

ES GLOBAL HOLDINGS LIMITED
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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ES GLOBAL HOLDINGS LIMITED
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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ES GLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STRATEGIC REPORT

The principal activity of the group is the design, provision and management of temporary venues, structures, staging and the provision of event overlay services. Broadly the company segments its activities into Staging, Projects and Consulting with its key end markets including Music, Sports, Public Sector and Culture. The group delivers its solutions across multiple geographies through its local teams and partners.

Staging

We are pleased to report that the staging business returned to profitability in 2022 after being impacted by Covid during 2020 and, to a lesser degree, in 2021.

As well as the event delivery, we made additional new investments in staging equipment including several new larger staging systems to allow for growth in the business in 2023 and beyond.

The staging business remains a key market for us and we go into 2023 with a record order book.

Projects

Sports

The projects segment delivers the majority of revenue and profit for the Group and we are happy to report this business has achieved substantial success in 2022.

The group delivered the venues for the delayed 2020 Tokyo Olympics (the "Games") during the previous period with all of the venues delivered on time ready for the Games. Following the Games, removal works commenced and we began transportation of our equipment back to our yard facilities in the UK in September 2021. Final works on the site continued until the end of March 2022. Despite the delays, overall the project has been a great success and we are very proud of continuing the company's Olympics heritage in delivering major venues for this event.

Attention has turned to the 2024 Olympic and Paralympic Games and our Paris office has been working throughout the year on preparations for these events. We have been awarded future work, which will commence in 2023 and extend our track record in delivering venues for the Olympic Games.

We also successfully delivered several projects for the Commonwealth Games in Birmingham in 2022, which were profitable and built on the experience of operating in the sports sector and involvement in previous Commonwealth Games around the world.

Public Sector

The group continues to develop this division, which is dedicated to delivering public works projects.. This division grew significantly during 2021, winning several contracts for the construction of structures for HMRC and DEFRA at the Inland border inspection point in Kent. The works at these sites were completed during early 2022 and we extended this work with new contracts to build further facilities for DEFRA on a new site in addition to the existing contracts.

The year started strongly with the delivery of 8 step down facilities for the NHS as part of their Covid response with delivery taking place in Q1 2022. Whilst the circumstances of delivering emergency facilities are always sombre, we remain proud of our contribution to the sector and the country.

Culture

We commenced work on building a new demountable theatre in Pudding Mill Lane in London in 2021 and this project was completed on time in Q2 2022 with an iconic and award-winning venue opening to the public. In the entertainment part of the sector we also commenced delivery of a new exhibition venue in the form of the BBC Earth experience in London. This work was completed in 2023 on time and represents another high quality piece of work delivered by ES Global.

ES GLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STRATEGIC REPORT (CONTINUED)

Culture (Continued)

We believe that this market sector will continue to offer significant growth opportunities for us. We have developed a proven product and established a trusted supply chain and are confident that we can capitalise on this growing market segment.

Consulting

The consulting business is a smaller but important part of the overall business and often drives business development leading to future projects. We undertook a number of consulting projects during the year using our expertise to advise clients on future projects.

Overheads and fixed costs for the business remain well under control. Part of our strategic plan has been to bolster the human resources we have to support the level of growth we are experiencing. Some further key resources were added during the year to strengthen the team in a number of areas to support our ongoing growth.

We continue to invest heavily in Research and Development (R&D), this being key to our future success. We made a strategic decision to continue investment in expanding our fixed assets in the period. Investments were mainly in the music sector with the addition of new staging equipment. These will be used to drive increased future growth by deploying them on future business already in the order book and allow us to remain competitive on pricing for larger projects, which are increasingly a feature of our pipeline.

Key risks and uncertainties

The company is a holding company and as such the risks and uncertainties relate to the performance of the group. The group is a project-based business and as such there is always a risk of insufficient projects being won or projects being delayed. To mitigate this risk, companies in the group have a detailed pipeline of potential projects. The present pipeline of potential work has a substantial value and extends well into 2024 including several theatre projects and ongoing public sector works as well as the upcoming Expo event to take place in Osaka in 2025.

The company relies on the underlying group in order to generate cash which can be used to repay the loan balances as well as servicing interest charges and related expenses.

The group tenders for work very carefully only bidding on work that will be profitable.

Currently the Group has a proportion of its turnover already confirmed for 2023 and over £120m of work contracted for 2024 and beyond delivering, amongst other things, several prestigious pavilions for the 2025 Osaka Expo. On this basis, a key risk associated with a project orientated business, has effectively been mitigated in the medium term. Our intention is to use this confirmed turnover as a firm foundation to build on, into 2024 and beyond.

Statement in respect of s172(1) Companies Act 2006

The Board is committed to and actively encourages strong, effective relationships and communication with the company's stakeholders in order to obtain a greater understanding of each other's needs and interests. This will maximise value for the company and contributes to its long-term success. The company has identified five key stakeholder groups and examples of how the Board considers their interests are set out below:

Colleagues: We acknowledge our employees as key contributors to the value generated by our business. Our colleagues are experienced and are offered the opportunity for further career development through training, which encompasses access to higher education, management development programmes, on the job training and health and safety initiatives. We engage with our employees through newsletters, presentations, employee surveys and development reviews.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STRATEGIC REPORT (CONTINUED)

Customers and suppliers: We work with our customers to deliver innovative solutions to support the projects on which we are engaged, providing a high quality customer service. We acknowledge that customer loyalty is key to our long-term success. We strive to maximise value from our suppliers and work with them to support the delivery of our customers' needs.

Communities: We are involved in the communities in which we operate and recognise our responsibility to be supportive and engaged neighbours.. The company supports local causes through donations, the provision of products and labour and active charitable support.

Regulators and Local Government: Sustaining good relationships with the regulators responsible for our industry is key to the effective operation of our business. We are committed to meeting all of our legal, regulatory and environmental obligations and during the year had review meetings with relevant authorities to ensure that the highest standards are maintained.

Shareholders: Our shareholders play a key role in the success of our business. We maintain purposeful and close relationships with them through financial and operating updates.

Key Performance Indicators

Our key performance indicators are turnover, gross margin, profit before tax, shareholders' funds and cash balances which demonstrate the strength of the balance sheet. The Directors are pleased with the KPI performance, which covers a 12 month period.

Key Performance Indicator	2022 £	2021 restated £	Variance £
Turnover	99,218,415	187,406,441	(88,188,026)
Gross Margin	21.8 %	22.5%	(0.7%)
Profit Before Tax	5,726,145	29,607,227	(23,881,082)
Shareholders' Funds	17,775,234	20,055,025	(2,279,791)
Closing Cash	7,279,886	31,030,554	(23,750,668)

The directors have reviewed the KPIs for the year and are happy with the overall progress of the business. Due to the accounting changes referenced in the notes to these accounts, 2021 figures have been re-stated. Accordingly this brought substantially more revenue into 2021 than was previously the case and we believe this makes the Turnover and Profit KPIs difficult to compare. The overall level of turnover was satisfactory given 2021 was an extremely strong year delivering the Olympic Games. The reduction in closing cash over the period relates to the planned pay down of loan notes and final deferred consideration payments, which were made during the year as well as tax liabilities from 2021 and 2022.

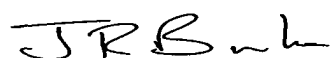
The group has minimal direct exposure to the conflict in Ukraine with no relationships with Russian owned companies or individuals, and no projects in the impacted region. The group has potential exposure to higher prices on manufactured goods and a reduced availability of raw materials. However, the group is monitoring the situation and has mitigating plans in place.

This report has been approved by the board and signed on its behalf by:



Olly Watts

Date: 19 February 2024



Jeff Burke

Date: 19 February 2024

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

REPORT OF THE DIRECTORS

The directors submit their Annual Report together with the audited consolidated financial statements of the group for the year ended 31 December 2022.

Registered Office and Company Number

The registered office is Unit G East, Coate House, 1 – 3 Coate Street, London, E2 9AG. The company number is 08302068.

Directors

The directors during the financial year were as follows:

J. Burke
O. Watts
N. Hayllar (Resigned 16th November 2023)

Results and Dividends

The profit attributable to shareholders of £5,320,209 (2021: restated profit of £23,438,357) has been transferred to reserves. A dividend of £7,599,999 was declared on 28th June 2022 to the parent company Project Prestige BidCo Limited. The directors have not recommended payment of a further dividend (2021: £nil).

Going Concern

The group continued to trade profitably throughout the year and the group currently has positive cash balances and a present pipeline of potential work extending well into 2024. The Directors are confident that the group will be profitable and cash positive in 2023 and that the group will continue as a going concern for the foreseeable future.

Statement on Disclosure of Information to Auditors

The directors at the time when this report was approved confirm that:

- (a) so far as they are aware, there is no relevant audit information of which the group's independent auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as directors, including making appropriate enquiries of fellow directors and the group's independent auditors for that purpose, in order to be aware of any information needed by the group's independent auditors in connection with preparing their report and to establish that the group's independent auditors are aware of that information.

This report was approved by the Board and signed on its behalf by:



Olly Watts
Director



Jeff Burke
Director

Date: 19 February 2024

Date: 19 February 2024

ES GLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 financial statements in accordance with UK adopted international accounting standards and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

ES GLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ES GLOBAL HOLDINGS LIMITED

Independent auditor's report to the members of ES Global 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's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ES Global Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows 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 UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group's and Parent 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.

ES GLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ES GLOBAL HOLDINGS LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Consolidated Financial Statements 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 has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent 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:

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

Responsibilities of Directors

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

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

ES GLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ES GLOBAL HOLDINGS LIMITED (CONTINUED)

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be the applicable accounting framework, the Companies Act 2006, the Bribery Act 2010 and tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with Management regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - detecting and responding to the risks of fraud and
 - internal controls established to mitigate risks related to fraud;
- Review of minutes of meeting of the Board for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ES GLOBAL HOLDINGS LIMITED
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

Based on our risk assessment, we considered the area's most susceptible to fraud to be management override in respect of manual journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Alexander Tapp

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Alexander Tapp (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date 19 February 2024

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

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Noted	2022 £	2021 Restated £
Revenue	6	99,218,415	187,406,441
Cost of sales		<u>(77,586,023)</u>	<u>(145,258,685)</u>
Gross profit		21,632,391	42,147,756
Administrative expenses		<u>(10,397,249)</u>	<u>(7,741,811)</u>
Operating profit		11,235,143	34,405,945
Finance costs	7	(3,971,667)	(3,356,069)
Foreign exchange loss	7	<u>(1,537,331)</u>	<u>(1,442,649)</u>
Profit before income tax	8	5,726,145	29,607,227
Taxation	9	(483,890)	(6,177,806)
Profit for the year		<u>5,242,255</u>	<u>23,429,421</u>
Foreign Exchange Difference on Consolidation		77,954	8,936
Other comprehensive income for the year		<u>77,954</u>	<u>8,936</u>
Total comprehensive income for the year		<u>5,320,209</u>	<u>23,438,357</u>

The notes on pages 17 to 45 form part of these financial statements.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022


	Note	<u>Group</u> 2022	<u>Group</u> 2021 Restated	<u>Company</u> 2022	<u>Company</u> 2021 Restated
		£	£	£	£
Non-current assets					
Tangible fixed assets	12	12,585,816	11,438,539	12,542,460	11,438,513
Intangible fixed assets	13	258,091	241,037	258,091	241,037
Investments	14	3,428	3,428	269,291	45,691
		<u>12,847,335</u>	<u>11,683,004</u>	<u>13,069,842</u>	<u>11,725,241</u>
Current assets					
Trade and other receivables	15	5,976,644	24,366,386	308,729	6,883,497
Cash and cash equivalents	16	7,279,886	31,030,554	221,911	88,754
		<u>13,256,530</u>	<u>55,396,940</u>	<u>530,640</u>	<u>6,972,251</u>
TOTAL ASSETS		<u>26,103,865</u>	<u>67,079,944</u>	<u>13,600,482</u>	<u>18,697,492</u>
EQUITY AND LIABILITIES					
Share capital	19	10,443	10,443	10,443	10,443
Share premium account		749,993	749,993	749,993	749,993
FX Reserve		86,889	8,936	-	-
Retained earnings		<u>16,927,909</u>	<u>19,285,653</u>	<u>411,955</u>	<u>142,779</u>
TOTAL EQUITY		<u>17,775,234</u>	<u>20,055,025</u>	<u>1,172,391</u>	<u>903,215</u>
Current liabilities					
Trade and other payables	17	<u>6,461,028</u>	<u>44,872,190</u>	<u>10,470,218</u>	<u>15,633,354</u>
		<u>6,461,028</u>	<u>44,872,190</u>	<u>10,470,218</u>	<u>15,633,354</u>
Non-Current Liabilities					
Long term loans	17	982,654	1,385,636	981,320	1,385,636
Deferred Tax	18	<u>884,949</u>	<u>767,093</u>	<u>976,553</u>	<u>775,287</u>
		<u>1,867,603</u>	<u>2,152,729</u>	<u>1,957,873</u>	<u>2,160,923</u>
TOTAL LIABILITIES		<u>8,328,631</u>	<u>47,024,919</u>	<u>12,428,091</u>	<u>17,794,277</u>
TOTAL EQUITY AND LIABILITIES		<u>26,103,865</u>	<u>67,079,944</u>	<u>13,600,482</u>	<u>18,697,492</u>

The parent company's profit for the year was £7,869,172 (2021: loss of £232,516) as restated.

The financial statements were approved and authorised for issue by the Directors by:



Olly Watts
Director
Date: 19/2/24



Jeff Burke
Director
Date: 19/2/24

The notes on pages 17 to 45 form part of these financial statements.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF CHANGES IN EQUITY

Consolidated	<u>Share capital</u> £	<u>Share premium</u> £	<u>Share option reserve</u> £	<u>Retained earnings</u> £	<u>FX Reserve</u> £	<u>Total</u> £
Total equity at 1 January 2021 (Restated)	10,283	696,489	13,664	(4,143,768)	-	(3,423,332)
New ordinary Shares issued	160	53,504	(13,664)	-	-	40,000
Comprehensive income for the year	-	-	-	23,429,421	-	23,429,421
Other comprehensive income for the year	-	-	-	-	8,936	8,936
Total equity at 31 December 2021 - Restated	10,443	749,993	-	19,285,653	8,936	20,055,025
Dividend Paid	-	-	-	(7,599,999)	-	(7,599,999)
Comprehensive income for the year	-	-	-	5,242,255	-	5,242,255
Other comprehensive income for the year	-	-	-	-	77,953	77,953
Total equity at 31 December 2022	10,443	749,993	-	16,927,909	86,889	17,775,234

On March 22nd 2021, 160 options to acquire ordinary shares in ES Global Holding Limited were exercised for an exercise price of £250 per share. On the same day, 100% of the share capital of the Group was acquired by Project Prestige BidCo Limited.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The notes on pages 17 to 45 form part of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ES GLOBAL HOLDINGS LIMITED
(CONTINUED)

STATEMENT OF CHANGES IN EQUITY

Company	<u>Share capital</u> £	<u>Share premium</u> £	<u>Share option reserve</u> £	<u>Retained earnings</u> £	<u>Total</u> £
Total equity at 1 January 2021 - Restated	10,283	696,489	13,664	375,318	1,095,754
Share options exercised	160	53,504	(13,664)	-	40,000
Comprehensive loss for the year (Restated)	-	-	-	(232,516)	(232,516)
Total equity at 31 December 2021	10,443	749,993	-	142,802	903,238
Comprehensive income for the year	-	-	-	7,869,152	7,869,152
Dividend Paid	-	-	(7,599,999)	(7,599,999)	(7,599,999)
Other comprehensive income for the year	-	-	-	-	-
Total equity at 31 December 2022	10,443	749,993	-	411,955	1,172,391

On March 22nd 2021, 160 options to acquire ordinary shares in ES Global Holding Limited were exercised for an exercise price of £250 per share. On the same day, 100% of the share capital of the Group was acquired by Project Prestige BidCo Limited

The following describes the nature and purpose of each reserve within owners' equity:

<u>Reserve</u>	<u>Description of purpose</u>
Share capital	Amount subscribed for share capital at nominal value
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income
Share option reserve	Value of unexercised options at the date of issue
Share premium	Amounts paid over and above the nominal value of shares.
FX Reserve	Foreign exchange differences arising on consolidation.

The notes on pages 17 to 45 form part of these financial statements.

ES GLOBAL HOLDINGS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December 2022 £	Year ended 31 December 2021 Restated £
Cash flow from operating activities		
Profit before taxation	5,726,145	29,607,227
Adjustment for:		
Depreciation and amortisation	2,298,932	1,868,599
Loss on disposal of property, plant and equipment	19,459	84,144
Finance income	-	-
Finance costs	3,971,667	3,356,069
Gain on foreign exchange	1,615,284	1,451,585
Operating cash flow before changes in working capital	13,631,487	36,367,624
Working capital movements:		
Decrease/(increase) in trade and other receivables	18,389,742	16,544,790
(Decrease)/increase in trade and other payables	(31,830,491)	(23,229,418)
Corporation tax paid	(7,349,687)	(2,552,062)
Net cash generated from operating activities	(7,158,949)	27,130,934
Cash flow from investing activities		
Payments for property, plant and equipment	(3,444,629)	(2,613,160)
Purchase of intangible assets	(38,093)	(3,428)
Net cash used in investing activities	(3,482,722)	(2,616,588)
Cash flow from financing activities		
Repayment of borrowings	-	(5,025,547)
Gain on foreign exchange	(1,537,331)	(1,442,649)
Issue of shares	-	40,000
Dividends paid	(7,599,999)	-
Interest paid	(3,971,667)	(3,356,069)
Net cash used in financing activities	(13,108,997)	(9,784,265)
Net increase in cash and cash equivalents	(23,750,668)	14,730,081
Cash and cash equivalents at the beginning of the period	31,030,554	16,300,473
Cash and cash equivalents at end of the period	7,279,886	31,030,554

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The notes on pages 17 to 45 form part of these financial statements.

**ES GLOBAL HOLDINGS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022**

COMPANY STATEMENT OF CASH FLOWS

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flow from operating activities		
Profit before taxation	8,096,830	179,718
Adjustment for:		
Depreciation and amortisation	2,292,921	1,746,515
Loss on disposal of property, plant and equipment	19,432	84,144
Dividends received	(7,599,999)	-
Finance income	(408,683)	(537,052)
Finance costs	328,309	429,742
Foreign exchange	6,601	(910)
Operating cash flow before changes in working capital	2,735,411	1,902,157
Working capital movements:		
Decrease/(increase) in trade and other receivables	6,574,768	(1,887,190)
(Decrease)/increase in trade and other payables	(5,593,864)	2,793,461
Taxation received	23	-
Cash flow from operating activities	3,716,338	2,808,428
Cash flow from investing activities		
Payments for property, plant and equipment	(3,395,261)	(2,613,160)
Purchase of intangible assets	(38,093)	-
Investment in subsidiaries	(223,600)	(36,682)
Interest received	408,683	537,052
Dividends received	7,599,999	-
Net cash used in investing activities	4,351,728	(2,112,790)
Cash flow from financing activities		
Foreign exchange	(6,601)	910
Repayment of borrowings	-	(287,000)
Dividends paid	(7,599,999)	-
Issue of shares	-	40,000
Interest paid	(328,309)	(429,742)
Net cash used in financing Activities	(7,934,909)	(675,832)
Net increase in cash and cash equivalents	133,157	19,806
Cash and cash equivalents at the beginning of the period	88,754	68,948
Cash and cash equivalents at end of the period (note 16)	221,911	88,754

The notes on pages 17 to 45 form part of these financial statements.

ES GLOBAL HOLDINGS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL

ES Global Holdings Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales. The principal place of business is Unit G East, Coate House, 1 – 3 Coate Street, London, E2 9AG and its registered office is also at the same address.

The principal activity of the group is the construction of temporary venues, structures, staging and the provision of event overlay services.

2 PRIOR PERIOD ADJUSTMENTS

(1) Adjustment in respect of IFRS 15 revenue recognition

During the year the Group's Directors reviewed the application of IFRS 15 in respect of specific revenue contracts. As a result of this review the Directors determined that IFRS 15 had been incorrectly applied when accounting for specific contracts with customers. The historical application had determined that there were multiple performance obligations within the contracts and revenue and costs were recognised at specified milestones. However, upon reassessment, it was determined that the contracts should be segmented into two performance obligations: the design phase and all other elements of the contract.

The Directors determined that excluding the design phase, the remaining contractual obligations represented an operating lease agreement and so should be accounted for under IFRS 16. In accordance with the requirements of IFRS 16, revenue should be recognised over the lease period, reflecting the period during which the temporary structures are available for use by the customer.

In accordance with the Group's accounting policies, the revenue related to the design phase should have been recognised at the point that the designs had been completed and provided to the customer.

Regarding the contract costs, the Directors have determined that the most appropriate accounting treatment would be to elect to adopt the accounting policy whereby the contract fulfilment costs will be capitalised and expensed over the lease term. For demobilization costs, a provision for the anticipated restoration costs at the end of the lease period will be recognized at the lease commencement.

The misapplication of IFRS 15 in prior periods led to early revenue and cost recognition. The correction of this error affects the financial statements for the years 2018 through 2021. The impact of these adjustments for these periods are detailed below.

(2) Fixed Asset Capitalisation

The Directors identified several assets which were purchased by the Group for a specific project, which should have been capitalised in accordance with its capitalisation policy. However, these purchases were incorrectly expensed to the profit and loss account. As such, the Directors identified that adjustments should be made for these items to be capitalised and depreciated from the date of the purchase in accordance with the accounting policy for tangible fixed assets. The Directors also identified a small number of instances where expenditure items had been incorrectly capitalised and so adjustments have been made to de-recognise these items from being included within fixed assets, recognise the original cost in costs of sales and remove the cumulative depreciation charges since these items were purchased.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

Effect on the Statement of Total Comprehensive Income

	2018 as Published	Effect of Adjustments	2018 Restated	2019 as published	Effect of Adjustments	2019 Restated	2020 As Published	Effect of Adjustments	2020 Restated	2021 As Published	Effect of Adjustments	2021 Restated
	£	£	£	£	£	£	£	£	£	£	£	£
Revenue	5,565,801	(300,603)	5,265,198	18,466,602	(11,632,146)	6,834,456	71,120,094	(35,748,432)	35,371,662	132,661,023	54,745,418	187,406,441
Cost of sales	(3,355,378)	116,573	(3,238,805)	(12,438,343)	9,058,503	(3,379,840)	(56,398,446)	26,679,872	(29,718,574)	(97,407,961)	(47,850,724)	(145,258,685)
	2,210,423	(184,030)	2,026,393	6,028,259	(2,573,643)	3,454,616	14,721,648	(9,068,560)	5,653,088	35,253,062	6,894,694	42,147,756
Gross profit												
Administrative expenses	(2,052,218)		(2,052,218)	(3,561,869)	-	(3,561,869)	(4,750,308)	(95,429)	(4,845,737)	(7,619,678)	(127,318)	(7,746,996)
Other Income : Furlough Income	-	-	-	-	-	-	48,926	-	48,926	-	-	-
	158,205	(184,030)	(25,825)	2,466,390	(2,573,643)	(107,253)	10,020,266	(9,163,988)	856,277	27,633,384	6,767,376	34,400,760
Operating profit												
Finance Income	11,939	-	11,939	-	-	-	48	-	48	-	-	-
Finance costs	(152,568)	-	(152,568)	(774,945)	-	(774,945)	(1,321,684)	-	(1,321,684)	(3,356,069)	-	(3,356,069)
FX	-	-	-	-	-	-	(423,014)	-	(423,014)	(1,442,649)	-	(1,442,649)
Profit before income tax	17,576	(184,030)	(166,454)	1,691,445	(2,573,643)	(882,198)	8,275,616	(9,163,988)	(888,373)	22,834,666	6,767,376	29,602,042
Taxation	16,223	-	16,223	(429,548)	-	(429,548)	(1,994,144)	-	(1,994,144)	(7,093,188)	915,382	(6,177,806)
Total comprehensive income for the period	33,799	(184,030)	(150,231)	1,261,897	(2,573,643)	(1,311,746)	6,281,472	(9,163,988)	(2,882,517)	15,741,478	7,682,758	23,424,236

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

Effect of Prior Period Adjustments on Group Statement of Financial Position

	2018 as Published	Effect of Adjustments	2018 Restated	2019 as published	Effect of Adjustments	2019 Restated	2020 As Published	Effect of Adjustments	2020 Restated	2021 As Published	Effect of Adjustments	2021 Restated
	£	£	£	£	£	£	£	£	£	£	£	£
Non-current assets												
Tangible fixed assets	1,464,967	-	1,464,967	6,960,799	270,970	7,231,769	9,465,181	1,297,120	10,762,301	10,268,709	1,169,802	11,438,511
Intangible fixed assets	303,750	-	303,750	283,063	-	283,063	262,063	-	262,063	241,037	-	241,037
Investments	-	-	-	-	-	-	-	-	-	3,428	-	3,428
	1,768,717	-	1,768,717	7,243,862	270,970	7,514,832	9,727,244	1,297,120	11,024,364	10,513,174	1,169,802	11,682,976
Current assets												
Trade and other receivables	1,092,799	-	1,092,799	8,562,529	-	8,562,529	6,448,777	-	6,448,777	17,302,150	-	17,302,150
Contract assets	-	116,573	116,573	-	8,904,106	8,904,106	-	34,462,399	34,462,399	-	7,064,236	7,064,236
Deferred Tax	-	-	-	146,090	-	146,090	-	-	-	-	-	-
Cash and cash equivalents	481,234	-	481,234	1,060	-	1,060	16,300,473	-	16,300,473	31,030,554	-	31,030,554
	1,574,033	116,573	1,690,606	8,709,679	8,904,106	17,613,785	22,749,250	34,462,399	57,211,649	48,332,704	7,064,236	55,396,940
TOTAL ASSETS	3,342,750	116,573	3,459,323	15,953,541	9,175,076	25,128,617	32,476,494	35,759,519	68,236,013	58,845,878	8,234,038	67,079,916
EQUITY AND LIABILITIES												
Share capital	10,283	-	10,283	10,283	-	10,283	10,283	-	10,283	10,443	-	10,443
Share premium account	696,489	-	696,489	696,489	-	696,489	696,489	-	696,489	749,993	-	749,993
Share Option Reserve	13,664	-	13,664	13,664	-	13,664	13,664	-	13,664	-	-	-
FX Reserve	-	-	-	-	-	-	-	-	-	8,936	-	8,936
Retained earnings	510,701	(184,030)	326,671	1,501,628	(2,757,673)	(1,256,045)	7,783,100	(11,921,662)	(4,138,562)	23,524,578	(4,238,904)	19,285,674
TOTAL EQUITY	1,231,137	(184,030)	1,047,107	2,222,064	(2,757,673)	(535,609)	8,503,536	(11,921,662)	(3,418,126)	24,293,950	(4,238,904)	20,055,046

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

Effect of Prior Period Adjustments on Group Statement of Financial Position

	2018 as Published	Effect of Adjustments	2018 Restated	2019 as published	Effect of Adjustments	2019 Restated	2020 As Published	Effect of Adjustments	2020 Restated	2021 As Published	Effect of Adjustments	2021 Restated
	£	£	£	£	£	£	£	£	£	£	£	£
Current liabilities												
Overdraft	-	-	-	21,442	-	21,442	-	-	-	-	-	-
Trade and other payables	1,159,823	-	1,159,823	11,983,133	-	11,983,133	21,549,524	-	21,549,524	32,402,261	(915,382)	31,486,879
Contract liabilities	-	300,603	300,603	-	11,932,749	11,932,749	-	47,681,181	47,681,181	-	(1)	(1)
Provisions	-	-	-	-	-	-	-	-	-	-	13,388,325	13,388,325
	<u>1,159,823</u>	<u>300,603</u>	<u>1,460,426</u>	<u>12,004,575</u>	<u>11,932,749</u>	<u>23,937,324</u>	<u>21,549,524</u>	<u>47,681,181</u>	<u>69,230,705</u>	<u>32,402,261</u>	<u>12,472,942</u>	<u>44,875,203</u>
Non-Current Liabilities												
Long term loans	949,482	-	949,482	1,726,902	-	1,726,902	2,098,695	-	2,098,695	1,385,636	-	1,385,636
Deferred tax	2,308	-	2,308	-	-	-	324,739	-	324,739	764,031	-	764,031
	<u>951,790</u>	<u>-</u>	<u>951,790</u>	<u>1,726,902</u>	<u>-</u>	<u>1,726,902</u>	<u>2,423,434</u>	<u>-</u>	<u>2,423,434</u>	<u>2,149,667</u>	<u>-</u>	<u>2,149,667</u>
TOTAL LIABILITIES	<u>2,111,613</u>	<u>300,603</u>	<u>2,412,216</u>	<u>13,731,477</u>	<u>11,932,749</u>	<u>25,664,226</u>	<u>23,972,958</u>	<u>47,681,181</u>	<u>71,654,139</u>	<u>34,551,928</u>	<u>12,469,929</u>	<u>47,024,870</u>
TOTAL EQUITY AND LIABILITIES	<u>3,342,750</u>	<u>116,573</u>	<u>3,459,323</u>	<u>15,953,541</u>	<u>9,175,076</u>	<u>25,128,617</u>	<u>32,476,494</u>	<u>35,759,519</u>	<u>68,236,013</u>	<u>58,845,878</u>	<u>8,234,038</u>	<u>67,079,916</u>

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

Effect of Prior Period Adjustments on Company Statement of Financial Position

	2019 as published	Effect of Adjustments	2019 Restated	2020 As Published	Effect of Adjustments	2020 Restated	2021 As Published	Effect of Adjustments	2021 Restated
	£	£	£	£	£	£	£	£	£
Non-current assets									
Tangible fixed assets	6,960,799	270,970	7,231,769	9,465,181	1,297,120	10,762,301	10,268,709	1,169,802	11,438,511
Intangible fixed assets	283,063		283,063	262,063		262,063	241,037	-	241,037
Investments	300		300	9,009	-	9,009	45,691		45,691
	7,243,862	270,970	7,515,132	9,727,243	1,297,120	11,033,373	10,555,437	1,169,802	11,725,239
Current assets									
Trade and other receivables	2,189,042	-	2,189,042	4,996,307	-	4,996,307	6,883,497	-	6,883,497
Deferred Tax	139,046	-	139,046	-	-	-	-	-	-
Cash and cash equivalents	53,977	-	53,977	68,948	-	68,948	88,754	-	88,754
	2,382,475	-	2,382,475	5,065,255	-	5,065,255	6,972,251	-	6,972,251
TOTAL ASSETS	9,626,337	270,970	9,897,607	14,801,508	1,297,120	16,098,628	17,527,688	1,169,802	18,697,490
EQUITY AND LIABILITIES									
Share capital	10,283	-	10,283	10,283	-	10,283	10,443	-	10,443
Share premium account	696,489	-	696,489	696,489	-	696,489	749,993	-	749,993
Share Option Reserve	13,664	-	13,664	13,664	-	13,664	-	-	-
Retained earnings	146,254	-	146,254	470,723	(95,429)	375,294	365,523	(222,747)	142,776
TOTAL EQUITY	866,690	-	866,690	1,191,159	(95,429)	1,095,730	1,125,959	(222,747)	903,212

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

Effect of Prior Period Adjustments on Company Statement of Financial Position

	2019 as published	Effect of Adjustments	2019 Restated	2020 As Published	Effect of Adjustments	2020 Restated	2021 As Published	Effect of Adjustments	2021 Restated
	£	£	£	£	£	£	£	£	£
Current liabilities									
Trade and other payables	7,033,045	270,970	7,304,015	11,021,285	1,392,549	12,413,834	14,240,806	1,392,549	15,633,355
Non-Current Liabilities									
Long term loans	1,726,902	-	1,726,902	2,098,695	-	2,098,695	1,385,636	-	1,385,636
Deferred tax	-	-	-	490,369	-	490,369	775,287	-	775,287
	1,726,902	-	1,726,902	2,589,064	-	2,589,064	2,160,923	-	2,160,923
TOTAL LIABILITIES	8,759,947	270,970	9,030,917	13,610,349	1,392,549	15,002,898	16,401,729	1,392,549	17,794,278
TOTAL EQUITY AND LIABILITIES	9,626,637	270,970	9,897,607	14,801,508	1,297,120	16,098,628	17,527,688	1,169,802	18,697,490

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

Effect of Prior Period Adjustments on Statement of Changes in Equity

	Share Capital	Share Premium Account	Share Option Reserve	FX Reserve	Retained Earnings	Total
	£	£	£	£	£	£
Equity as at 31 December 2018 – Presented	10,283	696,489	13,664	-	510,701	1,231,137
Effect of adjustments	-	-	-	-	(184,030)	(184,030)
Equity as at 31 December 2018 – Restated	10,283	696,489	13,664	-	326,671	1,047,107
Equity as at 31 December 2019 – Presented	10,283	696,489	13,664	-	1,501,628	2,222,064
Effect of adjustments	-	-	-	-	(2,757,674)	(2,757,674)
Equity as at 31 December 2019 – Restated	10,283	696,489	13,664	-	(1,256,046)	(535,610)
Equity as at 31 December 2020 – Presented	10,283	696,489	13,664	-	7,783,100	8,503,536
Effect of adjustments	-	-	-	-	(11,926,868)	(11,926,868)
Equity as at 31 December 2020 – Restated	10,283	696,489	13,664	-	(4,143,768)	(3,423,332)
Equity as at 31 December 2021 – Presented	10,443	749,993	-	8,936	23,524,578	24,293,950
Effect of adjustments	-	-	-	-	(4,238,925)	(4,238,925)
Equity as at 31 December 2021 – Restated	10,443	749,993	-	8,936	19,285,653	20,055,025

ES GLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been consistently applied.

(a) Basis of preparation of the financial statements

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The measurement basis used in the preparation of the financial statements is the historical cost basis unless otherwise stated in the accounting policies below.

The preparation of financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 period if the revision affects both current and future period (see note 4).

(b) Basis of Consolidation

The consolidated financial statements incorporate the results of the parent company and its subsidiaries as at 31 December 2022.

The consolidated financial statements are based on the financial statements of the individual companies drawn up using the standard group accounting policies. Accounting policies applied by individual subsidiaries have been revised where necessary to ensure consistency with group policies for consolidation purposes. All companies in the group have the same reporting date of 31 December 2022.

All significant intra-group transactions and balances between group entities are eliminated on consolidation.

(c) Going Concern

The group has generated a profit in 2022, group profit after tax being £4.7m (2021 Restated: £23.9m), increasing shareholders' funds to £16.3m (2021 Restated: £19.1m) after payment of a dividend to shareholders of £7.6m. As stated in the Strategic Report on pages 1 to 4, the Directors expect the group to be profitable and cash generative in 2023 and 2024.

The Directors have undertaken stress testing on the group's cashflow projections, in view of the current trading position and are confident that the group can continue to trade as a going concern for the foreseeable future and at least to 31 December 2024. The company has sufficient resources to carry out its operations until, at the earliest, 31 December 2024. As at the date of the approval of these financial statements the group held a cash balance of approximately £7m.

On the basis of the above information the directors consider it appropriate to prepare the company and group financial statements on the going concern basis.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at the rates as follows.

Asset Category	Description of Assets	Depreciation Rate
Office and Computer Equipment	Computers, Office Equipment, Furniture	3 Years
Steelwork	Steel Components, Trusses, Piles	12 Years
Motor and Mechanical	Rigging, Motors, Mechanical, Plant	4 Years
Soft Goods	PVC, Fabric, Aluminium, Fencing, Trackway	2 Years
Plant & Machinery	Mechanical Machinery and Plant Equipment	5 Years
Decking	Decking	6 Years
Right of Use Assets	Equipment purchased under IFRS16 leases of various categories	Various according to the appropriate asset category for the item

Assets are recorded on an historical cost basis with a full month depreciation charge in the month of acquisition and a no charge in the month of disposal less any adjustments for impairment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to recoverable amount.

Gains or losses arising from the retirement or disposal of assets are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income on the date of retirement or disposal.

(e) Intangible assets

Identified intangible assets consist of the following assets measured on the basis outlined below. Amortisation is provided at rates calculated to write off the intangible assets over their expected useful lives.

At each reporting date, the group reviews the carrying amount of its 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.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Category	Measurement	Amortisation Rate
Intellectual Property	At cost	20 Years
Research and Development	At cost	5 Years

(f) Research and development costs

Research and development costs are only recognised as an asset from the date when it is virtually certain that a specific project will commence and that project is expected to result in future net cash inflows with a present value no less than all amounts recognised as an asset.

Development costs are amortised from the date the relevant product is ready for sale over its useful life.

All other research costs are written off as incurred.

(g) Investments

Investments in subsidiaries are valued at cost less provision for impairment.

(h) Trade and other receivables

Financial assets are recognised in the group's Statement of Financial Position when the group becomes a party to the contractual provisions of the instrument.

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. An allowance is made when there is objective evidence that the group will not be able to collect amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the carrying amount and the recoverable amount. The amount of the allowance is recognised in the profit/loss in the Statement of Comprehensive Income.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against bad and doubtful debts in profit/loss in the Statement of Comprehensive Income.

Amounts recoverable on contracts represent cost and a prudent proportion of the estimated profit attributed to work carried out to date less foreseeable losses and progress payments received or receivable.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on deposit with banks with a maturity date of less than three months from inception.

(j) Trade and other payables

Financial liabilities are recognised in the Statement of Financial Position when the group becomes a party to the contractual provisions of the instrument.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade and other payables including amounts due to related parties, are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would have been immaterial, in which case they are stated at cost.

(k) Income tax

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the Statement of Comprehensive Income except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

(l) Share capital

Ordinary shares are classified as equity.

(m) Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in British Pounds (GBP) which is the entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(n) Related parties

For the purposes of these financial statements, parties are considered to be related to the group if the group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

close family members) or other entities and include entities which are under the significant influence of related parties of the group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the group or of any entity that is a related party of the group.

(o) Share-based payments

IFRS 2 'Share-based Payment' requires the recognition of equity-settled share-based payments at fair value at the date of grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each reporting date.

The group provides benefits to employees of the group in the form of share-based payments, whereby employees render services in exchange of shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with the employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or other service condition are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the group's best estimate of the number of equity instruments that will ultimately vest. The statement of comprehensive income charge or credit for the period represents the movements in cumulative expense recognised as at the beginning and the end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

(p) Revenue recognition

The Group's revenue arises from the design and provision of temporary structures, staging and the provision of event overlay services. Revenue is accounted for as the performance obligations set out in the relevant contract are satisfied.

Where the contract is of a service nature, revenue is accounted for as the services are provided to the customer.

Where the contract is of a construction nature, revenue is recognised and accounted for as the construction services are provided to the customer over time.

Where a contract includes an element of design and the design is considered to be a separate performance obligation, the design element is accounted for when the designs are provided to the customer.

Where the contracts are for the installation and demobilisation of temporary structures, revenue is accounted for over the period where the temporary structures are available for their intended use by the customer.

Where the contracts are determined to represent operating lease agreements in accordance with the requirements of IFRS 16, revenue is recognised over the lease period which is considered to represent the period where the temporary structures are available for their intended use by the customer.

ES GLOBAL HOLDINGS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

New standards, interpretations and amendments adopted from 1 January 2022

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2022. See the applicable notes for further details on how the amendments affected the Group.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The amendment had no impact on the year-end consolidated financial statements of the Group as there the Group, prior to the application of the amendments and after considering the impact of the amendment, did not have any onerous contracts.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

These amendments had no impact on the year-end consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

**New standards, interpretations and amendments adopted from 1 January 2022
(continued)**

Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 & IAS 41)

- IFRS 1: Subsidiary as a First-time Adopter (FTA)
- IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial liabilities
- IAS 41: Taxation in Fair Value Measurements

References to Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

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

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

5 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The group makes estimates and assumptions concerning the future. The group undertakes term contracts which may extend a significant period into the new year with profits generated dependent on the performance of the contract in the following period. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Other than in respect of profit recognised on contracts, there are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

6 REVENUE

	2022	2021
	£	Restated £
Group		
United Kingdom	95,006,757	78,675,249
Asia	4,133,940	108,696,655
Middle East	77,718	34,537
	<u>99,218,415</u>	<u>187,406,441</u>

7 FINANCE INCOME AND COSTS

	2022	2021
	£	Restated £
Foreign Exchange		
Loss on foreign exchange	<u>(1,537,331)</u>	<u>(1,442,649)</u>
Finance costs		
Interest on loans	(3,642,762)	(2,926,327)
Other finance costs	<u>(328,905)</u>	<u>(429,742)</u>
	<u>(3,971,667)</u>	<u>(3,356,069)</u>

The other finance costs are mainly related to interest on the lease liabilities.

8 PROFIT BEFORE INCOME TAX

	2022	2021
	£	Restated £
Profit before income tax is stated after charging / (crediting):		
Depreciation on property, plant and equipment (Note 12)	2,277,893	1,852,811
Amortisation of intangible assets (Note 13)	21,039	21,026
Auditors' remuneration – statutory audit	87,000	43,510
Auditors' remuneration – other taxation services	31,303	26,076
Auditors' remuneration – other	34,594	26,865

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

9 TAXATION

	2022	2021
	£	Restated
		£
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the year	1,143,807	5,465,540
Adjustment in respect of prior periods	(166,964)	(8,079)
Double Taxation Relief	(614,307)	(3,270,391)
Overseas tax on profits of the year	434	3,551,443
Total current tax	<u>362,970</u>	<u>5,738,513</u>
Deferred tax		
Timing differences	188,856	377,459
Adjustment for prior period	(67,938)	(69,020)
Effect of Tax Rate Change on Opening balance	-	130,853
Total deferred tax (note 18)	<u>120,918</u>	<u>439,292</u>
Tax charge for the year	<u>483,890</u>	<u>6,177,805</u>
Factors affecting tax charge for year		
Profit on ordinary activities before tax	<u>5,726,144</u>	<u>29,607,228</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	1,087,967	5,625,373
Fixed asset differences – benefit of 130% super deduction	(3,329)	(4,461)
Group Income	(1,444,000)	
Expenses not deductible for tax purposes	17,454	13,320
Group relief surrendered	-	66,632
Consolidation differences with no tax effect	1,432,003	(301)
Other permanent differences	198,775	(99,798)
Adjustment to tax charge in respect of prior periods – deferred tax	(166,964)	(69,020)
Adjustment to tax charge in respect of previous periods	(67,938)	(8,079)
Timing differences not recognised as deferred tax asset	-	550,881
Remeasurement of deferred tax for changes in tax rates	45,326	138,095
Higher foreign tax rates	(615,405)	(34,838)
Total tax charge for the year	<u>483,890</u>	<u>6,177,805</u>

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

10 DIRECTORS AND EMPLOYEES

(a) Directors and Key Management Personnel

	2022	2021
	£	£
Directors' Remuneration		
Fees paid to third parties	-	54,328
Wages and salaries	-	11,727
Social security costs and pension	-	1,269
	<u>-</u>	<u>67,324</u>

From 22nd March 2021, the directors no longer received remuneration from the Company. Therefore, the disclosure above details remunerations received from January to March 2021. After this period, the directors were remunerated by Project Prestige TopCo Ltd, which is the ultimate parent company of the group.

During the year retirement benefits were accruing to 2 directors (2021: 2) in respect of the company's defined contribution pension scheme.

(b) Employees

Wages and salaries, including those of the directors, during the year were as follows:

	2022	2021
	£	£
Fees paid to third parties and directors	-	53,328
Wages and salaries	6,720,862	4,411,430
Social security costs	805,961	520,463
Pension costs	145,035	79,875
	<u>7,671,858</u>	<u>5,065,096</u>

There are no key management personnel other than the directors.

The Company employed an average of 109 (2021: 67) people during the year. These employees can be categorised by function:

	2022	2021
	Number of	Number of
	Employees	Employees
Administration	<u>109</u>	<u>67</u>

11 DIVIDENDS

A dividend was declared of £7,999,999 on the 28th June 2022 paid to the parent company Project Prestige BidCo Limited. There were no other dividends paid or declared during the period and up to the date that the financial statements were authorised for issue.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

12 TANGIBLE FIXED ASSETS

Group	Office and Computer Equipment	Steelworks	Motor & Mechanical	Soft Goods	Decking	Right of Use	Short Leasehold	Plant & Machinery	Work In Progress	Total
	£	£	£	£	£	£	£	£	£	£
Cost										
At 1 January 2022 – Restated	425,699	9,633,730	395,470	777,757	849,320	3,509,029	217,418	29,285	-	15,837,708
Additions	70,724	1,560,971	65,337	487,158	493,407	237,092	7,462	19,350	503,128	3,444,629
Sale	-	(91,995)	-	-	-	-	-	-	-	(91,995)
Transfer	-	479,524	-	55,576	-	(157,554)	-	-	(377,546)	-
At 31 December 2022	496,423	11,582,230	460,807	1,320,491	1,342,727	3,588,567	224,880	48,635	125,582	19,190,342
Accumulated Depreciation										
at 1 January 2022 – Restated	239,533	1,959,794	283,694	474,169	381,935	1,013,547	45,521	976	-	4,399,169
Charge for year	96,104	900,380	66,701	430,076	206,593	530,815	39,755	7,469	-	2,277,893
Sale	-	(72,537)	-	-	-	-	-	-	-	(72,537)
Transfer of Depreciation	-	43,979	-	-	-	(43,979)	-	-	-	-
At 31 December 2022	335,637	2,831,616	350,395	904,245	588,528	1,500,383	85,276	8,445	-	6,604,525
Net Book Value:										
At 31 December 2022	160,786	8,750,614	110,412	416,246	754,199	2,088,184	139,604	40,190	125,582	12,585,817
at 31 December 2021 – Restated	186,166	7,673,936	111,776	303,588	467,385	2,495,482	171,897	28,309	-	11,438,539

Transfers comprise the transfer of assets held as right of use assets where the lease term has been fully satisfied. In accordance with the company accounting policies, once the lease is satisfied the assets are transferred to the asset category for the remainder of the useful life of the asset.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

12 TANGIBLE FIXED ASSETS

Company	Office and Computer Equipment	Steelworks	Motor & Mechanical	Soft Goods	Decking	Right of Use	Short Leasehold	Plant & Machinery	Work In Progress	Total
	£	£	£	£	£	£	£	£	£	£
Cost										
At 1 January 2022 – Restated	425,699	9,633,730	395,470	777,757	849,320	3,509,029	217,418	29,285	-	15,837,708
Additions	57,900	1,560,971	65,337	487,158	493,407	205,588	2,422	19,350	503,128	3,395,261
Sale	-	(91,995)	-	-	-	-	-	-	-	(91,995)
Transfer	-	479,524	-	55,576	-	(157,554)	-	-	(377,546)	-
At 31 December 2022	483,599	11,582,230	460,807	1,320,491	1,342,727	3,557,063	219,840	48,635	125,582	19,140,974
Accumulated Depreciation										
at 1 January 2022 – Restated	239,533	1,959,794	283,694	474,169	381,935	1,013,547	45,521	976	-	4,399,169
Charge for year	95,322	900,380	66,701	430,076	206,593	525,732	39,609	7,469	-	2,271,882
Sale	-	(72,537)	-	-	-	-	-	-	-	(72,537)
Transfer of Depreciation	-	43,979	-	-	-	(43,979)	-	-	-	-
At 31 December 2022	334,855	2,831,616	350,395	904,245	588,528	1,495,300	85,130	8,445	-	6,598,514
Net Book Value:										
At 31 December 2022	148,744	8,750,614	110,412	416,246	754,199	2,061,763	134,710	40,190	125,582	12,542,460
at 31 December 2021 – Restated	186,166	7,673,936	111,776	303,588	467,385	2,495,482	171,897	28,309	-	11,438,539

Transfers comprise the transfer of assets held as right of use assets where the lease term has been fully satisfied. In accordance with the company accounting policies, once the lease is satisfied the assets are transferred to the asset category for the remainder of the useful life of the asset.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

13 INTANGIBLE FIXED ASSETS

Group and Company	Intellectual Property £	Research and Development £	Total £
Cost:			
At 1 January 2021	405,000	-	405,000
Additions	-	-	-
At 31 December 2021	405,000	-	405,000
Additions	-	38,093	38,093
At 31 December 2022	405,000	38,093	443,093
Accumulated Depreciation:	Intellectual Property £	Research and Development £	Total £
At 1 January 2021	142,937	-	142,937
Charge for the year	21,026	-	21,026
At 31 December 2021	163,963	-	163,963
Charge for the year	21,039	-	21,039
At 31 December 2022	185,002	-	185,002
Net book value at 31 December 2022	219,998	38,093	258,091
Net book value at 31 December 2021	241,037	-	241,037

14 INVESTMENTS

Group	Total £
Cost:	
At 31 December 2021	3,428
Additions	-
At 31 December 2022	3,428

Investments comprise 760,000 shares in Sounds Forms Limited, acquired for £3,428.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

14 INVESTMENTS (continued)

Company

£

Cost:

At 31 December 2021	45,691
Investments in subsidiaries	223,600
At 31 December 2022	269,291

Investments in the year comprise an investment in subsidiary ES Global Japan KK for 3,500 shares at 10,000 Japanese Yen per share for and in subsidiary ES Global Saudi LLC for 100 shares at 500 Saudi riyals per share. A list of subsidiary companies is given in note 19.

15 TRADE AND OTHER RECEIVABLES

	<u>Group</u> 2022	<u>Group</u> 2021 Restated	<u>Company</u> 2022	<u>Company</u> 2021 Restated
Current assets	£	£	£	£
Trade receivables	1,766,461	305,476	14,388	12,699
Accrued income	2,144,682	944,770	-	-
Prepayments	150,368	90,605	30,432	24,671
Other receivables	55,127	19,403	37,058	4,938
Contract Assets	469,197	22,746,577	-	-
Deposits	385,004	247,999	157,100	32,534
Other taxation recoverable	230,185	11,556	69,751	22,108
Amounts due from related party	775,620	-	-	6,786,546
	<u>5,976,644</u>	<u>24,366,386</u>	<u>308,729</u>	<u>6,883,497</u>

16 CASH AND CASH EQUIVALENTS

	<u>Group</u> 2022	<u>Group</u> 2021	<u>Company</u> 2022	<u>Company</u> 2021
	£	£	£	£
Cash at bank	<u>7,279,886</u>	<u>31,030,554</u>	<u>221,911</u>	<u>88,754</u>

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

17 TRADE AND OTHER PAYABLES

	Group 2022	Group 2021 Restated	Company 2022	Company 2021 Restated
	£	£	£	£
Current Liabilities				
Trade payables	2,314,161	5,071,991	435,902	68,991
Corporation Tax payable	(1,906,790)	5,076,863	26,412	-
Other tax and social security	1,222,567	2,142,022	-	-
Accrued Expense	2,602,779	3,842,490	147,778	55,357
Accruals and deferred income	1,673,999	12,769,341	11,989	18,462
Provisions	108,847	13,496,093	108,847	108,847
Amounts due to related party	-	1,823,586	9,318,682	14,731,893
Obligations under lease contracts	445,465	649,804	420,608	649,804
	<u>6,461,028</u>	<u>44,872,190</u>	<u>10,470,218</u>	<u>15,633,354</u>

	Group 2022	Group 2021 Restated	Company 2022	Company 2021 Restated
Non-current liabilities				
Obligations under lease contracts	982,654	1,385,636	981,320	1,385,636
Deferred tax	767,093	767,093	775,287	775,287
	<u>1,749,747</u>	<u>2,152,729</u>	<u>1,756,607</u>	<u>2,160,923</u>

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

18 DEFERRED TAX

	<u>Group</u> <u>2022</u>	<u>Group</u> <u>2021</u>	<u>Company</u> <u>2022</u>	<u>Company</u> <u>2021</u>
	£	£	£	£
At 1 January	764,031	327,801	775,287	490,369
Transfer in the period (note 9)	120,918	439,292	201,246	284,918
At 31 December	<u>884,949</u>	<u>767,093</u>	<u>976,533</u>	<u>775,287</u>

Deferred tax comprises:

	<u>Group</u> <u>2022</u>	<u>Group</u> <u>2021</u>	<u>Company</u> <u>2022</u>	<u>Company</u> <u>2021</u>
	£	£	£	£
Fixed asset timing differences	657,891	536,973	738,219	536,973
Short term timing differences	-	-	-	-
Losses and other deductions	227,058	230,120	238,314	238,314
	<u>884,949</u>	<u>767,093</u>	<u>976,533</u>	<u>775,287</u>

19 SHARE CAPITAL

Issued and fully paid ordinary shares @ £1 each

	Number of Shares	Ordinary Shares £	Share Premium £
As at 1 January 2021	10,283	10,283	696,489
Issued during the year	160	160	53,504
As at 31 December 2021	<u>10,443</u>	<u>10,443</u>	<u>749,993</u>
Issued during the year	-	-	-
As at 31 December 2022	<u>10,443</u>	<u>10,443</u>	<u>749,993</u>

Grant of Options

On 11 December 2013 options over 102 ordinary shares of £1 each in the capital of the company ("Ordinary Shares") were granted to employees of the company. The options had an exercise price of £250 per Ordinary Share and were exercisable (in whole or in part) during the period 11 December 2016 to 11 December 2023. On 22nd March 2021 all of the options in the ordinary shares of the company were exercised and 160 new ordinary shares were issued in exchange. On the same day, 100% of the share capital of the Group was acquired by Project Prestige BidCo Ltd.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

20 RELATED PARTY TRANSACTIONS

During the year the Company engaged related parties to provide various services. These comprised property rental, directors service fees, and fees charged for delivery of services on projects in addition to the pension loan (Note 16)

Company	Interest charged on the financing facilities	Fees Paid for Directors Services	Use of assets recharged by a related party	charges	Income	Indirect Costs recharged by a related party	Balance due (to) / From Related Party
At 31 December 2022	£	£	£	£	£	£	£
Project Prestige TopCo Ltd	-	89,832	-	-	-	-	(137,693)
Project Prestige BidCo Ltd	-	-	-	-	-	-	40,000
ES Global Ltd	(366,186)	-	(2,908,767)	(127,032)	42,124	(84,908)	(16,331,592)
NES Overlay Limited	(42,497)	-	(275,417)	(36,490)	-	(36,490)	7,095,981
ES Global France SAS	-	-	-	-	-	-	4,920
ES Global Saudi LLC	-	-	-	-	-	-	10,911
ES Global Japan KK	-	-	-	-	-	-	(1,239)
Group							
Project Prestige TopCo Ltd	-	-	(808,488)	-	-	-	124,535
Project Prestige MidCo Ltd	(1,313,503)	-	-	-	-	-	3,075,098
Project Prestige BidCo Ltd	(2,329,259)	-	-	-	-	-	(2,424,013)

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

20 RELATED PARTY TRANSACTIONS (Continued)

At 31 December 2021

Company	Interest charged on the financing facilities £	Fees Paid for Directors Services £	Fees charged for services provided on projects £	Use of assets recharged by a related party £	Indirect Costs recharged by a related party £	Balance due (to) / From Related Party £
Project Prestige TopCo Ltd	-	(316,234)	-	-	-	209,332
Project Prestige MidCo Ltd	(987,313)	-	-	-	-	(749,374)
Project Prestige BidCo Ltd	(769,390)	-	-	-	-	100,367
ES Global Ltd	(217,653)	-	-	(576,912)	(57,064)	11,889,501
NES Overlay Ltd	-	-	8,405,180	-	967,459	3,749,677
ES Global France	-	-	-	-	42,839	362,563
ES Global Inc	-	-	-	-	-	39,676
ESG Corporate Trustees	-	-	-	-	-	1,324

Group

At 31 December 2021

Directors Pension Scheme	-	11,040	-	-	-	-
Directors service companies	-	-	12,600	307,031	-	-

The directors service companies comprise Enstone Watts Limited and Burke Associates Limited.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

20 RELATED PARTY TRANSACTIONS (continued)

The companies consolidated in the group financial statements at 31 December 2022 are as follows:

Name of Subsidiary	Ownership	Voting Rights	Principal Place of business	Principal Activity
ES Global Limited	100%	100%	UK	Construction
Edwin Shirley Staging Limited	100%	100%	UK	Dormant
ESG Corporate Trustees Ltd	100%	100%	UK	Trustee company
ES Global Inc.	100%	100%	USA	Construction
NES Overlay Limited	100%	100%	UK	Construction
ES Global France SAS	100%	100%	France	Construction
ES Global Japan KK	100%	100%	UK	Construction
ES Global Saudi LLC	100%	100%	Kingdom of Saudi Arabia	Construction
ES Global For Organising Public Art and Events LLC	100%	100%	Qatar	Construction
ES Global Overlay Pty Limited	75%	75%	Australia	Construction

21 PROFIT ATTRIBUTABLE TO PARENT COMPANY

The results for the financial year dealt with in the accounts of the parent company was a profit of £7,869,172 (2021: Loss of £232,516). As permitted by Section 408 of the Companies Act 2006, no statement of comprehensive income is presented for the parent company.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	<u>Group</u>	<u>Group</u>	<u>Company</u>	<u>Company</u>
	2022	2021	2022	2021
	£	Restated	£	Restated
Financial assets				
Loans and receivables (including other investments and cash and cash equivalents)	13,256,530	55,396,940	530,640	6,972,251
Financial liabilities				
Financial liabilities at amortised cost check	8,175,302	46,874,655	12,428,091	17,794,279

The fair values of all assets and liabilities approximate to their book values.

(b) Management of capital

The group regards the following as capital:

	2022	2021
	£	Restated
		£
Share capital	10,443	10,443
Share premium	749,993	749,993
Retained earnings	17,081,238	19,435,917
FX Reserve	86,890	8,936
	<u>17,928,563</u>	<u>20,205,289</u>

The group maintains capital that it views as sufficient for its activities as a trading entity in the construction industry.

(c) Financial Risk Factors

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Company's business. These risks are limited by the Company's financial management policies and practices described below:

(i) Credit Risk

Credit risk is monitored by management with the aim of minimising credit losses.

Credit risk exists in respect of trade receivables and cash balances held with the bank.

Management undertake an assessment of clients before entering into a business arrangement to minimize the risk of non-payment.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial Risk Factors (continued)

The Company's credit risk is primarily attributable to trade receivables in respect of contracts. Cash is only held with global banks considered to be of high credit quality.

(ii) Liquidity Risk

The directors regard the availability of funds as sufficient for the group's liquidity requirements and to enable the group to settle its debts as and when they fall due on an ongoing basis.

The following table details the group's remaining contractual maturities for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay:

2022	Total	3 months or less	3-12 months	12 months or more
	£	£	£	£
Trade and other payables	(8,326,200)	(8,326,200)	-	-
Obligations under lease contracts	(1,428,119)	(273,728)	(695,725)	(458,666)
	<u>(9,754,319)</u>	<u>(8,599,928)</u>	<u>(695,725)</u>	<u>(458,666)</u>
 2021 Restated	 Total	 3 months or less	 3-12 months	 12 months or more
	£	£	£	£
Trade and other payables	(45,904,813)	(45,904,813)	-	-
Obligations under lease contracts	(2,035,440)	(130,962)	(518,842)	(1,385,636)
	<u>(47,940,523)</u>	<u>(46,035,775)</u>	<u>(518,842)</u>	<u>(1,385,636)</u>

(iii) Currency Risk

The group operates globally and therefore generates revenue and costs in the following currencies, Sterling, Euro, Yen and US Dollar, Saudi Riyal and Qatar Riyal. The four primary currencies of Sterling, Euro, Yen and US Dollar have their own currency bank account to reduce FX costs.

ES GLOBAL HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

22 FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2022, the foreign currency balances, in GBP equivalent, were as follows:

	2022 Group (GBP Equivalent)
Assets	1,707,138
Liabilities	<u>(312,062)</u>
Net Assets	<u>1,395,075</u>

(iv) Interest Rate Risk

Interest rate risk is monitored by management with the aim of minimising interest rate exposure.

The Company's interest rate risk exists in respect of short term loan and cash balances held with the bank. Cash is only held with global banks considered to be of high credit quality.

At 31 December 2021, if the interest rates increased/decreased by 1% the result for the year would have increased / decreased by approximately £72,799 (2021: £310,208).

23 ULTIMATE CONTROLLING PARTY

On 22nd March 2021 the ultimate controlling party became Flywheel L.P. by virtue of their controlling interest in Project Prestige TopCo Limited, the ultimate parent company in the group. Subsequent to the acquisition the assets of the Company and group were secured against borrowings within the new group.