances and cash	19	16,770	16,450
		16,770	16,450

Company cash flow statement
for the year ended 31 December 2020

	Note	2020 $'000	2019 $'000
Cash generated by operating activities	21	-	7
Net increase/(decrease) in cash and cash equivalents		-	7
Cash and cash equivalents at beginning of year	21	7	-
Cash and cash equivalents at end of year		7	7

Notes 1 to 28 form part of these financial statements.

Air Energi Group Holdings Limited

Statement of changes in equity
for the year ended 31 December 2020

Group	Share Capital $'000	Share premium $'000	Merger reserve $'000	Retained Earnings $'000	Foreign Exchange Reserve $'000	Non-controlling Interest $'000	Total Equity $'000
Balance as at 1 January 2019	**324**	**1,081**	**27,550**	**(85,051)**	**(488)**	**49,287**	**(7,299)**
Loss for the year	-	-	-	(15,381)	-	(2,203)	(17,584)
Exchange differences on translating foreign operations	-	-	-	-	(5,289)	(419)	(5,708)
Total comprehensive expense	-	-	-	(15,381)	(5,289)	(2,622)	(23,292)
Balance as at 31 December 2019	**324**	**1,081**	**27,550**	**(100,432)**	**(5,778)**	**46,666**	**(30,591)**
Loss for the year	-	-	-	(20,160)	-	(4,895)	(25,055)
Exchange differences on translating foreign operations	-	-	-	-	(6,100)	(997)	(7,097)
Total comprehensive income	-	-	-	(20,160)	(6,100)	(5,892)	(32,152)
Balance as at 31 December 2020	**324**	**1,081**	**27,550**	**(120,592)**	**(11,878)**	**40,774**	**(62,743)**

Company	Share Capital $'000	Merger reserve $'000	Capital contribution reserve $'000	Retained Earnings $'000	Foreign Exchange Reserve $'000	Total Equity $'000
Balance as at 1 January 2019	**324**	**1,081**	**(21,324)**	**(22,510)**	**924**	**(41,505)**
Loss for the year	-			(4,192)	-	(4,192)
Retranslation differences	-	-	-	-	(1,610)	(1,610)
Total comprehensive expense	-	-	-	(4,192)	(1,610)	(5,802)
Balance as at 31 December 2019	**324**	**1,081**	**(21,324)**	**(26,702)**	**(686)**	**(47,307)**
Loss for the year	-			(4,671)	-	(4,671)
Retranslation differences	-	-	-	-	(1,629)	(1,629)
Total comprehensive expense	-	-	-	(4,671)	(1,629)	(6,300)
Balance as at 31 December 2020	**324**	**1,081**	**(21,324)**	**(31,373)**	**(2,315)**	**(53,607)**

Notes 1 to 28 form part of these financial statements.

Air Energi Group Holdings Limited

Company Statement of Financial Position
as at 31 December 2020

Company Number 08166518	Note	2020 $'000	2019 $'000
Current assets			
Trade and other receivables	15	37	36
Cash and cash equivalents	19	7	7
		44	43
Total assets		44	43
Current liabilities			
Borrowings		(52,649)	-
Trade and other payables	17	(1,002)	(960)
		(53,651)	(960)
Non-current liabilities			
Borrowings	18	(52,649)	(46,390)
		(52,649)	(46,390)
Net current liabilities		(53,607)	(917)
Total liabilities		(53,651)	(47,350)
Total assets less current liabilities		(53,607)	(917)
Net liabilities		**(53,607)**	**(47,307)**
Equity			
Called up share capital	20	324	324
Merger reserve	21	1,081	1,081
Capital contribution reserve	21	(21,324)	(21,324)
Foreign exchange reserves	21	(2,315)	(686)
Retained earnings	21	(31,373)	(26,702)
Total deficit		**(53,607)**	**(47,307)**

Notes 1 to 28 form part of these financial statements.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The company generated a loss for the year of $4,671,000 (2019: loss of $4,192,000).

The financial statements were approved by the Board of Directors and authorised for issue on 8 December 2020.

By order of the Board

I M Langley
Director

16 December 2021

Air Energi Group Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2020

1 General Information

Air Energi Group Holdings Limited is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the contents page. The nature of the Group's operations and its principal activities are set out in the strategic report and the report of the directors. These financial statements are presented in dollars because that is the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest thousand dollars ($'000) except where otherwise indicated. Foreign operations are included in accordance with the policies set out below in note 2.

2 Significant accounting policies

The principal accounting policies adopted are set out below.

Basis of accounting

The consolidated financial statements and company financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations (collectively IFRSs) as issued by the International Accounting Standards Board (IASB) and in confirmity with the requirements of the Companies Act 2006. They have also been prepared with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies have been applied consistently by the Group.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Basis of consolidation

The consolidated financial statements incorporate the results of Air Energi Group Holdings Limited and all of its subsidiary undertakings as at 31 December 2020 and 31 December 2019 using the acquisition method of accounting and exclude all inter-company transactions. No separate statement of comprehensive income is presented for Air Energi Group Holdings Limited as permitted by section 408 of the Companies Act 2006.

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year.

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases. Acquisitions are accounted for under the acquisition method.

Going concern

As at 31 December 2020 the Group had net liabiliites of $62.7m (2019: $30.6m) and net current liabilities of $236.6m (2019: net current assets of $42.7m). The Group is in a net current liabilities position because the term loan and loan notes mature in July 2021. In May 2021 we secured committed funding via senior secured bond. The bond is irrevocable. Proceeds from the bond issue was used for the repayment of the existing term loan – as such, we did not see an impact on trading activities or any disruption to the Group during 2021. In regards to the loan notes the Loan Note Holders are entitled to and have extended the term of the Loan Notes up to at least May 2025.

The Directors acknowledge that although we believe the worst of COVID-19 is behind us we are still in the midst of a global pandemic and therefore still operating in uncertain times. The Group and Company have not seen any demonstrable impact on cash collections through the pandemic and our aged trade receivables finished at an all-time low. The business has adapted well to home working which has had no noticeable impact on productivity. The board of Directors continue to manage the situation closely to ensure the business can adapt quickly as required. The Group have taken actions to develop protocols for working from home, travel to and from affected areas and ensuring self-isolation where appropriate.

The Directors have a reasonable expectation that the business has sufficient resources to operate for a period of at least 12 months from the date of approval of these financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis.

2 Significant accounting policies (continued)

Adoption of new and revised standards

a) New standards, interpretations and amendments effective from 1 January 2020

New standards have been adopted in the annual financial statements for the year ended 31 December 2020 and which have given rise to changes in the Group's accounting policies are:

COVID-19 Related Rent Concessions (Amendements to IFRS 16)

IFRS 16 was amended to provide a pratical expedient for lessees accounting for rent concessions that arise as a direct consequent of the COVID-19 pandemic and that satisfy the following criteria:
- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- The reduction in lease payments affects only payments originally due on or before 30 June 2021 and
- There are no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy the above criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification.
The Group has elected to utilise the practical expedient which has been applied retrospectively. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in lease lability is reflected in the Income Statement in the period in which the event that triggered the concession occurred. The impact of applying the practical expedient was $15,000 gain to the Income Statement.

The following standards, interpretations and amendments have had no material impact on the group's financial statements:

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Material)
IFRIC 3 Business Combinations (Amendment - Definition of Business)
Revised Conceptual Framework for Financial Reporting
IBOR Reform and its Effects on Financial Reporting - Phase 1

b) New standards, interpretations and amendments not yet effective

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group, being:.

Amendments to References to the Conceptual Framework in IFRS Standards
Amendments to IFRS 17 Insurance Contracts
Definition of Material - Amendments to IAS 1 and IAS 8

The Directors are currently considering the potential impact of adoption of these standards and interpretations in future periods on the consolidated financial statements of the Group.

2 Significant accounting policies (Continued)

Revenue recognition

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue from the sales of services is recognised when the Group has satisfied its performance obligations to the buyer. This criterion are considered to be met when the services are delivered to the buyer.

Revenue from the provision of manpower resources included Direct Hire placements, Executive Search and Temporary Worker placements. Revenue arising from the placement of Direct Hire candidates is recognised at the time the candidate commences employment. Revenue from Executive Search is recognised when customer contractual obligations are met over the course of an assignment, usually after providing a short list of candidates and at the completion of the assignment. Revenue arising from temporary placements is recognised over the period that temporary workers are provided. Where the Group is acting as a principal, revenue represents the amounts billed for the services of the temporary workers, including the remuneration costs and recoverable travel expenses of the temporary workers. The Group recognises a refund liability against revenue for possible cancellations of placements prior to, or shortly after, the commencement of employment. Payments received in advance of revenue recognition are recorded as deferred income.

Business combinations

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

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

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

Goodwill

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

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

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

Any negative goodwill arising on consolidation is credited immediately back to the income statement.

Intangible assets - customer relationships and brands

The Group recognises an intangible in respect of customer relationships and brand. The recoverable amount of customer relationships and brand has been arrived at by preparing value in use calculations to calculate the present value of future cash flows based on forecasted trading profitability for the top customers at the date of acquisition. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and forecasted changes to selling prices and direct costs. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks.

Customer relationships are amortised over a period of 5-20 years, based on the estimated average length of the underlying relationships. Brand is amortised over 10 years being the estimated life of an established 'business to business' brand.

2 Significant accounting policies (Continued)

Intangible assets - computer software

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

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

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

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of each cash generating unit to which the asset

Recoverable amount is the higher of fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leases

This policy was adopted after 1 January 2019 to all contracts. At the commencement date of the lease, the Group assesses whether a contract contains a lease. A contract contains a lease if the contract conveys the right to contol or use an indentified asset for a period of time in exchange for payment. To assess whether a contract includes the right to control the use of an asset, the Group uses the definition of a lease in IFRS 16.

The lease liability is initially measured on commencement at the present value of the lease payments that are not made at the lease commencement date. In calculating the present value of lease payments the Group uses the Group's incremental borrowing rate (IBR). After the lease commencement date the amount of lease liabilities is increased to reflect the interest accrued on the liability and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification to the lease contract.

The Group has applied judgement to determine the lease term for some lease contracts in which the lease includes renewal options or break clauses. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term which may significantly affect the amount of lease liability and right of use assets recognised. If circumstances come to light which leases to the group re-assessing the probability of a lease extension of break clause being exercised then it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term and which are discounted using a revised discount rate. On remeasurement an equivalent adjustment is made to the carrying value of the right-of-use asset.

The Group has applied the exemption for low value assets and short term lease. The Group recognises the lease payments associated with these leases as an expense in the Income Statement.

2 Significant accounting policies (Continued)

Right-of-use assets

This policy is applied to contracts entered into, on or after 1 January 2019. The Group recognises a right of use asset at the lease commencement date. The right of use asset is initially measured as the same as the initial measurement of the corresponding lease liability. If the group is contractually required to dismantle, remove or restore the leased asset then an assessment is made of dilapidation costs. Where these costs can be reliably measured and are considered significant these costs are factored into the carrying value of the asset. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right of use asset is presented as a separate line in the Balance Sheet.

The right of use asset is subsequently depreciated using the straight line method over the shorter of its estimated useful life and the lease term. The shorter is usually the lease term.

The carrying value of right-of-use assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The Group has applied the exemption for low value assets and short term lease. The Group recognises the lease payments associated with these leases as an expense in the Income Statement.

2 Significant accounting policies (Continued)

Foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency).

The presentational currency of Air Energi Group Holdings Limited and its consolidated financial statements is US dollars. The functional currency of Air Energi Group Holdings Limited is UK Sterling.

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

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

• exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

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

Borrowing costs

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

Interest income

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

Retirement benefit costs

The Group operates defined contribution pension schemes for a number of its staff and Directors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The pension balance owing at year end held on the consolidated balance sheet is $89,000 (2019: $118,000).

Taxation

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

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

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

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

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

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

2 Significant accounting policies (Continued)

Property and equipment

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

Leasehold improvements - 15% per annum straight line
Computer equipment - 25% per annum straight line
Fixtures & Fittings - 15% per annum straight line
Motor vehicles - 33% per annum straight line

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

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. IFRS 9 has impacted the way in which the Group accounts for certain financial assets and liabilities. The standard has introduced an expected credit loss model when assessing impairment of financial assets. The Group has applied the simplified model to recognise expected lifetime losses on its trade receivables.

Financial assets

The Group's financial assets comprise primarily cash, bank deposits and trade receivables that arise from its business operations. Financial assets are a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A provision for impairment is calculated using an expected credit loss impairment model.

Under this impairment model approach under IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date.

Investments

Investments are initially recorded at cost and are reviewed for impairment on an annual basis.

Loans and receivables

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

Impairment of financial assets

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

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or

- default or delinquency in interest or principal payments; or

- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

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

Impairment provisions for receivables from and to group undertakings are recognised based on a forward looking expected credit loss model. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2 Significant accounting policies (Continued)

Cash and bank balances

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

Derecognition of financial assets

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

Financial liabilities and equity

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

Equity instruments

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

Financial liabilities

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

Other financial liabilities

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Exceptional items

Exceptional items are those that the directors consider need to be disclosed separately in the financial statements to provide a true and fair view by virtue of their size or incidence; all exceptional items are charged or credited in arriving at operating profit in the financial statements. Details of these items are provided in note 5.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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.

The Directors consider that the key accounting judgements and estimation applied to these financial statements are estimating Expected Future Credit Losses as required by IFRS 9 (see note 16), identification of separable intangible assets (note 12), the amortisation period applied to these intangible assets (see intangible accounting policy), that the Directors believe that the business is one cash generating unit for the purpose of goodwill impairment testing (see note 12), determining the lease term and incremental borrowing rate used for lease liabilities (see note 14) and the nature, timing and probability of the liability when recording provisions (see note 20).

Air Energi Group Holdings Limited

Notes forming part of the financial statements
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3 Segmental reporting

The Company is exempt from IFRS 8 'Operating Segments' which requires certain companies (including companies with publically traded equity or debt securities) to disclose reporting data for business segments or geographical segments. All revenue for the group arises from the provision of services. Turnover, profit before taxation, assets and liabilities are attributable to the activity of hiring out and permanent placement of personnel to provide engineering services to Companies engaged within the Oil and Gas sector.

4 Operating profit

	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
This is arrived at after charging:		
Depreciation of tangible fixed assets (note 13)	611	588
Depreciation of Right-of-use assets (note 14)	4,807	5,105
Amortisation of intangible assets (note 12)	10,797	10,702
Auditors' remuneration*:		
Fees payable for the auditing of the Group's annual accounts	400	394
Fees payable for taxation advisory services	236	191
Exchange loss/ (gain)	335	3,422

* Auditors' remuneration comprises fees payable to the company's auditors or an associate of the company's auditors. The audit fee of $2,000 (2019: $2,000) for the company is borne by a subsidiary undertaking.

5 Exceptional administrative costs

	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Restructuring costs	**432**	190
Other transaction costs	**429**	629
Legal and advisory costs	**1,337**	1,587
Office set up and exit costs	**3**	38
Other one off costs	**445**	429
	2,646	2,873

Exceptional administrative costs are described below:

Restructuring costs are in relation to redundancy, consultancy and closure costs as part of our group wide restructuring programme enabling the group to achieve its desired operating structure. Redundancy costs are not separately identified in exceptional costs, however costs incurred as part of a group wide restructuring programme have been separately identified.

Other transaction costs are professional and bank fees in relation to shareholder transactions and changes to bank contracts. These costs are typically one off in nature.

Legal and advisory costs include fees incurred with advisors on large litigation or board matters. Legal costs on day to day matters are not separately identified in exceptional costs, however costs in relation to defending legal actions brought against the group are separately identified.

Office set up and exit costs relate to costs incurred on the exit and relocation of offices. Office set up costs include costs associated with the establishment and initial set up of new and offices including rent, overhead expenses, pre-opening to support the site in the initial period following opening. Exit costs include direct and indirect costs to close down a facility.

Other one off costs are other non-recurring costs that the directors believe are exceptional and do not form part of the underlying trading.

6 Staff costs

	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Staff costs (including directors) consist of:		
Wages and salaries	37,335	48,912
Social security costs	2,864	4,038
Other pension costs	1,500	1,419
	41,699	54,369

The average number of employees (including directors) during the period was as follows:

	Number	Number
Administration	656	744

The company did not have any employees.

7 Directors' remuneration

	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Directors' emoluments	2,069	1,489
Emoluments of the highest paid director were:	829	751

Contributions in the year into the company's defined contribution pension scheme for Directors were $30,843 (2019 - $23,932). Contributions for the highest paid Director were $13,480 (2019: $14,000).
None of the directors received any remuneration from the company.

8 Finance costs

	2020 $'000	2019 $'000
Bank loans, invoice discounting and overdrafts	21,051	22,807
IFRS 16 lease interest	1,129	1,293
Amortisation of finance costs	911	1,089
All other loans	14,028	12,632
	37,119	37,821

Air Energi Group Holdings Limited

Notes forming part of the financial statements
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9 Taxation	**Year ended 31 December 2020 $'000**	**Year ended 31 December 2019 $'000**
(a) Taxation on profit on ordinary activities		
Corporation tax:		
UK Tax	**1,029**	417
Foreign tax	**3,427**	3,388
Withholding tax	**1,755**	3,986
Adjustment in respect of prior year	**65**	(533)
Total current tax for the year	**6,276**	7,259
Deferred tax:		
Deferred tax credit	**(409)**	(3,511)
Tax charge on profit on ordinary activities	**5,867**	3,748

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

	Year ended 31 December 2020 $'000	**Year ended 31 December 2019 $'000**
Loss on ordinary activities before tax	**(19,188)**	(13,836)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2018 - 19%)	**(3,646)**	(2,629)
Effects of:		
Fixed asset differences	**9**	(93)
Adjustments in respect of prior periods	**(56)**	(510)
Adjustments in respect of prior periods - deferred tax	**1,403**	(24)
Expenses not deductible for tax purposes	**2,740**	2,707
Deferred tax not recognised	**3,690**	(439)
Other timing differences	**(142)**	284
Foreign income not taxable	**(128)**	(581)
Withholding tax paid	**1,755**	3,988
Other permanent differences	**1,144**	
Difference in tax rates and unrelieved tax losses	**(903)**	1,044
Total tax charge for period	**5,867**	3,748

9 Taxation (Continued)

On 3 March 2021 it was announced that the UK Corporate Tax rate would increase to 25% from 1 April 2023. This is likely to result in an increase in the Group's UK tax charge from that date.

Estimates and assumptions

The Group is subject to income tax in several jurisdictions and judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the company's belief that its tax return positions are supportable, the company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The deferred tax asset in the US is to be recovered over a probably period of 10 years. As at 31 December 2020 the Group has $3.4m of unrecognised deferred tax assets.

This assessment relies on estimates and assumptions and may involve a series of judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

10 Deferred taxation

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Deferred tax assets	**8,321**	8,857	-	-
Deferred tax liabilities	**(15,676)**	(16,691)	-	-
Net deferred tax liability	**(7,355)**	(7,834)	-	-

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The nature of the deferred income tax accounts are as follows:

	Group 2020 $'000	Group 2019 $'000	Company 2019 $'000	Company 2019 $'000
Tax losses	**8,300**	8,279	-	-
Provisions and accruals	**(696)**	578	-	-
Capital allowances	**22**	(153)	-	-
Arising on intangible assets (note 12)	**(14,981)**	(16,538)	-	-
Net deferred tax liability	**(7,355)**	(7,834)	-	-

11 Company loss for the financial year

The auditor's remuneration for the current and prior year has been borne by Air Resources Limited, a subsidiary undertaking of Air Energi Group Holdings Limited, without any right of reimbursement. There were no non-audit services provided by the auditor during the year (2019: $nil). There are no employees other than the directors and no remuneration has been paid to the directors. No dividends were paid or declared in the period.

12 Intangible assets

Group	Goodwill	Intellectual property rights	Brands	Customer relationships	Software	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation						
At 1 January 2020	108,581	1,949	33,800	95,336	7,908	**247,574**
Additions	-	-	-	-	332	**332**
Disposals	-	-	-	-	(128)	**(128)**
Exchange differences	-	-	-	-	325	**325**
At 31 December 2020	108,581	1,949	33,800	95,336	8,437	**248,103**
Amortisation and impairment						
At 1 January 2020	9,987	1,949	13,353	22,582	5,115	**52,986**
Provision for the period	-	-	3,380	5,418	1,999	**10,797**
On disposals	-	-	-	-	(124)	**(124)**
Exchange differences	-	-	-	-	314	**314**
At 31 December 2020	9,987	1,949	16,733	28,000	7,304	**63,973**
Carrying amount						
At 31 December 2020	98,594	-	17,067	67,336	1,133	**184,130**

Before 1 January 2015 Air Energi Group Holdings, the parent company, and its subsidiaries adopted UK GAAP which required goodwill to be amortised. There was $9,987,000 cumulative amortisation before the group adopted IFRS from 1 January 2015.

Included in software is $nil (2019 - $nil) of assets that are in construction and not amortised.

12 Intangible assets (continued)

Group	Goodwill	Intellectual property rights	Brands	Customer relationships	Software	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost or valuation						
At 1 January 2019	108,581	1,949	33,800	95,336	6,850	**246,516**
Additions	-	-	-	-	707	**707**
Disposals	-	-	-	-	-	**-**
Exchange differences	-	-	-	-	351	**351**
At 31 December 2019	108,581	1,949	33,800	95,336	7,908	**247,574**
Amortisation and impairment						
At 1 January 2019	9,987	1,949	9,973	17,164	2,986	**42,059**
Provision for the period	-	-	3,380	5,418	1,904	**10,702**
On disposals	-	-	-	-	-	**-**
Exchange differences	-	-	-	-	225	**225**
At 31 December 2019	9,987	1,949	13,353	22,582	5,115	**52,986**
Carrying amount						
At 31 December 2019	98,594	-	20,447	72,754	2,793	**194,588**

The company has no intangible assets.

The company acquired the Swift group on the 20 January 2016. A valuation was calculated at arm's length by external advisors.

Goodwill acquired through business combinations has been allocated for impairment testing purposes to Airswift Holdings Limited on an ongoing business basis as a single cash-generating unit (CGU). An impairment test is a comparison of the carrying value of the assets of a business or CGU to their recoverable amount. Where the recoverable amount is less than the carrying value, then an impairment results.

The Company carries out its impairment testing as at 31 December each year. The impairment test that was carried out at 31 December 2020 and used the Board approved 2021 budgeted pre tax cash flows and applied a weighted cost of capital of 11.9% to calculate the recoverable amount. The directors do not believe that there is any impairment of the goodwill. If weighted cost of capital was increased by 4.1% or growth reduced to 0% this would still not result in any impairment.

Air Energi Group Holdings Limited

Notes forming part of the financial statements
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13 Property and equipment

Group	Leasehold improvements $'000	Computer equipment $'000	Fixtures and fittings $'000	Motor Vehicles $'000	Total $'000
Cost					
At 1 January 2020	1,832	5,819	1,443	195	**9,289**
Additions	-	396	19	-	**415**
Disposals	(567)	(667)	(327)	-	**(1,561)**
Exchange adjustments	3	53	24	(38)	**42**
At 31 December 2020	1,268	5,601	1,159	157	**8,185**
Depreciation					
At 1 January 2020	1,356	4,106	1,292	121	**6,875**
Provision for the period	201	316	54	40	**611**
On disposals	(567)	(532)	(326)	-	**(1,425)**
Exchange adjustments	39	60	22	(36)	**85**
At 31 December 2020	1,029	3,950	1,042	125	**6,146**
Net book value					
At 31 December 2020	**239**	**1,651**	**117**	**32**	**2,039**

Group	Leasehold improvements $'000	Computer equipment $'000	Fixtures and fittings $'000	Motor Vehicles $'000	Total $'000
Cost					
At 1 January 2019	1,603	5,510	1,394	229	8,736
Additions	197	220	70	24	511
Disposals	-	-	-	-	-
Exchange adjustments	32	89	(21)	(58)	42
At 31 December 2019	1,832	5,819	1,443	195	9,289
Depreciation					
At 1 January 2019	1,273	3,721	1,237	177	6,408
Provision for the period	153	281	92	62	588
On disposals	-	-	-	-	-
Exchange adjustments	(70)	104	(37)	(118)	(121)
At 31 December 2019	1,356	4,106	1,292	121	6,875
Net book value					
At 31 December 2019	**476**	**1,713**	**151**	**74**	**2,414**

The company has no tangible assets.

14 Leases

Right-of-Use Assets

Group	**Land and buildings $'000**	**Motor Vehicles $'000**	**Total $'000**
At 1 January 2020	6,845	4,693	**11,538**
Additions	1,614	755	**2,369**
Disposals	(1,626)	(2,808)	**(4,434)**
Depreciation of right of use asset	(2,981)	(1,826)	**(4,807)**
On disposal	1,058	1,570	**2,628**
Exchange adjustments	12	-	**12**
At 31 December 2020	4,922	2,384	**7,306**

Group	**Land and buildings $'000**	**Motor Vehicles $'000**	**Total $'000**
At 1 January 2019	6,623	4,265	10,888
Additions	3,140	2,918	6,058
Disposals	(9)	(269)	(278)
Depreciation of right of use asset	(2,884)	(2,221)	(5,105)
Exchange adjustments	(25)	-	(25)
At 31 December 2019	6,845	4,693	11,538

Lease liabilities

At 1 January 2020	7,206	4,839	**12,045**
Additions	1,614	755	**2,369**
Disposals	(604)	(1,332)	**(1,936)**
Repayment of lease liabilities	(3,528)	(2,157)	**(5,685)**
Interest expense relating to lease liabilities	729	400	**1,129**
Exchange adjustments	17	-	**17**
At 31 December 2020	5,434	2,505	**7,939**
At 1 January 2019	6,623	4,265	10,888
Additions	3,140	2,918	6,058
Disposals	(7)	(269)	(276)
Repayment of lease liabilities	(3,328)	(2,568)	(5,896)
Interest expense relating to lease liabilities	800	493	1,293
Exchange adjustments	(22)	-	(22)
At 31 December 2019	7,206	4,839	12,045

A maturity analysis of the Group's total lease liability is shown below:

	2020 Total $'000	**2019 Total $'000**
Less than 12 months	**3,593**	5,018
1 - 2 years	**1,703**	3,306
2 - 5 years	**1,514**	2,342
5+ years	**1,129**	1,379
	7,939	12,045

The Group leases various properties throughout the world. The majority of the lease liabilities relate to properties with leases generally enetered into for a fixed period of up to three years. Lease terms are negotiated on an individual basis and contain a range of terms and conditions. Lease assets are not used as security for any borrowings. Previously leases for land and buildings or motor vehicles were classified as operating leases. From 1 January 2019 leases are recognised as a right of use asset and corresponding liability, once the asset is available for use by the Group. The Group has applied the exemption for low value assets and short term lease. The Group recognises the lease payments associated with these leases as an expense in the Income Statement. During the financial period $30,000 (2019: $61,000) was recognised in the Income Statement as a result of the exemption.

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost and subsequently at cost, less and accumulated depreciation. The lease liability is initially measured at the present value of the lease payments discounted using the Group's incremental borrowing rate (IBR) of 12%. The lease liability is subsequently increased by the interest cost on the lease liability and reduced by the lease payment made.

The Group's IBR has been used as the discount rate for most leases where an interest rate could not be readily determined from the contract which was the case for all leases.

The company has no right of use assets or lease liabilities.

Air Energi Group Holdings Limited

15 Investments

Subsidiary undertakings, associated undertakings and other investments

The company has a £100 investment in the share capital of its sole direct subsidiary, Air Energi Newco Limited.

Air Energi Newco Limited is held directly by the company. All other undertakings listed above are held indirectly. For all undertakings listed above, the country of operation is the same as the country of incorporation or registration. The registered addresses are show in note 28.

The principal undertakings are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Subsidiary undertakings			
Air Energi Newco Limited	England	100%	Holding company
Airswift Holdings Limited	England	55.5%	Holding company
Air Energi Group Investments Limited	England	55.5%	Holding company
Air Energi Holdings Limited	England	55.5%	Holding company
Air Energi Investments Limited	England	55.5%	Holding company
Air Energi Group Limited	England	55.5%	Holding company
Air Resources Limited	England	55.5%	Provision of global manpower solutions to the Oil & Gas Industry ("PGMS")
Air Resources Americas LLC	USA	55.5%	PGMS
Airswift Canada Limited	Canada	55.5%	PGMS
Air Energi Group Singapore Pte Limited	Singapore	55.5%	PGMS
Agensi Pekeriaan Air Energy (Malaysia) Sdn Bhd	Malaysia	55.5%	PGMS
Agensi Pekerjaan Airswift Consulting Malaysia Sdn. Bhd	Malaysia	55.5%	PGMS
Pt Air Energy Indonesia Limited	Indonesia	28.3%	PGMS
Air Consulting Company Limited	Thailand *	26.9%	PGMS
Air Consulting Australia Pty Limited	Australia	55.5%	PGMS
Air Energi Pacifica Limited	Papua New Guinea	55.5%	PGMS
Air Energi Norway AS	Norway	55.5%	PGMS
Air Resources Qatar WLL	Qatar *	27.2%	PGMS
Air Energi Caspian LLP	Kazakhstan	55.5%	PGMS
Air Energi KSA	Saudi Arabia *	27.2%	PGMS
Air Energi UAE LLC	United Arab Emirates *	27.2%	PGMS
Air Energi France SAS	France	55.5%	PGMS
Air Energi Executive SAS	France	55.5%	PGMS
Hawa'a Al-Iraq for Management Services Limited	Iraq	55.5%	PGMS
Air Energi Kitco Limited	South Korea	55.5%	PGMS
Inspirec Limited	New Zealand	55.5%	PGMS
Marchfield Holdings Limited	England	55.5%	Dormant
Bellevue Resources Limited	England	55.5%	Dormant
Airswift Trustees Limited	England	55.5%	Trustee company for ESOP
Swift Worldwide Resources Midco Limited	England	55.5%	Holding company
Swift Worldwide Resources Australia Holdings Corp. PTY Limited	Australia	55.5%	Holding company
Swift Worldwide Resources Bidco Limited	England	55.5%	Holding company
Swift Worldwide Resources US Holdings Corp	USA	55.5%	Holding company
Swift Worldwide Resources UK Corp Limited	England	55.5%	Holding company
Swift Technical Group Holdings Limited	England	55.5%	Holding company
Swift Technical Holdings Limited	England	55.5%	Holding company
Swift Technical Group Limited	England	55.5%	Holding company
Swift Technical (Azerbaijan) Limited	England	55.5%	PGMS

Air Energi Group Holdings Limited

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15 Investments (Continued)

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Swift Technical (Europe) Limited	England	55.5%	PGMS
Swift Technical (Nigeria) Limited	England	55.5%	PGMS
STS (London) Limited	England	55.5%	PGMS
Swift Engineering (Azerbaijan) Limited	England	55.5%	PGMS
Swift Technical (Operations) Limited	England	55.5%	PGMS
Swift Technical (Russia) Limited	England	55.5%	PGMS
Swift Technical Services LLC	USA	55.5%	PGMS
Singular Energy Resource Solutions LLC	USA	55.5%	PGMS
Swift Trustees Limited	England	55.5%	Trustee company for ESOP
Swift Technical (Australia) PTY Ltd	Australia	55.5%	PGMS
Swift Technical Servicos Tecnicos Especializados Ltda	Brazil	55.5%	PGMS
Swift Technical S A	Argentina	55.5%	PGMS
Swift Technical Colombia SAS	Columbia	55.5%	PGMS
Swift Technical Colombia Servicos Temporales SAS	Columbia	55.5%	PGMS
Swift Technical Trinidad Limited	Trinidad	55.5%	PGMS
Swift Oil and Gas Technical Service (Chengdu) Co. Limited	China	55.5%	PGMS
Swift Technical (Singapore) PTE Limited	Singapore	55.5%	PGMS
Swift Oil and Gas (Ghana) Limited	Ghana	55.5%	PGMS
Swift Technical Kuwait - LLC	Kuwait	55.5%	PGMS
Singular Energy Resource Solutions Ltd	England	55.5%	PGMS
Swift Technical LLC	Russia	55.5%	PGMS
Swift Engineering Consultants (Shanghai) Co Ltd	China	55.5%	PGMS
Swift Technical (Korea) Yuhan Hoesa	Korea	55.5%	PGMS
Airswift on Demand Labors Supply	United Arab Emirates	55.5%	PGMS
Air Employment Services Sweden Filial	Sweden	55.5%	PGMS
Swift Technical Energy Solutions Ltd	Nigeria	55.5%	PGMS
Air Consulting Senegal	Senegal	55.5%	PGMS
Airswift Consulting Tanzania Limited	Tanzania	47.2%	PGMS
Airswift Mexico S.deR.L.deC.V	Mexico	52.7%	PGMS
Air Resources LLC (Oman)	Oman	38.9%	PGMS
Air Energi Netherlands	Netherlands	55.5%	PGMS
Airswift - Maurtania - SARL	Maurtania	55.5%	PGMS
Airswift Consulting (B) Sdn Bhd - Brunei	Brunei	55.5%	PGMS
Airswift Consulting Uganda - SMC LTD	Uganda	55.5%	PGMS
Airswift Denmark ApS (Denmark)	Denmark	55.5%	PGMS
Airswift Est (Saudi Arabia)	Saudi Arabia	55.5%	PGMS
Airswift Guyana Inc	Guyana	55.5%	PGMS
Airswift-AzTechno Azerbaijan LLC	Azerbaijan*	55.5%	PGMS
Airswift-Embrace, Agencia Privada de Emprego, Limitada	Mozambique *	27.8%	PGMS
ASEM Mozambique LDA	Mozambique *	27.8%	PGMS
Ducatus Partners Limited (UK)	United Kingdom	55.5%	PGMS
Ducatus Partners LLC (Texas)	USA	55.5%	PGMS
Swift Angola. LDA	Angola *	27.2%	PGMS

* is treated as a subsidiary undertaking because the company has the contractual power to exercise dominant influence and control over it.

16 Trade and other receivables

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Trade receivables	**78,655**	122,362	-	-
Less: provision for impairment of trade receivables	**(1,729)**	(1,023)	-	-
Trade receivables - net	**76,926**	121,339	-	-
Amounts due from subsidiaries	3,974	3,903	-	-
Other trade receivables	52,130	57,795	37	36
	133,030	183,037	37	36

The directors consider that the carrying amount of the above assets approximates to their fair value.

At 31 December 2020, the Expected Lifetime Credit Losses are as follows:

	More than 90 days aged	Between 60-90 days aged	Between 30-60 days aged	Less than 30 days aged
Gross amount - $'000	2,481	5,318	14,872	55,984
Expected Loss rate	3%	1.5%	0.8%	0.2%

The group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for significant trade receivables that are aged. The expected loss rates are based on the Group's historical credit losses experienced over the last year and also for discounting of aged receivables to the net present value allowing for inflation. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. Whilst trading performance has been down as a result of COVID-19, the Group and Company have not seen any demonstrable impact on cash collection during the financial year. Aged debt reduced significantly during the year and finished the financial year at an all time low. Based on initial assessment and current understanding no impairment is expected as a result of COVID-19.

The group has applied the general impairment model as per IFRS 9 to consider the recoverability of intercompany balances. No impairment was required as a result of the assessment completed.

The company has no trade receivables.

17 Trade and other payables

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Trade payables	**2,342**	10,159	-	-
Amounts due to subsidiaries	-	-	**854**	816
VAT	**1,333**	1,714	-	-
Other creditors and accruals	**65,017**	77,487	**149**	145
	68,692	89,360	**1,003**	961

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The trade payables shown above arise in the normal trading activities of the group and are payable in line with normal terms of trade which, on average, are 30 days. The amounts due to subsidiaries are also payable within 30 days, should the subsidiary demand payment.

18 Borrowings

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Current liability				
Invoice discounting (secured)	**24,298**	55,725	-	-
Bank loan - (floating rate)	**123,742**	1,188	-	-
Bank loan - Revolving Credit Facility B (secured)	**10**	1,816	-	-
Loan Notes	**160,061**	-	52,649	-
	308,111	58,729	52,649	-

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current liability				
Bank loan - (floating rate)	**-**	119,161	-	-
Loan notes	**7,883**	147,793	-	46,390
	7,883	266,954	-	46,390
Total borrowings				
Amount due for settlement within 12 months	**308,111**	58,729	52,649	-
Amount due for settlement after 12 months	**7,883**	266,954	-	46,390
	315,994	325,683	52,649	46,390

Invoice discounting (secured) are secured against trade debtors. The revolving facility expires on 20 June 2021. The refinancing of this facility has been considered in the assessment of going concern in Note 2.

The bank loan matured on 20 July 2021. Total borrowing costs of $9,000 (2019: $920,000) have been capitalised against the loan. The loan is secured on the assets of the company and its subsidiary undertakings (see note 23). In My 2021 the Group secured committed funding via a senior secured bond. Proceeds from the bond issue have been used to repay the existing term loan.

Under the terms of the bank loan the company is restricted from transferring assets or dividends to its parent companies. The bank loan has financial covenants attached that are formally disclosed on a quarterly basis. There have been no breaches of covenants during the financial year.

Shareholder Loan Note are unsecured and interest charged at 15% . During the year, the Group accrued interest of $1,294,000 (2019: $1,086,000) on shareholder loan notes. The interest accrued is payable on redemption. The Loan Notes classed as Current borrowings mature in October 2021 and the Non-current Shareholder Loan Notes mature in January 2022.

During the year, the Group accrued interest of $15,322,000 (2019: $13,718,000) on loan notes. The interest accrued is payable on redemption. The loan notes have been extended to at least May 2025.

During the year, the Company accrued interest of $4,657,000 (2019: $4,190,000) on loan notes. The interest accrued is payable on redemption. The loan notes have been extended to at least May 2025.

19 Financial instruments

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern. The capital structure of the group consists of debt, which includes borrowings, cash and cash equivalents and equity attributable to the equity holders of the parent comprising issued share capital and retained earnings. The company does not issue, buy back its own share capital or declare dividends. Shareholder returns will be generated by the sale of the company's shares.

Financial risk management objectives

The groups' board and treasury function, monitor and manage the financial risks relating to the operations. These risks include currency exposure, credit risk, liquidity risk and cash flow interest risk. The group, where appropriate, seeks to minimise the effects of these risks by entering into derivative financial instruments to hedge these exposures. The use of derivative instruments is governed by the group's policies which are approved by the board of directors. The group does not enter into any speculative trading in financial instruments. No derivative financial instruments were entered into in the current financial year. The group's activities primarily expose it to risks of changes in interest rates and to changes in foreign currency rates. The principal risks are detailed below together with details of how these are mitigated.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The following table details the Group's sensitivity to a 1% increase and decrease in the LIBOR rate. One percent is the sensitivity rate used when reporting interest rate risk internally to key management personnel, and represents management's assessment of the reasonably possible change in interest rates. A positive number below indicates an increase in profit and other equity where the LIBOR rate decreases by 1%. For a 1% increase in the LIBOR rate, there would be an equal negative impact on the profit and other equity.
The company is not exposed to any significant interest rate risks as the company borrowings are based on a fixed interest rate that is not affected by changes in LIBOR.

	2020 $'000	2019 $'000
Profit before tax	243	557

Financial instruments by category - Group

Assets as per balance sheet	**2020 $'000**	**2019 $'000**
Cash and cash equivalents	16,770	16,450
Trade and other receivables	125,180	179,320
	141,950	195,770
Liabilities as per balance sheet		
Invoice discounting (secured)	24,298	55,725
Bank loan - Revolving Credit Facility B (secured)	10	1,816
Bank loan - (floating rate)	123,742	120,349
Loan notes	167,944	147,793
Trade and other payables	62,800	81,667
	378,794	407,350

19 Financial instruments (continued)

Financial instruments by category - company

Financial assets as per balance sheet	2020 $'000	2019 $'000
Cash and cash equivalents	7	7
Trade and other receivables	37	36
	44	43

Financial Liabilities as per balance sheet		
Loan notes	52,649	46,390
	52,649	46,390

The group does not believe there is a material risk of non-payment of the 30+ day trade receivables and that the impairment provision is adequate due to the strong relationships with customers and the continued management of the customer infrastructure.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2020 $'000	2019 $'000
Currency		
GB sterling	**12,115**	6,382
US dollars	**37,590**	72,048
Other currencies	**27,221**	42,909
Total (see note 16)	**76,926**	121,339

Before accepting any new customer, the Group may use an external credit scoring system to assess the potential customer's credit quality. Limits may be attributed to customers and are reviewed as necessary. All trade receivables that are neither past due nor impaired have received satisfactory credit scores under the external credit scoring systems used and their quality is therefore considered to be of an acceptable standard.

Movements on the group provision for impairment of trade receivables are as follows:

	2020 $'000	2019 $'000
At 1 January	**1,023**	2,087
Net movement	**706**	(1,064)
Total	**1,729**	1,023

The company does not have any trade receivables.

19 Financial instruments (continued)

The financial instrument risk management objectives, policies and strategies for the group are as follows:

Financial assets

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the group will be unable to collect all of the amounts due under the terms receivable, 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 with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. 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 and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial liabilities

Other financial liabilities include the following items:

Bank borrowings initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

19 Financial instruments (continued)

Foreign currency exchange risk

Due to the nature of its business, the Group engages in foreign currency denominated transactions. Further, the Group is exposed to movements in foreign currency exchange on its investments in foreign subsidiary companies. The Group does not use derivative instruments to protect against the volatility associated with foreign currency transactions and investments and other financial assets and liabilities created in the ordinary course of business. Revenues and expenses are transacted in the same foreign currency as far as possible to achieve a natural hedge.

The following table details the Group's sensitivity to a 10% fluctuation in exchange rate and the impact on monetary assets and short term borrowings. A positive number below indicates an increase in profit where currencies devalue against the US Dollar. If the US Dollar weakens by 10%, there would be an equal negative impact on the profit and other equity.

	2020	**2019**
	$'000	**$'000**
Loss before tax	**(9,741)**	(6,088)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group conducts credit checks on all potential customers and suppliers before entering into any contracts using independent rating agencies and other publicly available information. The Group's exposure is constantly monitored and forms part of the monthly reporting to the board of directors.

Trade receivables consist of a large number of customers across the Group's geographies. The majority of customers by value are blue chip companies within the oil and gas sector, credit risk is assessed as low. The aging profile of Group's trade receivables net of provision and IFRS 9 is disclosed below:

	Gross	**Impaired**	**Carrying Value**
31 December 2020	**$'000**	**$'000**	**$'000**
Up to 30 days	55,944	-	55,944
30+ days	22,711	(1,729)	20,982
Total	**78,655**	**(1,729)**	**76,926**

	Gross	**Impaired**	**Carrying Value**
31 December 2019	**$'000**	**$'000**	**$'000**
Up to 30 days	85,189	-	85,189
30+ days	37,173	(1,023)	36,150
Total	122,362	(1,023)	121,339

The company is not exposed to any significant credit risk as the company does not have any trade receivables aside from intercompany receivables. These recoverability of these are included in the impairment assessment. No impairment deemed to be required.

Interest rate risk profile of financial assets and liabilities

The interest rate profile of the financial assets and liabilities of the Group as at 31 December 2020 is shown under liquidity risk.

Air Energi Group Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2020

19 Financial instruments (continued)

Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flow. The directors regularly review the company's forecasts and projections, including assumptions around sales, gross margins and costs and the associated cash flows generated in order to assess the ability of the company to operate within the level of its current facility and meet banking covenant tests and to take mitigating actions where necessary to ensure that covenants are met. For the year ended 31 December 2020 and year ended 31 December 2019, the contractual cash flows of the group's financial instruments were as follows:

31 December 2020 Contractual cash flows	**Carrying amount $'000**	**Gross nominal value $'000**	**Within 1 year $'000**	**Between 1-2 years $'000**	**Between 2-5 years $'000**
Financial assets					
Cash (floating rate)	16,770	16,770	16,770	-	-
Trade and other receivables*	125,180	125,180	125,180	-	-
Total financial assets	141,950	141,950	141,950	-	-
Financial liabilities					
Invoice discount facility (floating rate)	24,298	24,298	24,298	-	-
Bank loan - Revolving Credit Facility B (secured)	10	10	10	-	-
Bank loan - (floating rate)	123,742	123,742	125,597	-	-
Loan notes	167,944	167,944	168,709	9,134	-
Trade and other payables*	62,800	62,800	62,800	-	-
Total financial liabilities	378,794	378,794	381,414	9,134	-
Net cash outflow	(236,844)	(236,844)	(239,464)	(9,134)	-

31 December 2019 Contractual cash flows	**Carrying amount $'000**	**Gross nominal value $'000**	**Within 1 year $'000**	**Between 1-2 years $'000**	**Between 2-5 years $'000**
Financial assets					
Cash (floating rate)	16,450	16,450	16,450	-	-
Trade and other receivables*	179,320	179,320	179,320	-	-
Total financial assets	195,770	195,770	195,770	-	-
Financial liabilities					
Invoice discount facility (floating rate)	55,725	55,725	55,725	-	-
Bank loan - Revolving Credit Facility B (secured)	1,816	1,816	1,816	-	-
Bank loan - (floating rate)	120,349	120,349	1,188	126,393	-
Loan notes	147,793	147,793	-	166,154	-
Trade and other payables*	81,667	81,667	81,667	-	-
Total financial liabilities	407,350	407,350	140,396	292,547	-
Net cash (outflow) / inflow	(211,580)	(211,580)	55,374	(292,547)	-

For the reporting periods 31 December 2019 and 31 December 2020, the contractual cash flows of the company's financial instruments were as follows:

31 December 2020 **Contractual cash flows - Company**	**Carrying amount** **$'000**	**Gross nominal value** **$'000**	**Within 1 year** **$'000**	**Between 1-2 years** **$'000**	**Between 2-5 years** **$'000**
Financial assets					
Cash (floating rate)	7	7	7	-	-
Trade and other receivables *	37	37	37	-	-
Total financial assets	44	44	44	-	-
Financial liabilities					
Loan notes	52,649	52,649	55,433	-	-
Total financial liabilities	52,649	52,649	55,433	-	-
Net cash (outflow) / inflow	(52,605)	(52,605)	(55,389)	-	-

31 December 2019 **Contractual cash flows - Company**	**Carrying amount** **$'000**	**Gross nominal value** **$'000**	**Within 1 year** **$'000**	**Between 1-2 years** **$'000**	**Between 2-5 years** **$'000**
Financial assets					
Cash (floating rate)	7	7	7	-	-
Trade and other receivables *	36	36	36	-	-
Total financial assets	43	43	43	-	-
Financial liabilities					
Loan notes	46,390	46,390	-	51,419	-
Total financial liabilities	46,390	46,390	-	51,419	-
Net cash (outflow) / inflow	(46,347)	(46,347)	43	(51,419)	-

*Financial assets and liabilities are those that have a right to cash but exclude those that are a right to service.

20 Provisions

	Payroll tax provision	Covid-19 Grant related provision	Total
	$'000	$'000	$'000
At 1 January 2020	3,692	-	3,692
Grant income received		4,150	4,150
Release of provision	-	(540)	(540)
Utilised	(93)	(930)	(1,023)
Exchange movements	100	43	143
At 31 December 2020	**3,699**	**2,723**	**6,422**

Payroll tax provision

The Group recognises a payroll tax provision arising from contractors working in Azerbaijan. The provision arose from gross up accruals from expat contractors pay to allow for payroll taxes, however these taxes were not paid due to the contractors not becoming tax residents in the years 2016-2019. A mandatory tax inspection has been carried out for which a provisional result has been provided by the tax office. An appeal has been lodged in respect of the findings which is in its early stages and an outcome will not be known until later in 2021. Management feel that it is appropriate to recognise the provision on the basis that the likelihood of a payment being made is only probably and uncertainty exists over the timing and the amount. The amount of the provision is felt appropriate given the known facts at the balance sheet date.

Covid-19 Grant related provision

During the year the Group received various COVID-19 government relief packages to support its employees. In the Netherlands grants of $609,000 were received during the year. In order to receive compensation under the scheme the Netherlands subsidiary had to expect a loss in turnover of at least 20% over a period of four consecutive months during 2020. The assessment as to whether the company qualified for the grant income is not due to take place until after the audited accounts and tax are filed with the Netherland's authorities. Due to the uncertainty over the nature of the assessment the grant income received has not been recognised in the Income Statement and is held as a liability on the balance sheet.

In Singapore $3.5m (SGD 4.9m) was received under the Job Support Scheme. Grants were received for both employees and contractors in Singapore. For employees $540,000 of the grant income was credited to the Income Statement to offset employee payroll costs. In regards to the element in relation to contractors this has been recognised as a liability as customers can request for this to be passed onto them. As of 31 December 2020 $930,000 has been utilised through payouts to customers who have requested to be reimbursed. Due to the uncertainty over whether customers will request to be reimbursed then management feel it is appropriate for the remaining balance of $2.1m to be recognised as a liability on the balance sheet.

21 Cash generated from operations

	Group 2020	Group 2019	Company 2020	Company 2019
	$'000	$'000	$'000	$'000
Loss before tax	(19,188)	(13,836)	(4,671)	(4,192)
Adjustments for:				
Amortisation of intangible assets	10,797	10,702	-	-
Depreciation on property, plant and equipment	611	588	-	-
Depreciation on Right of Use assets	4,807	5,105	-	-
Loss on disposal of property, plant and equipment	134	-	-	-
Gain on disposal of Right of Use assets	(133)	-	-	-
Finance expense	37,119	37,821	4,657	4,190
Changes in working capital:				
Trade and other receivables (increase)/decrease	49,004	8,802	(1)	6
Trade and other payables decrease/(increase)	(20,912)	1,603	15	3
Cash generated from operating activities before interest and tax	62,239	50,785	-	7

Air Energi Group Holdings Limited

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21 Cash generated from operations (continued)

Cash and cash equivalents

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Cash and bank balances	16,770	16,450	7	7

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

		Non cash movements			Net Cash flow	
	Group year ended 2019 $'000	Amortisation of debt issue costs (note 8) $'000	Rolled up interest $'000	Other		Group year ended 2020 $'000
Cash and cash equivalents	16,450	-	-	-	320	16,770
Long term borrowings	(266,954)	(911)	(25,476)	282,615	2,843	(7,883)
Bank loan - (floating rate)	*(119,161)*	*(911)*	*(5,325)*	*122,554*	*2,843*	*-*
Shareholder Loan Note	*(147,793)*	-	*(20,151)*	*160,061*	-	*(7,883)*
Short term borrowings	(58,729)	-	-	(282,615)	33,233	(308,111)
Invoice discounting (secured)	*(55,725)*	-	-	-	*31,427*	*(24,298)*
Bank loan - (floating rate)	*(1,188)*	-	-	*(122,554)*	-	*(123,742)*
Shareholder Loan Note	-	-	-	*(160,061)*	-	*(160,061)*
Bank loan - Revolving Credit Facility B (secured)	*(1,816)*	-	-	-	*1,806*	*(10)*
Net debt excluding leases	(309,233)	(911)	(25,476)	-	36,396	(299,224)
Leases	(12,045)	-	(1,129)	(450)	5,685	(7,939)
Net debt including leases	(321,278)	(911)	(26,605)	(450)	42,081	(307,163)

The other movement in long term and short term borrowings is due to reclassification as at the year end of borrowings that were previously long term borrowings that are as of the balance sheet date due for settlement within 12 months.

The other movement in leases is made up of additions and disposals during the financial year.

22 Share capital

Group and company

Allotted, called up and fully paid	2020 $'000	2019 $'000
546,130 'A' Ordinary shares of £0.20 each	162	162
278,870 'B' Ordinary shares of £0.20 each	83	83
105,135 'C' Ordinary shares of £0.20 each	31	31
50,000 'D' Ordinary shares of £0.20 each	15	15
23,500 'E' Ordinary shares of £0.50 each	17	17
11,100 'F' Ordinary shares of £1 each	16	16
	324	**324**

All shares rank pari passu for dividends and in the event of a retum of surplus assets on liquidation or similar event. The number of votes are restricted to 5,461 for A shares, 3,039 for each of B and C shares and the greater of 500 or 5% of the total votes for each D, E and F shares.

23 Reserves

Share premium represents premium arising on subscription for the company's shares in prior years.

The merger reserve represents the reserve arising on the acquisition of Swift Group and business re-organisation.

The capital contribution reserve arises from the waiver of an intercompany loan payable to a parent company.

The foreign exchange reserve represents foreign exchange differences arising on the retranslation of opening equity and results for overseas operations at closing spot rates on consolidation.

Accumulated losses/retained earnings represent retained profit or losses for the current and prior reporting periods.

24 Contingent liabilities

The Group has guaranteed the bank borrowings of its subsidiaries. At the year end, the liabilities covered by these guarantees were $24,308,000 (2019: $57,541,000).

The Company, together with other fellow subsidiaries undertakings, have guaranteed bank borrowings. At the year end the total liabilities covered by these guarantees totalled $123,791,000 (2019: $121,269,000).

25 Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The company has taken advantage of the exemption available to not disclose transactions with the group headed by Airswift Holdings Limited on the ground that all subsidiaries are 100% beneficially owned by the group.

Fees and expenses of $175,000 (2019 - $175,000) were incurred during the period to Wellspring Capital Management V LLC, a shareholder of the company. There was $525,000 (2019 - $350,000) outstanding at 31 December 2020.

During the year, the Group accrued interest of $1,294,000 (2019: $1,086,000) on shareholder loan notes.

Key management compensation

Remuneration to key management personnel consisted of gross pay, employer national insurance and pension costs. No other amounts were paid in the year. The directors are considered to be the only key management personnel of the group. Their remuneration, excluding national insurance, is disclosed in note 7 of these financial statements.

26 Ultimate parent company and ultimate controlling party

On 20 January 2018, Legal and General Group PLC sold its entire shareholding resulting in there being no ultimate controlling party.

27 Events after the balance sheet date

Post Year end the Group secured committed funding via a senior secured bond. Proceeds from the bond have been used to repay the term loan which matured in July 2021. On the 17th June 2021, the Airswift Group merged with Competentia AS. As a result, the company as ultimate parent in lineage has a loss of control in the new business combination. The remaining shareholding is now owned by Airswift Global Limited which was incorporated as part of the merger.

28 Registered addresses of subsidiary undertakings

Subsidiary undertakings	Registered address
Air Energi Newco Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Airswift Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Energi Group Investments Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Energi Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Energi Investments Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Energi Group Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Resources Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Air Resources Americas LLC	Suite 340, 6002 Rogerdale Road, Houston, TX 77072, USA
Airswift Canada Limited	Suite 200, Petro Fina Building, 736- 8th Avenue SW, Calgary, Alberta, T2P 1H4, Canada
Air Energi Group Singapore Pte Limited	1 Raffles Place, Tower 1 #39-03, Singapore, 048616 Singapore
Agensi Pekeriaan Air Energy (Malaysia) Sdn Bhd	16th Floor, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur
Agensi Pekerjaan Airswift Consulting Malaysia Sdn. Bhd	16th Floor, Menara MIDF, 82 Jalan Raja Chulan, 50200 Kuala Lumpur
Pt Air Energy Indonesia Limited	Alamanda Tower, 18th Floor, Unit B-C, Jl. TB Simatupang Kav 23-24, Jakarta 12430, Indonesia
Air Consulting Company Limited	399 Interchange 21, Level 33, Sukhumvit Road, North Klongtoey, Wattana, Bangkok 10110, Thailand
Air Consulting Australia Pty Limited	Level 8, 100 Edward Street, Brisbane, ALD 4000, Australia
Air Energi Pacifica Limited	Level 5, Cuthbertson House, Cuthbertson Street, Downtown Port Moresby, Port Moresby, Papua New Guinea
Air Energi Norway AS	Postboks 164, 4065, Stavanger
Air Resources Qatar WLL	3rd Floor, Qatar First Investment Bank, Al Jazeera Finance Building, Ring Road C, Doha, Qatar
Air Energi Caspian LLP	203 Office, 2nd Floor, 12A Abay St. 060002 Atyrau, Kazakhstan
Air Energi KSA	King Abdullah Road, Dhahran Street, Middle East Commercial Center, Al Khobar 31952, Saudi Arabia
Air Energi UAE LLC	Office 903, 9th Floor, Al Falah Exchange Building, Electra Street, Abu Dhabi, United Arab Emirates
Air Energi France SAS	Tour Ariane, La Defense 9, 5 Place De La Pyramide Puteaux, 92088, Paris La Defense Cedex, France
Air Energi Executive SAS	Tour Ariane, La Defense 9, 5 Place De La Pyramide Puteaux, 92088, Paris La Defense Cedex, France
Hawa'a Al-Iraq for Management Services Limited	Suite 7, First Floor, Street 7, Section 925, Arassat Al-Hindeeya, Baghdad, Iraq
Air Energi Kitco Limited	Lotte Castle Sky Complex Bldg. 3F-308, 255-1, Seongnam-dong, Jung-gu, Ulsan, 681-822, Korea
Inspirec Limited	Unit 2, 28 Currie Street, New Plymouth, 4342
Marchfield Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Bellevue Resources Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Airswift Trustees Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Worldwide Resources Midco Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Worldwide Resources Australia Holdings Corp. PTY Limited	Level 2, 5 Mill Street, Perth, WA 6000
Swift Worldwide Resources Bidco Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical Group Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical Holdings Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS

28. Registered addresses of subsidiary undertakings (continued)

Subsidiary undertakings	Registered address
Swift Worldwide Resources US Holdings Corp	3050 Post Oak Boulevard, Suite 1450, Houston, TX 77056, USA
Swift Worldwide Resources UK Corp Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical Group Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Azerbaijan) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Europe) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Nigeria) Limited	1690A Brimah Kenku Str, Victoria Island, Lagos, Nigeria
STS (London) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Engineering (Azerbaijan) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Operations) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Russia) Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical Services LLC	3050 Post Oak Boulevard, Suite 1450, Houston, TX 77056, USA
Singular Energy Resource Solutions LLC	3050 Post Oak Boulevard, Suite 1450, Houston, TX 77056, USA
Swift Trustees Limited	Delphian House, 4th Floor, Riverside, New Bailey Street, Salford, England, M3 5FS
Swift Technical (Australia) PTY Ltd	Level 2, 5 Mill Street, Perth, WA 6000
Swift Technical Servicos Tecnicos Especializados Ltda	Av Almirante Barroso, 63, . Office 410, 20031-003, Rio de Janeiro, 20031003 Brazil
Swift Technical S A	Maipu 741, piso 2 A, C1006ACI, Buenos Aires, Argentina
Swift Technical Colombia SAS	Calle 98 # 21 - 36 oficina 601 , Bogotá, Colombia
Swift Technical Colombia Servicos Temporales SAS	Calle 98 # 21 - 36 oficina 601 , Bogotá, Colombia
Swift Technical Trinidad Limited	54 Ariapita Ave, Woodbrook, Port of Spain, Trinidad, West Indies
Swift Oil and Gas Technical Service (Chengdu) Co. Limited	Room 1829, Level 18, the Office Tower, Shangri-la Center, No 9 Binjiang Road (east), Chengdu
Swift Technical (Singapore) PTE Limited	1 Raffles Place, Tower 1 #39-03, Singapore, 048616 Singapore
Swift Oil and Gas (Ghana) Limited	7, Djanie Ashie Avenue, East Legon, Madina DTD 238, Accra, Ghana
Swift Technical Kuwait - LLC	Ajial Mall Complex, Block 11, Plot 22, Floor 2, Office C7, Fahaheel, Kuwait
Singular Energy Resource Solutions Ltd	Innova House, Innova Business Park, Kinetic Crescent, Enfield, Middlesex, EN3 7XH
Swift Technical LLC	Russia 107140, Moscow, 1st Krasnoselskiy side-street., 3, office 114
Swift Engineering Consultants (Shanghai) Co Ltd	Unit 2736, 27/F Pufa Tower, 588 South Pudong Road, Pudong New District
Swift Technical (Korea) Yuhan Hoesa	6F, 109 Munhyeon-ro, Dong-gu, Ulsan, 44107, Korea (Bangeo-dong, Royal Prince)
Airswift on Demand Labors Supply	Office no. 10 Floor 28, Aspin Commercial Tower, Sheikh Zayed Road, Dubai UAE
Air Employment Services Sweden Filial	c/o BDO Malardalen, Box 24193, 104 51 Stockholm
Swift Technical Energy Solutions Ltd	1690A Brimak Kenku Str, Victoria Island, Lagos, Nigeria
Air Consulting Senegal	No 16, Immeuble Hermes 1, Cite Keur Gorgui, Vdn, Dakar, Senegal
Airswift Consulting Tanzania Limited	11th Floor, Golden Jubilee Towers, Ohio Street, Dar es Salaam, Tanzania
Airswift Mexico S.deR.L.deC.V	Calle Lago Alberto, 442 – 403 Suite 571, Colonia ANAHUAC I SECCION, Miguel Hidalgo, Mexico DC (Tax Adress)/
Air Resources LLC (Oman)	201 Al Mawaleh Al Janobia, Way: 17, Block no.: 17, Building no.: 17, Plot no.: 317, Muscat, Oman
Air Energi Netherlands	Mauritskade 5, 2514HC 's-Gravenhage
Airswift - Maurtania - SARL	80 ilot C - Rue 26 014 - Ksar Ouest, BP4897, 99999, Nouakchott, Mauritania
Airswift Consulting (B) Sdn Bhd - Brunei	Block C, Unit 3, 1st Floor, Lot 8981-8982, KG. Pandan, Jalan Kerma Negara, Kuala Belait KA1931, Brunei Darussalam
Airswift Consulting Uganda - SMC LTD	2nd Floor Legacy House, 38B Windsor Crescent, Kololo, Kampala
Airswift Denmark ApS (Denmark)	Hestedostevej 27-29, 2620 Albertlund
Airswift Est (Saudi Arabia)	Office (21-A), 3rd Flr, Middle East Bldg., PO Box 4977 Al-Khobar 31952, Kingdom of Saudi Arabia
Airswift Guyana Inc	Lot 210, New Market Street, Georgetown, Guyana
Airswift-AzTechno Azerbaijan LLC	69 Nizami Street, ISR Plaza, 3rd Floor, Baku 1000, Azerbaijan
Airswift-Embrace, Agencia Privada de Emprego, Limitada	Av. 25 de Setembro, No. 1462, Correios de Moçambique, Maputo, Mozambique
ASEM Mozambique LDA	Av. 25 de Setembro, No. 1462, Correios de Moçambique, Maputo, Mozambique
Ducatus Partners Limited (UK)	42 New Broad Street, London, EC2M 1JD
Ducatus Partners LLC (Texas)	3050 Post Oak Boulevard, Suite 1450, Houston, TX 77056, USA
Swift Angola. LDA	Luanda Municipio de Luanda, Bairro e Distrito Urbano da Maianga, Rua Eduardo Mondlane n°s 120/122