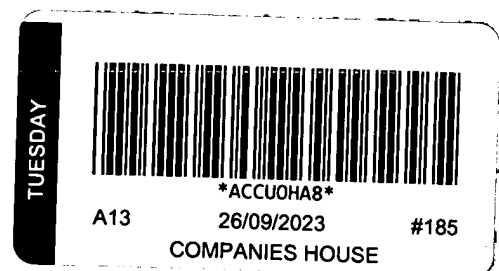


BELCAN INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022



BELCAN INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	N R Montour K Matthews E Ferris L Judson
Registered number	02933658
Registered office	Kelvin House Rtc Business Park London Road Derby DE24 8UP
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Donington Court Pegasus Business Park Castle Donington East Midlands DE74 2UZ

BELCAN INTERNATIONAL LIMITED

CONTENTS

	Page(s)
Strategic Report	1 - 3
Directors' Report	4 - 7
Independent Auditors' Report to the Members of Belcan International Limited	8 - 11
Consolidated Statement of Comprehensive Income	12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17
Consolidated Analysis of Net Debt	18
Notes to the Financial Statements	19 - 42

BELCAN INTERNATIONAL LIMITED**STRATEGIC REPORT
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022**

The directors present the Strategic Report of Belcan International Limited (the "Company") and its subsidiaries (the "Group") for the 52 week period ended 25 December 2022.

Business review

As with all UK organisations, 2022 was a period which saw the Covid 19 pandemic continue to have some, albeit reduced, effect on the business and operations of the Company. However, the Company has continued to pursue its strategy of market diversification which include markets which were less affected by Covid 19 such as Marine and Defence.

This alongside continued recovery seen in the Automotive and Aerospace markets, as well as new customer wins resulted in year-on-year revenue growth of 15%.

Underlying adjusted EBITDA grew by 75% driven through organisational structure changes enacted during 2021 with continued rationalising during 2022, alongside the strategic exit on challenging commercial contracts.

The outlook for 2023 looks brighter with this growth trajectory continuing, with the Company budgeting for double digit growth whilst investing in employee attraction and retention programs.

Principal risks and uncertainties

We believe that the Group can meet key business risks of competition, both local and international. The Group is implementing employee retention and recruitment strategies to mitigate the increasing risk associated with this. The Group continues to diversify both the industries into which it operates and its large blue-chip customer base, mitigating both industry and customer specific risks.

Financial key performance indicators

The Group uses turnover, gross profit and EBITDA from continuing activities as its Key Performance Indicators ("KPI"). Performance against these measures was satisfactory during the period.

	52 week period ended 25 December 2022 £m	52 week period ended 26 December 2021 £m
Turnover from continuing activities	69	59
Gross profit from continuing activities	15	14
EBITDA from continuing activities	(2)	(3)

The Group does not use non-financial KPI's.

Directors' statement of compliance with duty to promote the success of the Group

The Companies Act 2006 ("CA2006") sets out a number of general duties which directors owe to their Company. New legislation has been introduced to help shareholders better understand how directors have discharged their duty to promote the success of the Company; while having regard to the matters set out in Section 172 (1)(a) to (f) of the CA2006 ("s172 factors"). In 2022 the directors continued to exercise all their duties, while having regard to these and other factors as they reviewed and considered proposals from senior management and governed the Company on behalf of the shareholders through the board.

BELCAN INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

Key stakeholders and how we engage with them

Customers

Our board customer base spans industries, businesses and end customers of our products and services. We work closely with our customers to understand their evolving needs so we can improve and adapt to meet them.

Senior management report to the Board on the regular discussions that are held with customers, and depending on the size and complexity of the customer, dedicated Account Managers manage appropriate relationships and communications. Members of the Board are directly involved in agreements made with our largest customers.

Employees

Our philosophy is to build an inclusive work environment to attract and retain talented people, encourage innovation and inspire top performance from employees to achieve superior business results by putting people first.

Our employees are key to our business and members of the Board engage regularly with employees directly through online Town Hall meetings and indirectly through discussions with senior management.

We encourage and recognise outstanding performance through our Global Eagle awards program.

Shareholders

As the Company is a wholly owned subsidiary of Belcan Alliances Inc, the Board regularly engages with the Board of Directors of the Company's owners, with two members of the Company's Board also being US-based directors of Belcan Alliances Inc.

The UK-based directors have regular meetings with the US directors on a weekly and monthly basis and submit monthly financial results and KPI reports which are formally reviewed and discussed. These include updates on both our customers and Go To Market strategy with progress towards meeting revenue, gross margin and EBITDA targets.

Society

At Belcan International, we believe in being good corporate citizens and having a lasting impact on our communities. The Belcan Code of Conduct defines expected ethical behaviour by all Group employees. It requires everyone to conduct business fairly, impartially and in full compliance with all laws and regulations. Belcan focuses on developing long-term, strategic relationships built around our key principles and values of Earned Trust, People First, Performance Driven and Passion with Purpose. Our purpose is to Engineer Better Outcomes and we are committed to work collaboratively as a strategic partner across both our customer and supplier base.

Part of our business strategy is the development of new technology which has benefits such as improving the fuel efficiency of aircraft, contributing a positive impact on the environment. We strive to be "good neighbours" at our office locations and work together with our landlords to do so.

We use our corporate website to positively engage with the public.

Partners and suppliers

We aim to work responsibly with our suppliers. We depend on the capability and performance of our suppliers, contractors and other partners, such as small businesses and industry peers, to help deliver the products and services we need for our operations and our customers.

We are very visible at industry events across the UK and EMA and use senior management to engage directly with suppliers on a regular basis.

BELCAN INTERNATIONAL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022**

Disabled persons

It is the Group's policy to give full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; continuing the employment of, and arranging training for employees who have become disabled persons while employed; and to be non-discriminatory regarding the training, career development and promotion of disabled persons.

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

DocuSigned by:

Lee Judson

EDED1DEF55B7456...

L Judson

Director

Date: 25 September 2023

BELCAN INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

The directors present their annual report and the audited consolidated financial statements of Belcan International Limited (the "Company") together with its subsidiaries (the "Group") for the 52 week period ended 25 December 2022.

Principal activities

The principal activity of the Group is that of the provision of Engineering Services, Technical Recruiting Services and Consulting Services.

Results and dividends

The loss for the 52 week period ended 25 December 2022, amounted to £5,096,022 (52 week period ended 26 December 2021: £5,748,976).

No dividends have been paid during the period or are proposed (2021: £Nil)

Directors

The directors who served during the period and up to the date of signing the financial statements, unless otherwise stated, were:

N R Montour
K Matthews
E Ferris
L Judson (appointed 1 November 2022)

Going concern

Details are included in the principal accounting policies on page 19.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Group also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its directors.

Matters covered in the Strategic Report

The disclosures in relation to key stakeholders including employees and disclosures in relation to policies for disabled persons are included in the Strategic Report.

Future developments

The Group continues to work closely with its customers to provide the highest standard of services both in the UK and abroad. The Group continues to look for opportunities to grow, both organically and inorganically. The strategic acquisitions opened up new markets and opportunities for the Group. Belcan International will continue to look for strategic investments moving forward that enhance its market offering.

BELCAN INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022**

Financial risk management

Foreign exchange risk

The Company has intercompany balances with the parent company and parent group denominated in foreign currency. The Company does not actively manage this risk.

Cash flow risk

The cash flow of the Company is exposed to non-payment risk by customers. The Company manages this risk by carefully appraising the credit quality of customers prior to entering into contracts and thereafter engaging in credit control measures.

Liquidity risk

The directors review the liquidity position on a regular basis and are confident that the business has sufficient cash resources to meet its trading needs.

Credit risk

Credit risk is managed by careful review of customers' financial standing and appropriate credit checks on potential customers prior to sale.

Post balance sheet events

The directors are not aware of any post balance sheet events that would have an impact on the operations of the Company.

Research and development activities

Improvement in materials and process technology are regarded as an integral part of the Group's development programme. Total expenditure on research and development during the period was £4,531,210 (52 week period ended 26 December 2021: £8,014,094).

BELCAN INTERNATIONAL LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****Streamlined energy and carbon reporting (SECR)**

The SECR disclosure presents the Group's carbon footprint within the United Kingdom across scope 1, 2 and scope 3 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial period.

Emissions Data

Description		52 week period ended 25 December 2022	52 week period ended 26 December 2021	52 week period ended 25 December 2022	52 week period ended 26 December 2021
	Measure	Quantity	Quantity	tCO ₂ e	tCO ₂ e
Gas usage	kWh	117,368	205,541	21.13	37.65
Electricity usage	kWh	787,956	771,692	152.38	163.85
Business travel	kWh	334,376	153,062	80.00	37.00
Total energy consumption	kWh	1,239,701	1,130,295		
Total emissions				253.50	238.50
Intensity ratio per employee*	Employees	431	374	0.59	0.64

Assessment methodology

The methodology has been based on the principles of the Greenhouse Gas Protocol and the Group has reported on all the measured emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulation. The data includes limited emissions under Scope 1 and 2 (gas used in facilities and purchased electricity), except where stated, and limited emissions under Scope 3 (fuel used in personal/hire cars for business purposes). Conversion factors for UK electricity (carbon-based methodology), gas and other emissions are those published by the Department for Environment, Food and Rural Affairs for 2020-21.

There are no known exclusions to the data.

Carbon reduction plan

The Group has a proactive approach to the reduction of carbon emissions and increasing energy efficiency. Offices have been equipped with energy efficient features, such as LED lighting and lighting sensors and heating using programmable thermostats.

Whilst we have experienced an increase in business travel during 2022, as Covid-19 pandemic restrictions have eased, the business still maintains a policy of travel only for essential business purposes, with managerial approval. All employees are equipped to work remotely, reducing emissions from car travel and public transport usage.

BELCAN INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare the financial statements for each financial period. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the Group 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

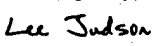
In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware, and
- the director has taken all the steps that they ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Independent Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

DocuSigned by:

EDED1DEF55B7456...
L Judson
Director

Date: 25 September 2023

BELCAN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BELCAN INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Belcan International Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 25 December 2022 and of the group's loss and the group's cash flows for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Consolidated Balance Sheet and the Company Balance Sheet as at 25 December 2022; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, and the Company Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

BELCAN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BELCAN INTERNATIONAL LIMITED (CONTINUED)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 25 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

BELCAN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BELCAN INTERNATIONAL LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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 of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and manipulation of accounting estimates to improve the reported financial position. Audit procedures performed by the engagement team included:

- Discussions with management and the Directors, including consideration of known or suspected instances of non-compliance with laws and regulations, claims and fraud;
- Reviewing relevant minutes of board meetings and review of legal expenditure in the year to ascertain completeness of the above;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular relation to allowance for doubtful accounts, impairment of intangible assets, goodwill and investments. Where such estimates were based upon models or management's data testing was performed on the underlying model and data to validate the reliability of the model and the data upon which management's estimates were based;
- Identifying and testing journal entries, using a risk-based audit approach, with a particular focus on entries posted with unusual combinations that increased revenues; and
- Performing unpredictable audit procedures which are changed year on year.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

BELCAN INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BELCAN INTERNATIONAL LIMITED
(CONTINUED)**

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andrew Dymond (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
26 September 2023

BELCAN INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022**

		52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
	Note		
Turnover	4	68,632,564	59,453,260
Cost of sales		(53,544,376)	(45,747,283)
Gross profit		15,088,188	13,705,977
Administrative expenses		(20,615,958)	(19,478,277)
Other operating income	5	5,305	1,288,816
Operating loss	6	(5,522,465)	(4,483,484)
Interest receivable and similar income	10	894	449
Interest payable and similar expenses	11	(1,129,128)	(986,970)
Loss before taxation		(6,650,699)	(5,470,005)
Tax on loss	12	1,554,677	(278,971)
Loss for the financial period		(5,096,022)	(5,748,976)
Other comprehensive (expense)/income for the financial period			
Currency translation differences		(73,429)	49,070
Other comprehensive (expense)/income for the financial period		(73,429)	49,070
Total comprehensive expense for the financial period		(5,169,451)	(5,699,906)

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 19 to 42 form part of these financial statements.

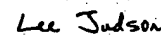
BELCAN INTERNATIONAL LIMITED
REGISTERED NUMBER: 02933658

CONSOLIDATED BALANCE SHEET
AS AT 25 DECEMBER 2022

	Note	25 December 2022 £	As restated 26 December 2021 £
Fixed assets			
Intangible assets	13	20,553,708	23,157,415
Tangible assets	14	2,132,734	2,229,567
		<u>22,686,442</u>	<u>25,386,982</u>
Current assets			
Stocks	16	33,920	38,644
Debtors	17	46,560,609	41,464,003
Cash at bank and in hand		2,674,462	3,393,577
		<u>49,268,991</u>	<u>44,896,224</u>
Creditors: amounts falling due within one year	18	(14,780,807)	(13,253,762)
Net current assets		<u>34,488,184</u>	<u>31,642,462</u>
Total assets less current liabilities		<u>57,174,626</u>	<u>57,029,444</u>
Creditors: amounts falling due after more than one year	19	(57,422,671)	(50,803,790)
Provisions for liabilities			
Deferred taxation	20	(1,955,255)	(3,259,503)
Net (liabilities)/assets		<u>(2,203,300)</u>	<u>2,966,151</u>
Capital and reserves			
Called up share capital	21	29,101	29,101
Share premium account	22	7,031,676	7,031,676
Foreign exchange reserve	22	83,776	157,205
Other reserves	22	1,012,011	1,012,011
Profit and loss account	22	(10,359,864)	(5,263,842)
Total shareholders' (deficit)/funds		<u>(2,203,300)</u>	<u>2,966,151</u>

Details of the prior period restatement are presented in note 23.

The financial statements on pages 12 to 42 were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 EDED1DEF55B7456...
L Judson
 Director

Date: 25 September 2023

The notes on pages 19 to 42 form part of these financial statements.


BELCAN INTERNATIONAL LIMITED
REGISTERED NUMBER: 02933658

COMPANY BALANCE SHEET
AS AT 25 DECEMBER 2022

		25 December 2022 £	As restated 26 December 2021 £
Fixed assets	Note		
Tangible assets	14	236,335	368,393
Investments	15	61,175,622	61,175,622
		<u>61,411,957</u>	<u>61,544,015</u>
Current assets			
Debtors	17	19,487,206	18,496,289
Cash at bank and in hand		80,301	262,174
		<u>19,567,507</u>	<u>18,758,463</u>
Creditors: amounts falling due within one year	18	<u>(41,220,115)</u>	<u>(36,972,625)</u>
Net current liabilities		(21,652,608)	(18,214,162)
Creditors: amounts falling due after more than one year	19	(57,422,671)	(50,803,790)
Deferred taxation	20	<u>(38,286)</u>	<u>-</u>
		<u>(38,286)</u>	<u>-</u>
Net liabilities		<u>(17,701,608)</u>	<u>(7,473,937)</u>
Capital and reserves			
Called up share capital	21	29,101	29,101
Share premium account	22	7,031,676	7,031,676
Other reserves	22	1,012,000	1,012,000
Profit and loss account		<u>(25,774,385)</u>	<u>(15,546,714)</u>
Total shareholders' deficit		<u>(17,701,608)</u>	<u>(7,473,937)</u>

Details of the prior period restatement are presented in note 23.

The financial statements on pages 12 to 42 were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 EDED1DEF55B7456...
L Judson
 Director

Date: 25 September 2023

The notes on pages 19 to 42 form part of these financial statements.

BELCAN INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Other reserves £	Profit and loss account £	Total shareholders' funds/(deficit) £
At 1 January 2021	29,101	7,031,676	108,135	1,012,011	485,134	8,666,057
Comprehensive (expense)/income for the financial period						
Loss for the financial period	-	-	-	-	(5,748,976)	(5,748,976)
Currency translation differences	-	-	49,070	-	-	49,070
At 26 December 2021 and 27 December 2021	29,101	7,031,676	157,205	1,012,011	(5,263,842)	2,966,151
Comprehensive expense for the financial period						
Loss for the financial period	-	-	-	-	(5,096,022)	(5,096,022)
Currency translation differences	-	-	(73,429)	-	-	(73,429)
At 25 December 2022	29,101	7,031,676	83,776	1,012,011	(10,359,864)	(2,203,300)

The notes on pages 19 to 42 form part of these financial statements.

BELCAN INTERNATIONAL LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total shareholders' deficit
	£	£	£	£	£
At 1 January 2021	29,101	7,031,676	1,012,000	(11,055,939)	(2,983,162)
Comprehensive expense for the financial period					
Loss for the financial period	-	-	-	(4,490,775)	(4,490,775)
At 26 December 2021 and 27 December 2021	29,101	7,031,676	1,012,000	(15,546,714)	(7,473,937)
Comprehensive expense for the financial period					
Loss for the financial period	-	-	-	(10,227,671)	(10,227,671)
At 25 December 2022	29,101	7,031,676	1,012,000	(25,774,385)	(17,701,608)

The notes on pages 19 to 42 form part of these financial statements.

BELCAN INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Cash flows from operating activities		
Loss for the financial period	(5,096,022)	(5,748,976)
Adjustments for:		
Taxation charge	(1,554,678)	278,971
Interest payable and similar expenses	1,129,128	986,970
Interest receivable and similar income	(894)	(449)
Amortisation of intangible assets	2,603,707	2,612,799
Depreciation of tangible assets	736,069	960,446
Foreign exchange differences	(73,429)	51,620
Loss on disposal of tangible assets	37,434	-
Decrease/(increase) in stocks	4,724	(18,853)
(Increase)/decrease in debtors	(2,512,917)	127,004
Increase/(decrease) in creditors	1,216,428	(1,156,662)
Corporation tax received (net of RDEC credit)	380,339	15,048
Net cash used in operating activities	<u>(3,130,111)</u>	<u>(1,892,082)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(729,971)	(416,803)
Sale of tangible fixed assets	53,302	-
Interest received	894	449
Net cash used in investing activities	<u>(675,775)</u>	<u>(416,354)</u>
Cash flows from financing activities		
Interest paid	(1,129,128)	(986,970)
Increase in amounts owed by group	(2,713,599)	(885,655)
Increase in amounts owed to group	6,929,498	1,561,268
Net cash generated from/(used in) financing activities	<u>3,086,771</u>	<u>(311,357)</u>
Net decrease in cash and cash equivalents	(719,115)	(2,619,793)
Cash and cash equivalents at beginning of financial period	3,393,577	6,013,370
Cash and cash equivalents at the end of financial period	<u>2,674,462</u>	<u>3,393,577</u>
Cash and cash equivalents at the end of financial period comprise:		
Cash and cash equivalents	<u>2,674,462</u>	<u>3,393,577</u>

The notes on pages 19 to 42 form part of these financial statements.

BELCAN INTERNATIONAL LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022**

	At 27 December 2021 £	Cash flows £	At 25 December 2022 £
Cash at bank and in hand	3,393,577	(719,115)	2,674,462

The notes on pages 19 to 42 form part of these financial statements.

BELCAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

1. General information

Belcan International Limited (the "Company") is a private company, limited by shares and is incorporated and domiciled in England. The registered address of the Company is Kelvin House, Rtc Business Park, London Road, Derby, DE24 8UP.

The financial statements are prepared in Sterling (£) which is the functional currency of the Group. The financial statements are for the 52 week period ended 25 December 2022 (2021: 52 week period ended 26 December 2021).

The principal activity of the Group is that of the provision of Engineering Services, Technical Recruiting Services and Consulting Services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

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 following principal accounting policies have been applied consistently throughout the period:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Company continue in operational existence for a period of at least 12 months from the date the Balance Sheet is signed. The directors have reviewed the detailed budget and cash flow forecasts for the Group, for a period beyond one year from the date of approval of these financial statements including undertakings from the parent entity to support the Company and Group. Based on this review the directors have concluded that the Group and the Company are able to meet their external liabilities as they fall due and that the going concern basis of preparation is therefore appropriate.

BELCAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

2. Accounting policies (continued)

2.4 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in these consolidated financial statements.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Where turnover relates to the provision of engineering services it is represented by net invoiced sales of goods and services, excluding value added tax. Turnover is recognised on a percentage of completion basis when the service has been delivered on contracts. Turnover that has been recognised but not invoiced at the period end is included in debtors as accrued income.

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****2. Accounting policies (continued)****2.6 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer relationships	-	15 years
Goodwill	-	10 years
Trademarks	-	20 years

2.7 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvement to property	-	Over the period of the lease
Fixtures and fittings	-	15%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

BELCAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value.

Work in progress includes the costs of direct materials and labour plus attributable overheads based on a normal level of activity. Net realisable value is based on estimated selling price less any costs expected to be incurred to completion.

2.10 Financial instruments

The Group is applying section 11 and 12 of FRS 102. The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within administrative expenses.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

BELCAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the revised Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.14 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the period that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

BELCAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the 52 week period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.17 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

BELCAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the tangible assets, and note 2.7 for the useful economic lives for each class of assets.

(ii) Impairment of intangible assets and goodwill (note 13)

The Group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGU's and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. For the purposes of assessing impairment, the Group's assets are grouped and reviewed for impairment at the CGU level. The Group has identified two CGU's: Engineering Solutions and Workforce Solutions. Assets related to each CGU and the cash inflows generated by each are separately identifiable and independent of other assets or groups of assets. Internal management reporting is organised to monitor revenues on the same basis, while management makes strategic decisions about continuing or exiting operations based on CGU results.

The recoverable amount of each CGU was determined based on value in use calculations. The key estimates included in this assessment were expected cash flows in the forecast period (being the next 5 financial years), expected cash flows within the terminal period and present value discount rates based on the WACC.

The weighted average cost of capital ("WACC") applied in this assessment was 16-17% and the cash flows were based upon the 2024 onwards forecasted positions with growth of 3% forecasted in the terminal value calculations. The WACC used for the assessment was increased from 2021 from 12% to 17% to reflect global market conditions however, there was still headroom across all CGU's.

After considering all key assumptions, the below table indicates the changes which would be required to these assumptions, on a stand-alone basis, prior to an impairment being triggered.

	Engineering Solutions	Workforce Solutions
Results Next 5 Years (Decrease)	6%	68%
Terminal Result (Decrease)	5%	54%
WACC (Increase)	2%	35%

(iii) Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 17 for the net carrying amount of the debtors and associated impairment provision.

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****4. Turnover**

An analysis of turnover by class of business is as follows:

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Recruitment	25,995,557	26,768,449
Engineering services	32,725,215	27,270,749
Consulting	9,911,792	5,414,062
	68,632,564	59,453,260

Analysis of turnover by country of destination:

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
United Kingdom	54,979,052	49,474,781
Rest of Europe	8,445,957	7,240,550
Rest of the World	5,207,555	2,737,929
	68,632,564	59,453,260

5. Other operating income

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Other operating income	5,305	479
Furlough income	-	246,505
RDEC claim	-	1,041,832
	5,305	1,288,816

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****6. Operating loss**

The operating loss is stated after charging:

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Depreciation of tangible assets	736,069	960,446
Amortisation of intangible assets	2,603,707	2,612,799
Operating lease rentals	721,767	787,280
Exchange differences	3,380,541	876,585
Loss on disposal of tangible fixed assets	37,434	21,270
	<u>7,489,518</u>	<u>7,268,380</u>

7. Auditors' remuneration

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	173,500	146,530
Fees payable to the Group's auditors in respect of:		
Taxation advisory services	66,990	78,338
Other assurance related services	-	19,760
	<u>66,990</u>	<u>98,100</u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****8. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 52 week period ended 25 December 2022 £	Group 52 week period ended 26 December 2021 £	Company 52 week period ended 25 December 2022 £	Company 52 week period ended 26 December 2021 £
Wages and salaries	20,122,582	18,441,955	3,305,495	3,087,385
Social security costs	2,319,172	2,004,831	415,183	373,614
Other pension costs	668,073	854,340	156,082	137,191
	<u>23,109,827</u>	<u>21,301,126</u>	<u>3,876,760</u>	<u>3,598,190</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Group 52 week period ended 25 December 2022 No.	Group 52 week period ended 26 December 2021 No.	Company 52 week period ended 25 December 2022 No.	Company 52 week period ended 26 December 2021 No.
Engineering/Technical	329	293	-	-
Administration	105	100	43	41
Directors	2	2	2	2
	<u>436</u>	<u>395</u>	<u>45</u>	<u>43</u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****9. Directors' remuneration**

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Directors' remuneration	411,514	504,133
Company contributions to defined contribution pension schemes	23,866	27,640
	<u>435,380</u>	<u>531,773</u>

During the 52 week period ended 25 December 2022 retirement benefits were accruing to 2 directors (52 week period ended 2021: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £394,763 (52 week period ended 26 December 2021: £389,995).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,199 (52 week period ended 26 December 2021: £21,882).

2 (2021: 2) of the directors are remunerated by other companies within the Propulsion Intermediate LP group.

10. Interest receivable and similar income

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Other interest receivable	<u>894</u>	<u>449</u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****11. Interest payable and similar expenses**

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Other interest payable	<u>1,129,128</u>	<u>986,970</u>

Included in interest payable is an amount of £1,129,128 (52 week period ended 2021: £986,970) charged from group companies.

Please refer to note 18 for details of interest on group balances.

12. Tax on loss

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Corporation tax		
Current tax on losses for the financial period	10,761	210,548
Adjustments in respect of prior periods	(261,190)	(85,602)
Total current tax	<u>(250,429)</u>	<u>124,946</u>
Deferred tax		
Origination and reversal of timing differences	(238,506)	139,955
Adjustments in respect of prior periods	21,179	14,070
Tax losses	(1,086,921)	-
Total deferred tax	<u>(1,304,248)</u>	<u>154,025</u>
Taxation on loss	<u>(1,554,677)</u>	<u>278,971</u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****12. Tax on loss (continued)****Factors affecting tax (credit)/charge for the 52 week period**

The tax assessed for the 52 week period is lower than (52 week period ended 2021: higher than) the standard rate of corporation tax in the UK of 19.00% (52 week period ended 2021: 19.00%). The differences are explained below:

	52 week period ended 25 December 2022 £	52 week period ended 26 December 2021 £
Loss before taxation	(6,650,699)	(5,470,004)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,263,633)	(1,039,301)
Effects of:		
Expenses not deductible for tax purposes	(248,520)	294,516
Fixed asset differences	508,710	-
Adjustments in respect of prior periods	(240,011)	(71,532)
Differences in overseas tax	6,093	311,559
Rate changes	(317,316)	783,816
Deferred tax not recognised	-	(87)
Total tax (credit)/charge for the 52 week period	(1,554,677)	278,971

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****13. Intangible assets****Group**

	Customer relationships £	Trademarks £	Goodwill £	Total £
Cost				
At 27 December 2021	18,500,000	780,000	13,404,660	32,684,660
At 25 December 2022	18,500,000	780,000	13,404,660	32,684,660
Accumulated amortisation				
At 27 December 2021	4,763,890	154,584	4,608,771	9,527,245
Charge for the period	1,233,333	39,000	1,331,374	2,603,707
At 25 December 2022	5,997,223	193,584	5,940,145	12,130,952
Net book value				
At 25 December 2022	12,502,777	586,416	7,464,515	20,553,708
At 26 December 2021	13,736,110	625,416	8,795,889	23,157,415

Amortisation of goodwill is recognised within administration expenses in the Statement of Comprehensive Income.

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****14. Tangible assets****Group**

	Improvement to property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 27 December 2021	1,344,998	606,245	3,264,311	5,215,554
Additions	126,857	1	544,992	671,850
Disposals	(62,110)	(17,540)	(40,223)	(119,873)
Transfers between classes	7,907	(1,881)	52,096	58,122
At 25 December 2022	<u>1,417,652</u>	<u>586,825</u>	<u>3,821,176</u>	<u>5,825,653</u>
Accumulated depreciation				
At 27 December 2021	377,591	287,664	2,320,732	2,985,987
Charge for the period	150,922	44,966	540,181	736,069
Disposals	(22,700)	(6,437)	-	(29,137)
At 25 December 2022	<u>505,813</u>	<u>326,193</u>	<u>2,860,913</u>	<u>3,692,919</u>
Net book value				
At 25 December 2022	<u>911,839</u>	<u>260,632</u>	<u>960,263</u>	<u>2,132,734</u>
At 26 December 2021	<u>967,407</u>	<u>318,581</u>	<u>943,579</u>	<u>2,229,567</u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****14. Tangible assets (continued)****Company**

	Computer equipment £
Cost	
At 27 December 2021	650,904
At 25 December 2022	<u>650,904</u>
Accumulated depreciation	
At 27 December 2021	282,511
Charge for the period	132,058
At 25 December 2022	<u>414,569</u>
Net book value	
At 25 December 2022	<u>236,335</u>
At 26 December 2021	<u>368,393</u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****15. Investments****Company**

	Investments in subsidiary companies £
Cost or valuation	
At 27 December 2021	<u>63,175,622</u>
At 25 December 2022	<u>63,175,622</u>
Accumulated Impairment	
At 27 December 2021	<u>2,000,000</u>
At 25 December 2022	<u>2,000,000</u>
Net book value	
At 25 December 2022	<u><u>61,175,622</u></u>
At 26 December 2021	<u><u>61,175,622</u></u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****15. Investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Belcan Engineering Services UK Limited	Nevis House, 1st Floor Hamilton International Park, 6 Lister Way, Blantyre, G72 0FT	Provision of engineering services	Ordinary	100%
Belcan Technical Recruiting UK Limited	Kelvin House, Rtc Business Park, London Road, Derby, DE24 8UP	Management consultancy and recruitment services	Ordinary	100%
Belcan Engineering Services Germany GmbH*	The Townhouse, Ludwig-Erhard-Ring-4, 15827 Blankenfelde-Mahlow, Germany	Provision of engineering services	Ordinary	100%
Belcan Engineering Services Poland Sp. z o o.*	Ul. Pl. Wolnosci 13/2, 35-073 Rzeszów, Poland	Provision of engineering services	Ordinary	100%
Belcan Test Systems UK Limited	42 Central Way, Cheltenham Trade Park, Cheltenham, GL51 8LX	Provision of engineering services	Ordinary	100%
Sitec Design Limited	Kelvin House, Rtc Business Park, London Road, Derby, DE24 8UP	Holding company	Ordinary	100%
SG Aerospace (India) Private Limited*	No. 288, 100 feet Ring Road, Fourth Phase, Seventh Block, Third Stage, Banashankari, Bangalore KA 560085 IN	Provision of engineering services	Ordinary	100%
Sitec Recruitment Limited	Kelvin House, Rtc Business Park, London Road, Derby, DE24 8UP	Holding company	Ordinary	100%
Sitec Professional Services Limited*	Kelvin House, Rtc Business Park, London Road, Derby, DE24 8UP	Holding company	Ordinary	100%
Belcan Advanced Solutions Limited*	Kelvin House, Rtc Business Park, London Road, Derby, DE24 8UP	Provision of engineering services	Ordinary	100%
Sitec Holdings Limited*	Kelvin House, Rtc Business Park, London Road, Derby, DE24 8UP	Holding company	Ordinary	100%
Sitec Engineering Limited*	Pegasus House, Aerospace Avenue, Filton, Bristol, BS34 7PA	Provision of engineering services	Ordinary	100%

BELCAN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022**

15. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Principal activity	Class of shares	Holding
Belcan Supply Chain Solutions Limited	Kelvin House, Rtc Business Park, London Road, Derby, DE24 8UP	Provision of consulting services	Ordinary	100%

*Held indirectly

The Company has provided the necessary guarantees to its subsidiary companies, Belcan Technical Recruiting UK Limited (registered number 04796997), Belcan Engineering Services UK Limited (registered number SC163213), Belcan Test Systems UK Limited (registered number 06122998), Sitec Design Limited (registered number 10080721), Sitec Recruitment Limited (registered number 10080711), Sitec Professional Services Limited (registered number 07164509), Belcan Advanced Solutions Limited (registered number 06733445), Sitec Holdings Limited (registered number 08395868), Sitec Engineering Limited (registered number 06426920) and Belcan Supply Chain Solutions Limited (registered number 06444912) so that they are exempt from the requirements relating to the audit of financial statements under section 479A of the Companies Act 2006.

16. Stocks

	Group 25 December 2022 £	Group 26 December 2021 £
Finished goods and goods for resale	33,920	38,644

17. Debtors

	Group 25 December 2022 £	Group As restated 26 December 2021 £	Company 25 December 2022 £	Company 26 December 2021 £
Trade debtors	16,596,615	11,982,455	138,266	702,708
Amounts owed by group undertakings	24,066,187	21,352,588	19,182,445	17,733,131
Other debtors	199,419	115,081	27,100	-
Corporation tax recoverable	1,172,602	1,302,512	13,015	12,600
Prepayments and accrued income	4,525,786	6,711,367	126,380	47,850
	<u>46,560,609</u>	<u>41,464,003</u>	<u>19,487,206</u>	<u>18,496,289</u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****17. Debtors (continued)**

Amounts owed by group undertakings are unsecured and repayable on demand.

Trade debtors are stated after a provision for bad debts of £217,354 (2021: £491,550) in Group and £125,979 (2021: £Nil) in Company.

An impairment gain of £204,148 (52 week period ended 26 December 2021: £333,178) in Group and £127,819 (52 week period ended 26 December 2021: £Nil) in Company was recognised in administrative expenses against trade debtors during the period.

Details of the prior period restatement are presented in note 23.

18. Creditors: amounts falling due within one year

	Group	Group	Company	Company
	25	As restated	25	As restated
	December	December	December	December
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	1,515,615	449,836	125,476	7,674
Amounts owed to group undertakings	5,737,963	5,427,346	40,298,407	36,289,418
Other taxation and social security	2,560,221	2,286,212	101,112	113,713
Other creditors	500,784	548,106	34,984	37,605
Accruals and deferred income	4,466,224	4,542,262	660,136	524,215
	<u>14,780,807</u>	<u>13,253,762</u>	<u>41,220,115</u>	<u>36,972,625</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

Details of the prior period restatement are presented in note 23.

19. Creditors: Amounts falling due after more than one year

	Group	Group	Company	Company
	25	As restated	25	As restated
	December	December	December	December
	2022	2021	2022	2021
	£	£	£	£
Amounts owed to group undertakings	<u>57,422,671</u>	<u>50,803,790</u>	<u>57,422,671</u>	<u>50,803,790</u>

Included in amounts owed to group undertakings are loans of \$64m on which interest is charged at 2.07% (2021: \$64m, interest 2.07%). The amount of interest expensed in the period for this loan was £1.1m (52 week period ended 26 December 2021: £1m) and the balance at the period end including interest was \$68m (2021: \$67m). Amounts are repayable in October 2026.

Details of the prior period restatement are presented in note 23.

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****20. Deferred taxation****Group**

	2022 £
At beginning of financial period	3,259,503
Credited to the Consolidated Statement of Comprehensive Income	(1,304,248)
At end of financial period	<u>1,955,255</u>

Company

	2022 £
Charged to Consolidated Statement of Comprehensive Income	38,286
At end of financial period	<u>38,286</u>

The provision for deferred taxation is made up as follows:

	Group 25 December 2022 £	Group 26 December 2021 £	Company 25 December 2022 £	Company 26 December 2021 £
Accelerated capital allowances	196,021	152,840	(15,522)	1,170
Acquired intangible assets	3,272,299	3,590,382	-	-
Other timing differences	(16,451)	(16,304)	(7,224)	(1,170)
Tax losses	(1,491,036)	(461,837)	61,032	-
RDEC carried forward	(5,578)	(5,578)	-	-
	<u>1,955,255</u>	<u>3,259,503</u>	<u>38,286</u>	<u>-</u>

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****21. Called up share capital**

	25 December 2022 £	26 December 2021 £
Allotted, called up and fully paid		
29,101 Ordinary shares of £1.00 each	29,101	29,101

Each ordinary share carries one vote, participates equally with the other ordinary shares as respects dividends and distributions of capital (including on a winding up) and is not redeemable.

22. Reserves**Share premium account**

The amounts subscribed for share capital in excess of the nominal value.

Foreign exchange reserve

The foreign exchange reserve account relates to the translation of foreign subsidiaries.

Other reserves

Other reserves relates to a capital contribution.

Profit and loss account

The profit and loss account represents the accumulated profits and losses made by the Group and Company less any distributions made.

23. Prior period adjustment

During the period ending 25 December 2022 it has been identified that term agreements are in place for certain of the group loan balances. The 2021 comparatives have been adjusted to recognise that these liabilities should have been recognised as due after more than one year.

There is no impact on retained earnings or the previously reported Statement of Comprehensive Income.

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £668,073 (52 week period ended 26 December 2021: £854,340). Contributions totaling £119,806 (2021: £98,448) were payable to the fund at the Balance Sheet date and are included in other creditors.

BELCAN INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022****25. Commitments under operating leases**

At the reporting date the Group and the Company had future minimum lease payments under non-cancellable operating leases for each as follows:

	Group 25 December 2022 £	Group 26 December 2021 £	Company 25 December 2022 £	Company 26 December 2021 £
Not later than 1 year	858,919	749,075	6,023	6,670
Later than 1 year and not later than 5 years	1,762,048	1,488,747	4,818	10,842
Later than 5 years	193,843	243,094	-	-
	<u>2,814,810</u>	<u>2,480,916</u>	<u>10,841</u>	<u>17,512</u>

26. Financial instruments

	Group 25 December 2022 £	Group As restated 26 December 2021 £	Company 25 December 2022 £	Company As restated 26 December 2021 £
Financial assets measured at historic cost				
Cash	2,674,461	3,393,577	80,301	262,174
Amounts owed by group undertakings	24,066,187	21,352,588	19,182,445	17,733,131
Trade debtors	16,596,615	11,982,455	138,266	702,708
Other debtors and accrued income	4,054,457	5,957,317	40,610	23,000
	<u>47,391,720</u>	<u>42,685,937</u>	<u>19,441,622</u>	<u>18,721,013</u>
Financial liabilities measured at historic cost				
Amounts owed to group undertakings	(5,737,963)	(5,427,346)	(40,298,407)	(36,289,418)
Accruals	(4,466,224)	(4,542,262)	(660,136)	(524,215)
Trade creditors	(1,515,615)	(449,836)	(125,476)	(7,674)
Other creditors	(500,784)	(548,106)	(34,984)	(37,605)
	<u>(12,220,586)</u>	<u>(10,967,550)</u>	<u>(41,119,003)</u>	<u>(36,858,912)</u>

In the prior period, accrued income was omitted from the financial instrument disclosure. The prior period disclosure has been restated to include accrued income.

27. Related party transactions

Key management personnel are the directors of the Company whose remuneration is disclosed in note 9 or who are remunerated by other companies within the Propulsion Intermediate LP group.

The Company has taken advantage of the exemption, contained in FRS 102 section 33 "Related Party Disclosures", from disclosing transactions with entities which are a wholly owned part of the Group.

BELCAN INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 25 DECEMBER 2022**

28. Post balance sheet events

The directors are not aware of any post balance sheet events that would have an impact on the operations of the Company.

29. Ultimate parent undertaking and controlling party

The Group is a wholly owned subsidiary of its immediate parent undertaking Belcan Alliances Inc, a company incorporated in the United States of America.

Its ultimate parent undertaking and controlling party, and the parent of the largest group to consolidate the financial statements, is Propulsion Intermediate LP, a company incorporated in the United States of America. The financial statements of Propulsion Intermediate LP are not publicly available. Propulsion Intermediate LP's registered address is 2500 N Military Trail, Suite 470 Boca Raton, FL 33431P.

The parent of the smallest group to consolidate the financial statements is Belcan LLC, a company incorporated in the United States of America. The financial statements of Belcan LLC are not publicly available. Belcan LLC's registered address is 10151 Carver Road Cincinnati, OH 45242.