



Atlas
Professionals

ANNUAL REPORT

2019



Atlas

Professionals





Contents

7

Performance highlights

8

Mission statement

9

Timeline

10

Message from the Supervisory Board

13

Message from the Board of Directors

18

Our company

19

Our values

21

Consolidated statement of financial position

22

Consolidated statement of profit or loss

23

Consolidated statement of other comprehensive income

24

Consolidated statement of changes in equity

26

Consolidated statement of cash flows

27

Notes to the 2019 consolidated financial statements

58

Company statement of financial position

59

Company statement of profit and loss

60

Notes to the 2019 Company financial statements

70

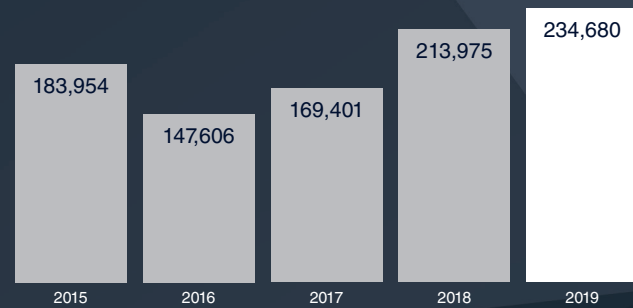
Other information

72

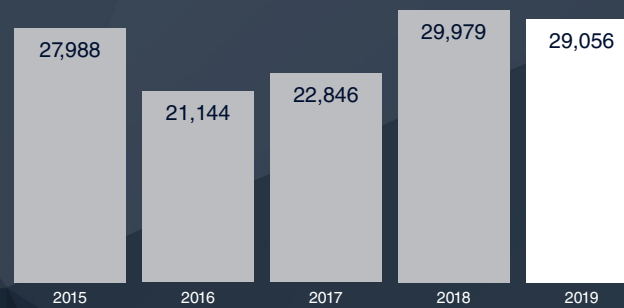
Independent auditor's report

Performance highlights

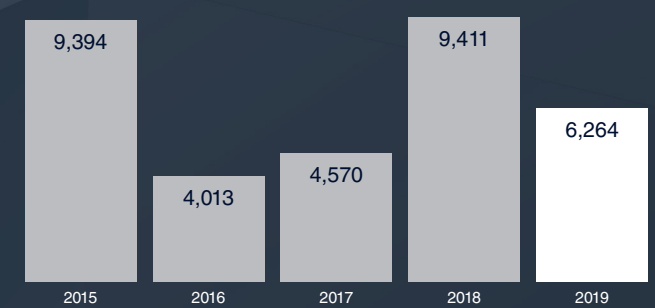
Revenues in EUR 1,000



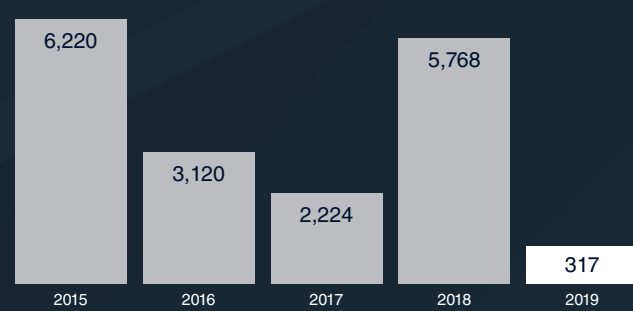
Gross margin in EUR 1,000



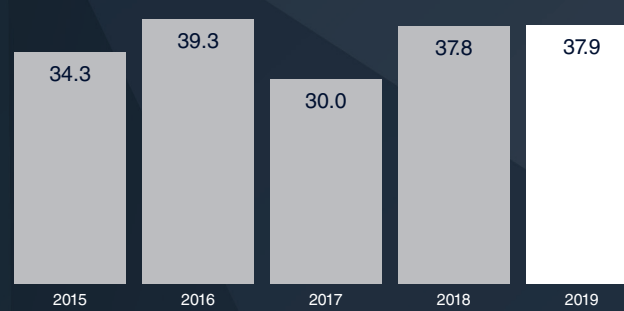
EBITDA in EUR 1,000



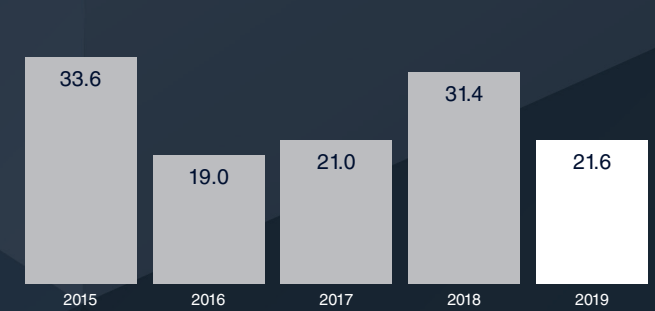
Net income in EUR 1,000



Solvency ratio in %



Conversion ratio in %



We want to become the number 1 choice for our clients by being committed to provide a safe, reliable, competent and happy workforce within the niches we operate at the frontier of energy, marine and renewables.

1982 1986 1999 2000 2001 2002 2004 2006 2007

Atlas Transport Services was founded

Establishment of Atlas Personnel Services

Company name changes to Atlas Services Group

Acquisition of Eurosailor B.V.

Acquisition of Tristar Well Service Pool B.V.

Commencement of Atlas Employability Services

Acquisition of Dietsmann Technologies activities

Participation in Mariteam Personnel Services B.V.

Acquisition of staffing activities Dutch Onshore Offshore Recruitment (D.O.O.R.)

Participation in Jaymar La Crosse

Acquisition of Techno Work Group activities

Acquisition of HR activities Focus Oil & Gas

Opening of new Atlas Jaymar do Brasil office in Brasil

Participation in International Crew Services (ICS) B.V.

2008 2010 2011 2012 2013 2014 2015 2016 2017

Opening of offices in Australia and Kazakhstan

Acquisition of Seistech (Newquay, UK) and GSS (Gibraltar)

Foundation of Atlas Ship Delivery

One brand "Atlas Services Group" for all 100% owned legal entities

Opening of new office in Singapore

HAL Investments B.V. takes 45% interest in Atlas Services Group Holding B.V.

Participation in South West Surveys (UK) Limited

Atlas Services Group opens office in Moscow

Atlas Services Group starts activities in Norway

Participation in 7Seas Renewable Energy B.V.

Atlas Services Group celebrates 30th anniversary

Acquisition of Cerno AS Norway

Acquisition of MSOP activity Bristol

Acquisition of G.O.S.S. Consultants Limited and G.O.S.S. North Sea Limited (UK)

Acquisition of Geomotive activities (Spain)

Acquisition minority stake (25%) in Subserv Pro Limited (UK)

Trade name changes to Atlas Professionals

Acquisition remaining shares (75%) in Subserv Pro Limited (UK)

HAL Investments B.V. purchased an additional 25% interest

Acquisition of Programmed Marine International, with offices and activities in Aberdeen (UK), Singapore, Houston (US) and Dubai (UAE).

Acquisition of 50% interest in the Joint Venture Atlas Programmed Marine Holdings Pty Ltd, with offices and activities in Australia and New Zealand.

2018

Opening of recruitment hub in Vlissingen, the Netherlands

The Joint Venture, Atlas Programmed Marine, rebrands to Atlas Professionals

2019

Opening Boston office
Acquisition of Brander

Message from the Supervisory Board

The Supervisory Board is in charge of supervising and advising the Board of Directors in setting and achieving the objectives, strategy, policies and succession planning of Atlas Professionals¹.

Composition of the Board

In 2019, the Supervisory Board consisted of:

Name	Age	First appointment	Latest appointment	Appointed until
R. van Gelder	74	30 March 2011	30 March 2015	31 March 2020
A.P.P.M. van Beurden	71	30 March 2011	30 March 2018	31 March 2019
J. Muechez	66	10 July 2018		10 July 2022
A. Schouten	65	13 November 2018		13 November 2022
J.N. van Wiechen	47	30 March 2011	30 March 2017	31 March 2021

General

The Supervisory Board convened six times in 2019. The Board of Directors prepared detailed supporting documents and attended the formal meetings with the Supervisory Board. The Supervisory Board met with and without the presence of the Board of Directors with the Group's external auditor.

Major topics reviewed in 2019

The main subjects discussed and or approved in this year were:

- Organisation structure and changes
- Vision and strategy
- Mergers and acquisitions
- Management and financial reports
- Quality, health, safety & environment
- Operating plan and budget
- IT
- Governance
- Remuneration within the Group as a whole and of the Board of Directors
- HR, including diversity and senior management appointments
- Evaluation of the external auditor

- Financial structure and bank relationships
- Culture and checks and balances within the Group

The strategy of the Group was discussed repeatedly during the year. The Supervisory Board took note of the work done by the Company to improve its operational efficiency and adapt to the rapidly changing regulatory environment, in particular in the Netherlands and the UK. The Supervisory Board endorses strategic growth initiatives initiated in this respect, whilst not losing sight of the Company's existing business. Furthermore, the focus on HSE, autonomous as well as selected acquisitive growth and strengthening of the balance sheet were fully endorsed.

Various managers from the organisation attended (part of) Supervisory Board meetings and/or gave presentations regarding their area of expertise.

At the end of March 2019 Mr. A.P.P.M. van Beurden retired as Supervisory Director. We would like to express our gratitude and appreciation to Mr. van Beurden for his contribution and cooperation for his period of service since March 2011 and wish him a happy and healthy retirement.

In respect of culture and checks and balances, the Supervisory Board fully endorses the increasing focus by the Board of Directors to ensure effective risk management, compliance and proper ethical behaviour.

In 2019 the Supervisory Board met once with both the Group's outgoing and incoming external auditor to discuss the outcome of the audit of the 2018 financial statements, the 2018 management letter, and the proposed planning and risk analysis for the audit of the 2019 financial statements. The Board endorsed the shareholders decision to appoint PricewaterhouseCoopers N.V. as the auditor for the Group's 2019 accounts. The Supervisory Board also reviewed the remuneration of the Board of Directors.

Financial results were discussed with the Board of Directors, with a particular focus on the development of existing businesses and new business initiatives. The latter included the discussion of potential acquisition candidates.

In addition to the regular meetings, the Supervisory Board received monthly business updates from the Board of Directors throughout the year primarily concerning topics regarding HSE, financial results, overall strategy, organisational changes and compliance that were often discussed by telephone conference. Receiving these frequent monthly updates allows the Supervisory Board meetings to focus on in depth, non-day-to-day issues relating to strategy, growth initiatives and shaping the organisation for future growth.

¹ In this annual report the terms Atlas, Atlas Professionals and (Atlas) Group are used intermittently to describe the collective of Atlas Professionals B.V. and its subsidiaries.

2019 financial statements

The financial statements for the year ending 31 December 2019 were prepared in accordance with IFRS by the Board of Directors and examined by our auditors PricewaterhouseCoopers Accountants N.V. These statements were discussed by the Supervisory Board in the presence of the Board of Directors and the external auditor. PricewaterhouseCoopers Accountants N.V. issued an unqualified opinion on the financial statements.

We recommend the following to the General Meeting of Shareholders:

1. The adoption of the financial statements;
2. The discharge of the members of the Board of Directors in respect of their management activities during 2019;
3. The discharge of the members of the Supervisory Board for their supervision of management during 2019.

We would like to thank the Board of Directors and all the direct and indirect employees of Atlas Professionals for their effort and continuous commitment in 2019.

Hoofddorp, 10 March 2020

The Supervisory Board

R. van Gelder (Chairman)

J. Muechez

A. Schouten

J.N. van Wiechen





Message from the Board of Directors

Dear Stakeholder,

In 2019, Atlas experienced mixed fortunes in its core offshore markets, with increasing activity levels in seismic and drilling but a subdued year in offshore wind.

Our clients remained cost conscious throughout 2019, and pension and other regulatory costs – largely of an extraordinary nature – substantially marred financial performance. Reported gross margins declined to 12.4% compared to 14% in 2018 and 13.5% in 2017.

Predominantly through the acquisition of BRL Limited we were able to grow our volumes (total days sold) by 7% resulting in an overall turnover of EUR 235 million (2018: EUR 214 million), and further increased our market share. Absolute margin at EUR 29 million, however, was EUR 1 million below 2018 level, partly due to extraordinary pension and other regulatory costs incurred.

The integration of BRL Limited into our Aberdeen office went harmoniously and smooth.

We continued the Zero Harm program across the Atlas Group, promoting a stringent HSE culture for the Group, and further increasing our focus on HSE with clients and professionals. Despite this, our overall TRIR rate increased from 0,24 in 2018 to 0,48 in 2020. Although all incidents occurred under control of our customers, and some of the increase in recorded cases may still be the consequence of continued improvement in recording, we must continue to look for ways to reduce the risks for our professionals to levels as low as reasonably possible.

To get us ready for further growth, we increased our efforts with regard to digitalisation to streamline customer interface and internal processes, notably by working on replacing certain key IT systems.

We also again focused on compliance. Next to this, during the year considerable time was spent on Brexit and on preparations for new legislation in our core Dutch and UK markets. We launched our portal for professionals, which we will systematically enhance in the future. In addition, we continue to strive towards adding more value to our stakeholders through enhanced service provision and customer integration.

The financial results

The comparison of 2019 and 2018 results, is as follows:

	Note	2019	2018
		EUR 1,000	EUR 1,000
Revenues	16	234,680	213,975
Cost of direct labour/personnel	17	(205,624)	(183,996)
Gross profit		29,056	29,979
Indirect personnel expenses	18	(15,638)	(14,199)
Depreciation and amortisation	1,2,3	(1,878)	(734)
Other gains	4	66	-
Other operating expenses	19	(7,220)	(6,645)
Total operating costs		(24,670)	(21,578)
Operating profit		4,386	8,401
Finance income	20	63	379
Finance costs	20	(2,326)	(1,552)
		(2,263)	(1,173)
Share of result of equity-accounted investees	4	(1,077)	276
Profit before taxes		1,046	7,504
Income tax expense	21	(729)	(1,736)
Profit after taxes		317	5,768

Profit and loss account

Full year revenues increased by 9.7% versus 2018, predominantly due to the acquisition of Brander Ltd. in January 2019 and the overall further recovery in our markets.

In 2019 the revenues of our Energy and Renewable business, mainly because of the acquisition of additional drilling business, increased by EUR 11.4 million to total revenues of EUR 175.4 million.

The Marine business, with revenues of EUR 59.3 million, showed an increase of EUR 9.3 million versus 2018, primarily due to increased activities in Offshore Marine.

On a reported basis the margin decreased from 14.0% to 12.4%, due to a different sales mix in the energy business and difficult market circumstances and regulatory cost pressures partially of a one-off nature, notably in the Energy market. Excluding these effects our margins would be 13%.

Operating costs increased by EUR 3.1 million, due to the acquisition of BRL Limited, higher operating expenses, of which some had a one-off nature and the cost of improvement initiatives.

The Group's reported conversion ratio (EBITDA excluding result from joint ventures/gross margin) decreased from 31% to 22%, reflecting the significant impact of lower margins percentages and higher absolute costs. Excluding certain key one-off regulatory and pension costs and incidental non-operational costs and benefits this ratio was 29%, based on a normalized EBITDA (excluding result from joint ventures) of EUR 8.4 million.

Notably as a result of the volatility of the British Pound during 2019, net exchange rate results were substantially negative. Combined with the recorded net interest costs this results in the Group's 2019 net financial result of EUR 2.3 million negative.

The profit before tax decreased by EUR 6.5 million to EUR 1.0 million, resulting from higher operating costs and net finance costs with absolute gross margin roughly flat, as well as the loss of the equity accounted JV in Australia.

The effective tax rate for 2019 was 70% (2018: 23%). The effective tax rate has increased versus 2018, mainly as a consequence of non-deductible expenses in foreign operations and various adjustments in the international profit split following the adoption of a new transfer pricing model.

The share of result on equity accounted investees decreased significantly from EUR 0.3 million positive in 2018 to EUR 1.1 million negative in 2019 due to (impairment and other non-operational) losses in the Atlas Programmed joint venture in Australia and New Zealand.

Net income attributable to minority interests mainly represents the share of third party shareholders in the 2019 result of Atlas Consultancy A/S.

As a result of all of the above, the Group's overall 2019 net income decreased by EUR 5.5 million to EUR 0.3 million, equivalent to 0.1% of revenues.

Balance sheet and cash flow statement

As a result of the repayment of shareholders' loans and the ING bank credit facility, the Group now utilizing the HSBC bank overdraft, and despite the acquisition of BRL Limited and the resulting increase in turnover and absolute working capital requirements, the Group's solvency ratio was with 37.9% at year-end 2019 flat compared to 2018 (37.8%).

On average, throughout the year our working capital (comprising of Trade Receivables and Revenues to be invoiced) as a percentage of turnover has improved some 2%.

The cash flow from operations decreased by EUR 11.7 million (to EUR nil) compared to 2018 (EUR 11.7 million), mainly resulting from the net result and working capital movements compared to 2018. The cash outflow from investing activities amounted to EUR 3.3 million (2018 EUR 0.4 million), mostly due to the net cash consideration paid for the acquisition of BRL Limited. After subtracting the repayments of financial loans, lease liabilities and exchange rate differences, the net change in cash and cash equivalents amounted to EUR 2.6 million negative (2018: EUR 3.7 million positive).

Key performance indicators

Key performance indicators for the period 2015 - 2019 can be summarised as follows:

EUR x 1,000	2019	2018	2017	2016	2015
Revenues	234,680	213,975	169,401	147,606	183,954
% change	9.7%	26.3%	14.8%	(19.8%)	(3.1%)
Gross margin	29,056	29,979	22,846	21,144	27,988
% of turnover	12.4%	14.0%	13.5%	14.3%	15.2%
EBITDA	6,264	9,411	4,570	4,013	9,394
% of turnover	2.7%	4.4%	2.7%	2.7%	5.1%
Net income	317	5,768	2,224	3,120	6,220
% of turnover	0.1%	2.7%	1.3%	2.1%	3.4%
Conversion ratio % (EBITDA/Gross margin)	21.6%	31.4%	20.0%	19.0%	33.6%
Group equity	25,636	24,122	18,531	17,038	16,081
Net cash flow	(2,568)	3,718	1,612	(9,944)	532
Net debt/(net cash)	9,848	3,927	14,792	1,893	(2,668)
Solvency ratio %	37.9%	37.8%	30.0%	39.3%	34.3%
Number of offices (year-end)	23	21	21	18	21

Market development and outlook

The developments in the Energy and Marine sectors over 2019, the new regulation coming into effect in the UK (IR35) and the Netherlands (Wet Arbeidsmarkt in Balans, “WAB”) and the known project starts in 2020 give a mixed view of our markets. Given our increased market share and versatility across the different elements of the offshore business, we will remain at the frontier of our markets in oil and gas and continue our focus on becoming the world market leader in the wind sector.

As we do not expect margins to return to pre-2017 levels, focus on operational excellence remains crucial. We will evaluate and benchmark our portfolio of clients and services, and target our efforts on further professionalisation and digitalisation in areas that provide a sustainable healthy economic return.

In addition, we will continue to actively pursue focus on added value activities and long term relationships.

We are aware of the potential impact the coronavirus could have on our activities although the impact on our overall results so far is limited. Overall, we expect market circumstances to be similar to those in 2019. In the absence of one-off costs, we anticipate a considerable increase in profits.

Risk management

Atlas Professionals is widely recognised for its professionalism, consistency and financial discipline. Across the Group we are continuously seeking opportunities for growth, while taking controlled risks. A strong balance sheet together with a strong cash flow forms the basis for a healthy business.

Atlas Professionals aims to ensure that the risks of the Group are identified and managed effectively, and that the operational and

financial objectives are met in compliance with local applicable laws and regulations at a proper level of assurance. A system of internal controls providing adequate financial reporting is in place and is monitored on a regular basis.

Taking and managing risks is a part of the daily business within our Group. In our endeavour to become first choice in the provision of professionals in specific niche markets, risk assessments are included in business planning, performance monitoring processes, common processes, system implementations, acquisitions and integration activities.

Our Risk Management process forms part of our Quality Management system, has been included in our ISO9001:2015 certificate, and is thus subject to regular external audits.

The Group consists of several legal entities in various countries. To minimise operational and financial risks, the (re)assessment of our (legal) Group structure is a continuous process that is reviewed on a regular basis.

We communicate frequently with our shareholders, who fully support the strategic direction of Atlas Professionals. We value their input as well as their support. Atlas is exempt from the large companies' regime.

Atlas' company-wide internal governance framework includes:

- (i) the Code of Conduct (“Code”), which includes the Atlas Professionals Values and Principles. The Code provides clarity and transparency to our staff regarding these Values and Principles and applies to all our decisions, thereby ensuring that we make the right ethical choices. Thereby the Code will help to develop trust in Atlas Professionals from our clients and business partners.
- (ii) the Whistle-blower Policy, which ensures staff members may adequately and safely report any suspected irregularity at Atlas

Professionals. Doing so will help Atlas Professionals to maintain a culture of transparency and integrity and address potential problems before they can negatively affect Atlas Professionals or stakeholders, and (iii) risk management, which has become part of Atlas' structure to continuously assess and address risks.

Risks exposure

Strategy

Atlas Professionals operates on a global scale, which means that our offices are also located in places, which may be vulnerable to (geo-) political unrest. We have identified this risk and adequate measures have been put in place to mitigate the impact of such an event taking place. For Atlas Professionals, the safety of our employees and professionals is a top priority and hence our risk tolerance in this respect is very low.

Atlas Professionals is active globally and while most of our businesses are related to the Oil & Gas industry, we are becoming less dependent on a limited number of markets by diversifying our services portfolio to other markets, notably offshore wind. Although a major downturn in the offshore markets globally would have a material negative impact on the gross margin of the Company, various options exist to reduce costs to protect the longer term viability of the Company.

Our worldwide activities are exposed to varying degrees of risk and uncertainty. Some of these risks may result in material impact at the level of a particular operating company if not identified or effectively managed, but they are not expected to have material impact at Group level.

At a technological level the global digitalisation trend puts pressure on margins as new delivery platforms make inroads in the traditional recruitment and staffing business. Although Atlas is somewhat protected through the complex regulatory and international nature

of its business, it has a strategy of continuous investment in its own digital platform and in further integration thereof with customers and professionals.

Regulatory

Atlas operates in many geographical and strictly regulated markets exposing the Company to changing regulatory environments, such as Brexit, IR35 and WAB legislation. Hence there is a risk of non-compliance to laws and regulations that can lead to fines, claims and reputational damage. The Group's tolerance for these types of risks is low. The Group aims to reduce this specific risk by working with a set of standards and procedures, and by employing relevant experts locally and centrally, who can train and advise local staff on the job.

In addition, such regulatory changes may affect the overall business environment in certain jurisdictions. The global spread of the company reduces this risk. Furthermore, various options exist to reduce costs in a business downturn scenario to protect the longer term viability of the company.

Operational

Atlas Professionals is continuously developing and implementing processes on a Group-wide basis, supported by common and tailor made IT systems with embedded key control frameworks. This will ensure the integrity of information processing in supporting day-to-day transactions and financial and management reporting. 2019 saw the start of a major project to update certain of these systems. These systems are being rolled out to the operating companies of Atlas Professionals.

With the increased dependency on IT, the potential impact of major cyber security incidents or system downtime could be considerable. Atlas' IT set-up and standard IT controls reflects this and specific reviews and actions are undertaken to further reduce this risk.

The potential inability to attract and retain the right people would be an important risk for Atlas. This risk is managed through various measures as described in the section Human Resources below. To ensure that all new and existing staff members have up to date knowledge, we have further invested in the standardisation and communication of procedures and processes to our staff to minimise the risks. This also involves knowledge and procedures regarding the start of the assignment of the professional so that the on-boarding process is compliant.

Financial Reporting

For financial reporting, the risk management and control systems include clear accounting policies and a standard chart of accounts. Most operating companies have already implemented the common systems and embedded control frameworks, which support common accounting and regular financial reporting in standard forms.

The risk of misstatements in the financial reporting will be further reduced by the above mentioned upgrading of certain systems used in the process of creating these financial reports.

Financial Position

The Group's main balance sheet assets are trade receivables and revenues to be invoiced. These receivables are spread over numerous clients without a high concentration risk. The Group monitors the creditworthiness of these clients and the dates of amounts outstanding. Despite these internal procedures, relatively significant uncollectible debts cannot be ruled out.

Atlas Professionals' functional and main operating currency is the EURO, but the Group has sizeable parts of its business denominated in British Pounds, US Dollars, Brazilian Reals and Norwegian Kroner. It is Group policy to limit multiple currency transactions as much as possible. In addition to operating foreign

exchange risks, considering its global reach the Group also has certain foreign exchange translation risks. The Company does not hedge (net) foreign currency positions. This is not expected to have a material (net) impact on the overall financial position of the Group.

A detailed description of the company's financial risk management, notably with regard to credit, liquidity and market risk can be found in Note 14 to the accounts.

The Group remains conservatively financed with a solvency ratio well in excess of 35%.

Financing

Atlas Professionals has an arrangement with HSBC for the funding of its activities in the form of a working capital facility of EUR 15 million. The EUR 4.8 million loan from its shareholders outstanding at the beginning of the year, was fully repaid.

Quality, health, safety & environment

The integrated Management System, incorporating Quality, Health, Safety and Environmental standards, ensures confidence in services for both clients and personnel. By complying with these standards, Atlas reassures clients that it can provide a high quality workforce, delivering an efficient service, while maintaining strict health and safety standards, minimising harm to any person or the environment.

With the acquisition of new organisations and the introduction of new sales systems, an effective and streamlined management system remains a priority, with staff and customers alike seeing an improvement in customer satisfaction levels, demonstrated by an innovative evaluation process, again delivering an [8+] rating (out of 10) of Atlas' services.

Atlas Professionals is also subject to a range of internal, certification, and client led audits, with output shaping continual improvement of systems to meet customer demands and improve service delivery. Atlas has maintained certification to ISO 9001:2015 Quality Management, VCU/SCT 2011/05 Safety Checklist for temporary and secondment Agencies, and maintains Attestation of compliance to the Maritime Labour Convention 2006 for applicable offices. A strategic plan is in place for all locations to obtain formal Health & Safety (ISO 45001:2018) and Environmental (ISO 14001:2015) certification, with several branch offices achieving certification during 2019 and the remainder by 2022.

Atlas will continue to identify system improvements to maximize the talents of those working within the organisation, to be able to provide professionals with the best opportunities and clients with the best professionals.

Research and development

Our continued investment in our online platform that connects clients, professionals and office staff shows our commitment to innovation.

As in many industries, ICT has a significant impact on processes, services and business models. This will be no different in recruitment. Atlas needs to be at the forefront of these developments in our markets.

For 2020, we intend to continue to invest in online interaction with professionals and clients. We will build on our online Professionals portal to enhance its functionality.

Gender balance

The law in the Netherlands stipulates that membership on a Board of Directors must be divided more or less equally between genders. The conditions of the law will be met if at least 30% of the seats are

taken by men and at least 30% by women.

Pursuant to Article 2:391 sub 7 of the Dutch Civil Code, we report with regard to both the Supervisory Board and the Board of Directors as at December 31, 2019 that their gender composition does not meet the target set in law. We have discussed the possibilities of implementing this law with the Supervisory Board based on the contents of this law, taking into account both the size of the Board of Directors and the Supervisory Board, including the control structure of the holding. The Company is of the opinion that gender is only one element of diversity, and that experience, background, knowledge, skills and insight are equally important and relevant criteria in selecting new members. At the same time, the Board believes that also the team dynamics and the specific structure of Atlas should be taken into consideration.

Human resources

The number of office staff increased from an average of 276 in 2018 to 302 in 2019, partially as the consequence of the acquisition of Brander Ltd. Total staff numbers are not expected to change materially in 2020. For the longer term future staff numbers would depend on activity levels in the various businesses and the results of efficiency improvement projects.

Given the core activity of the Group, human resources are key to the Group's success. Atlas Professionals encourages personal development of both direct and indirect (staff) personnel and offers benefit packages that are attractive for every market in which the Group is active. Continuous training, both external and on-the-job, is considered to be a key element in keeping people motivated and competitive in the marketplace. 2019 saw the introduction of new in-house training initiatives.

We would also very much like to thank all our Customers for their continued trust, business and support. A particular thanks to Mr.

A.P.P.M. van Beurden. Adriaan Van Beurden has been a member of the Group's Supervisory Board since 2011. The Management Board would like to thank him for his advice and counsel over these many years and wishes him a happy and healthy retirement.

Last but not least we would like to thank all our Atlas Professionals and the Atlas office staff for their dedication and hard work under at times challenging conditions, to make us and let us remain the number one choice in Energy, Marine and Renewables.

Hoofddorp, 10 March 2020

The Board of Directors

M.J.M. Burghouwt, Managing Director
R.G.H.A.M. Neelissen, Managing Director
P.E. Wit, Managing Director

Our company

Our mission

We want to become the number 1 choice for our clients by being committed to provide a safe, reliable, competent and happy workforce within the niches we operate at the frontier of Energy, Marine & Renewables.

From freight to personnel

In 1982, we started as an agent for worldwide transport over water. The first Atlas Transport Services office was established in Weesp, a small town near Amsterdam. A few years after the business started, we were asked if we could also provide personnel. We accepted the challenge and four years later we expanded into personnel services, trading under the name of 'Atlas Personnel Services.'

Energy: a new millennium

We provided personnel for waterway contracting until 2000. Encouraged by our success, we acquired a specialist in Well Services and began providing professionals for the Oil and Gas industry as well.

Specialists

Our focus lies in the provision of technical professionals for specific market segments in the Energy, Marine and Renewables industries. We are committed to inspiring and developing our professionals, thereby enabling them to perform at the highest possible level. We match top worldwide industry leaders to the most highly qualified, valuable specialists available.

Global presence

Global presence is essential for Atlas Professionals to respond adequately to market trends and client needs. Since our creation, Atlas Professionals has itself or through a joint venture 23 offices and is present in 16 countries. Since incorporation we have successfully acquired seventeen companies with specific market positions and knowledge. With these growth achievements we have acquired the critical mass needed to effectively compete on a worldwide scale.

Healthy growth

An essential factor when assessing growth opportunities is the continued financial stability of the Group. HAL Investments B.V. now holds a 80% interest in the Group (initially 45% in 2011 and an additional 25% interest in 2016, and a further 10% in early 2019). As a result, sufficient funding and resources are available enabling the further expansion and professionalisation of our business.

At the frontier of Energy, Marine & Renewables

We will continue to build on our long tradition of development and innovation. Every day, our clients entrust us with complex recruitment tasks that cross oceans and borders. With over 35 years of experience, we meet demands by offering a full suite of recruitment, taxation, administration, logistics, and legal services – including up-to-date compliance advice. Our power lies with recognising the importance of matching the right people to the right positions. By combining the appropriate skills, knowledge, and experience, we are able to provide our professionals with the best opportunities and our clients with the best professionals. We are here for the industry that always looks towards the next frontier, and for the professional with the talent and determination to get there.



Our values

We know our business

We are experts. We know our clients, their businesses, our professionals and our businesses. We know and understand the details.

We conduct business with integrity

We treat each other with respect. We adhere to and follow local laws and regulations. Health and safety, whilst respecting the environment, is really important to us.

We are pro-active

We take initiatives and find solutions. We communicate with clients and candidates as much as possible. We listen and we act.

We keep our promises

We honour our agreements. We are a dependable partner and we deliver what we promise.

We are responsible

We are ambitious. We conduct our business in a responsible manner and are accountable for our actions and results.

We are open and straightforward

We encourage open communication. We are straight to the point. We listen and express our views. We are unambiguous.

We invest in people

We continually train and guide our professionals. We encourage personal development and stimulate them to improve their skills.





Consolidated statement of financial position

(Before appropriation of profit)

As at 31 December	Note	2019 EUR 1,000	2018 EUR 1,000
Assets			
Property, plant and equipment	1	967	979
Right-of-use assets	2	3,571	-
Intangible assets	3	2,679	1,063
Equity Accounted investees	4	5,581	9,701
Other receivables	5	1,015	1,220
Deferred tax assets	21	1,032	1,225
Non-current assets		14,845	14,188
Current tax assets		1,538	490
Trade and other receivables	5	46,119	41,462
Cash and cash equivalents	6	5,068	7,636
Current assets		52,725	49,588
Total assets		67,570	63,776

The notes are an integral part of the consolidated financial statements.

As at 31 December	Note	2019 EUR 1,000	2018 EUR 1,000
Shareholders' equity			
Share capital	7	225	225
Reserves		5,578	5,633
Retained earnings		19,791	18,200
Equity attributable to owners of the Company		25,594	24,058
Non-controlling interests		42	64
Total equity		25,636	24,122
Liabilities			
Loans and borrowings	9	4,754	11,430
Lease liabilities	10	2,727	-
Deferred tax liabilities	21	534	278
Employee benefits	11	135	133
Provisions	12	100	165
Total non-current liabilities		8,250	12,006
Loans and borrowings	9	6,478	-
Lease liabilities	10	956	-
Employee benefits	11	15,944	15,637
Provisions	12	718	50
Trade and other payables	13	8,865	10,768
Current tax liabilities		723	1,193
Total current liabilities		33,684	27,648
Total liabilities		41,934	39,654
Total equity and liabilities		67,570	63,776

The notes are an integral part of the consolidated financial statements.

Consolidated statement of profit or loss

	Note	2019 EUR 1,000		2018 EUR 1,000	
Revenues	16	234,680		213,975	
Cost of direct labour/personnel	17	(205,624)		(183,996)	
Gross profit			29,056		29,979
Indirect personnel expenses	18	(15,638)		(14,199)	
Depreciation and amortisation	1,2,3	(1,878)		(734)	
Other gains	4	66		-	
Other operating expenses	19	(7,220)		(6,645)	
Total operating costs			(24,670)		(21,578)
Operating profit			4,386		8,401
Finance income	20	63		379	
Finance cost	20	(2,326)		(1,552)	
			(2,263)		(1,173)
Share or profit of equity-accounted investees	4	(1,077)		276	
Profit before taxes			1,046		7,504
Income tax expenses	21		(729)		(1,736)
Profit after taxes			317		5,768

The notes are an integral part of the consolidated financial statements.



Consolidated statement of other comprehensive income

	2019 EUR 1,000	2018 EUR 1,000
Profit after taxes	317	5,768
<i>Items reclassified to profit or loss</i>		
Foreign operations - foreign currency translation differences	1,197	(177)
Other comprehensive income, net of tax	1,197	(177)
Total comprehensive income	1,514	5,591

	2019 EUR 1,000	2018 EUR 1,000
Profit attributable to:		
Owners of the Company	339	5,784
Non-controlling interests	(22)	(16)
	317	5,768
Total comprehensive income attributable to:		
Owners of the Company	1,536	5,607
Non-controlling interests	(22)	(16)
	1,514	5,591

The notes are an integral part of the consolidated financial statements.



Consolidated statement of changes in equity

	Share capital EUR 1,000	Translation reserve EUR 1,000	Other reserves EUR 1,000	Retained earnings EUR 1,000	Unappropriated profit EUR 1,000	Total EUR 1,000	Non-controlling interest EUR 1,000	Total equity EUR 1,000
Balance as at 1 January 2019	225	(2,182)	7,815	12,416	5,784	24,058	64	24,122
<i>Total comprehensive income</i>								
Appropriation of profit	-	-	-	5,784	(5,784)	-	-	-
Profit	-	-	-	-	339	339	(22)	317
Legal reserve in subsidiaries	-	-	(1,252)	1,252	-	-	-	-
Exchange differences arising from translation of foreign operations	-	1,197	-	-	-	1,197	-	1,197
Total comprehensive income	-	1,197	(1,252)	7,036	(5,445)	1,536	(22)	1,514
Balance as at 31 December 2019	225	(985)	6,563	19,452	339	25,594	42	25,636

	Share capital EUR 1,000	Translation reserve EUR 1,000	Other reserves EUR 1,000	Retained earnings EUR 1,000	Unappropriated profit EUR 1,000	Total EUR 1,000	Non-controlling interest EUR 1,000	Total equity EUR 1,000
Balance as at 1 January 2018	225	(2,005)	8,054	9,958	2,219	18,451	80	18,531
<i>Total comprehensive income</i>								
Appropriation of profit	-	-	-	2,219	(2,219)	-	-	-
Profit	-	-	-	-	5,784	5,784	(16)	5,768
Legal reserve in subsidiaries	-	-	(239)	239	-	-	-	-
Exchange differences arising from translation of foreign operations	-	(177)	-	-	-	(177)	-	(177)
Total comprehensive income	-	(177)	(239)	2,458	3,565	5,607	(16)	5,591
Balance as at 31 December 2018	225	(2,182)	7,815	12,416	5,784	24,058	64	24,122

The notes are an integral part of the consolidated financial statements.



Consolidated statement of cash flows

	Note	2019 EUR 1,000	2018 EUR 1,000
Cash flows from operating activities			
Profit after taxes		317	5,768
Adjustments for			
Depreciation of property, plant and equipment	1	259	261
Depreciation of rights of use assets	2	1,071	-
Amortisation	3	549	473
Net finance costs	20	2,331	1,173
Accured interest		-	131
Share of profit of equity-accounted investees, net of tax	4	1,077	(276)
Tax expenses	21	729	1,736
Other gains	4	(66)	-
		6,267	9,266
Changes in working capital			
Trade and other receivables		(2,987)	1,376
Trade and other payables		(285)	903
Employee benefits		309	1,637
		(2,963)	3,916
Cash generated from operating activities		3,304	13,182
Interest (paid)/received		(915)	(457)
Taxes (paid)/received		(2,373)	(1,046)
Net cash from operating activities		16	11,679
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	23	(2,486)	-
Interest received		80	71
Proceeds from/(payments for) other non-current assets		(205)	(108)
Acquisition of property, plant and equipment	1	(219)	(326)
Acquisition of other investments	3	(900)	-
Net cash from (used in) investing activities		(3,320)	(363)

		2019 EUR 1,000	2018 EUR 1,000
Cash flows from financing activities			
Proceeds from debt and other financial liabilities		6,478	-
Repayment of shareholder loans	9	(4,800)	(2,000)
Repayment of loans and borrowings		-	(5,206)
Repayment of principal portion of the lease liabilities	10	(1,034)	-
Net cash from (used in) financing activities		644	(7,206)
Net (decrease) / increase in cash and cash equivalents		(2,660)	4,110
Cash and cash equivalents at 1 January		7,636	3,918
Effect of movements in exchange rates on cash held		92	(392)
Cash and cash equivalents at 31 December	6	5,068	7,636
Cash and banks as at end of financial year		5,068	7,636
Cash and banks as at beginning of financial year		7,636	3,918
		(2,568)	3,718

The notes are an integral part of the consolidated financial statements.

Notes to the 2019 consolidated financial statements

General

Atlas Professionals B.V. ("the Company"), registered at the chamber of commerce under number 33261458, is domiciled in Amsterdam, the Netherlands. The Company has its legal address in Amsterdam and head office in Hoofddorp, the Netherlands. The Company is a private limited liability company under Dutch law, with 80.1% (2018: 70%) of its shares held by HAL Investments B.V., 7.5% (2018: 15%) by Elburg Invest B.V. S.a.r.l., 7.5% (2018: 15%) by Erneco Management B.V. and 4.9% by Mr. P.E. Wit.

The Company is a holding company. The main activity of the group of which the Company is the parent, is seconding technical professionals to the international energy and marine industries.

Financial Reporting period

These financial statements cover the financial year 2019, starting 1 January 2019, and ending 31 December 2019.

Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Netherlands Civil Code.

The consolidated financial statements were authorised for issue by the Board of Directors on 10 March 2020.

With reference to the income statement of the Company, use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain equity-accounted investees (note 4).

Functional and presentation currency

These consolidated financial statements are presented in EURO, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.



Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in:

- Note 4 (Equity-accounted investees).
- Notes 2 (Right-of-use assets) and 10 (Lease liabilities) for IFRS 16 related items.

Assumptions and estimation uncertainties

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 14 – Financial instruments.

Change in accounting policies

IFRS 16 Leasing

This note explains the impact of the adoption of IFRS 16 Leases on the group's financial statements.

The Group has adopted IFRS 16 Leases using the modified retrospective approach from 1 January 2019, so has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. Therefore, the cumulative effect (if any) of adopting IFRS 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019.

Practical expedients applied

In applying IFRS 16 for the first time, the group used the following practical expedients permitted by the standard:

- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review

- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term lease.
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group applied the practical expedient to grandfather the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

Leases in which the Group is a lessee

For lessees, IFRS 16 requires most leases to be recognised on-balance (under a single model), eliminating the distinction between operating and finance leases. Under IFRS 16 a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and is depreciated accordingly. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined, and the liability accrues interest.

The Group recognised right-of-use assets and lease liabilities for its office lease agreements and lease cars agreements. The nature of expenses related to those leases changed because the Group recognised a depreciation charge for right-of-use assets and interest expenses on lease liabilities.

Previously, the Group recognised operating lease expenses on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Measurement of lease liabilities

	EUR 1,000
O.L. commitments per 31 December 2018	4,262
Less: discounting impact using the Group's incremental borrowing rate	(166)
Discounted O.L. commitments per 31 December 2018	4,096
Less: Short-term leases not recognized as a liability	(123)
Add: (less): adjustments as a result of different treatment of extension options and any other impacts	(347)
Balance at 1 January 2019	3,626
Of which are current lease liabilities	935
Of which are non-current lease liabilities	2,691

Measurement of right-of-use assets

The associated right-of-use assets for property leases and other leases were measured on a retrospective basis at the amount equal to the lease liability.

Adjustments recognised in the balance sheet on 1 January 2019

- Right-of-use assets: increase by EUR 3,626
- Deferred tax assets: in(de)crease by EUR 0
- Prepayments: in(de)crease by EUR 0
- Lease liabilities: increase by EUR 3,626

The net impact on retained earnings on 1 January 2019 was an in(de)crease of EUR 0.

IFRIC 23 Uncertainty over Income Tax Treatment

The IFRIC 23 interpretation on 'Uncertainty over Income Tax Treatment' was issued. The Group determined, based on its tax compliance and transfer pricing policy study, including functional analysis, that the Group has applied an arm's length methodology

and that its tax treatments (including those for its material subsidiaries) will be accepted by the taxation authorities.

New standards and interpretations not yet adopted

Atlas has not applied any published IFRS standards and interpretations that do not apply to reporting periods that commenced on 1 January 2019. It is expected that these new standards will not have a material impact on the Group's financial statements.

Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is

remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the

Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A complete listing of the Group's subsidiaries and equity interests is presented in Note 24.

Principles for the translation of foreign currencies

Transactions in foreign currency

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in the profit and loss account in the period in which

they arise, except for exchange differences on monetary items that are part of a net investment in a foreign operation.

Non-monetary assets and liabilities denominated in foreign currency that are stated at historical cost, are translated into EURO at the exchange rates applying on the transaction date.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at current value, are converted into EURO at the exchange rate at the time when the actual current value was determined. Exchange rate differences arising from the translation are directly recognised in other comprehensive income and accumulated in the revaluation reserve.

Foreign operations

The assets and liabilities that are part of the net investment in a foreign operation are translated into EUROS at the exchange rate prevailing at the balance sheet date. The revenues and expenses of such a foreign operation are translated into EUROS at the exchange rate on the transaction date. Currency translation differences are recognised as other comprehensive income and accumulated in the translation reserve.

A group company that has received a loan from the parent recognises any translation differences in the profit and loss account, even if the loan is regarded by the parent as part of a net investment in a foreign operation.

Intangible assets and goodwill

Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are

probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. The construction cost comprises mainly 3rd party services and salaries of staff involved.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. The construction cost comprises mainly 3rd party services and salaries of staff involved.

Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

A legal reserve is formed for the capitalised development costs that have not yet been amortised and/or impaired.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Customer relations and Professional databases

Acquisition-related Customer relations and Professional databases that are acquired by the Group and have definite useful lives are stated at cost less accumulated amortisation and impairment losses. When an intangible asset is acquired in a business combination, its cost is the fair value at the date of its acquisition. This cost is determined on a basis that reflects the estimated amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available. Amortisation of acquisition-related Customer relations and Professional databases is charged to depreciation and amortisation on a straight-line basis over their estimated useful lives, from the date they are available for use. The residual values and useful lives are reviewed at each balance sheet date and adjusted, if appropriate. Refer to note 3 Other intangible assets for further details.

The estimated useful lives for current and comparative periods are as follows:

- Software : 5 years
- Development costs : 5 years
- Customer relations : 5 years
- Professional database : 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property, plant and equipment

Property, plant and equipment and prepayments on tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses.

The cost consists of the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use. The cost of self-constructed

assets includes the cost of materials and consumables and other costs that can be directly allocated to the construction. The cost of construction furthermore includes a reasonable portion of the indirect costs and the interest on debts during the period of construction of the asset.

Investment grants are deducted from the cost of the assets to which the grants relate. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets. Land, tangible fixed assets in production and prepayments on tangible fixed assets are not depreciated. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

The following depreciation percentages are applied:

- Buildings: 5%;
- Other fixed operating assets: 20%.

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset.

Financial instruments

The Group has a derivative embedded in its non-current loans and borrowings. Derivatives are measured at fair value at each reporting date. The fair value the embedded derivative per 31 December 2019 is EUR nil (2018: EUR nil).

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

Financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets – measurement

Held-to-maturity financial assets

These assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Financial liabilities – measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Impairment

Financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;

- The disappearance of an active market for a security;
- Observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Trade receivables and Revenue to be invoiced

Atlas has receivables on third parties in numerous countries. These receivables include revenue to be invoiced. Significant judgement is required in determining the collectability of the receivables. The group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and revenue to be invoiced. Refer to note 14 for further details.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their

present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss account as financial income or expense. The purchase of own shares is deducted from the other reserves.

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction

from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with IAS 12.

Non-controlling interest

Non-controlling interests are valued at the proportionate share of third parties in the net value of the assets and liabilities, determined in accordance with the Company's measurement principles.

Provisions

Provisions are recognised for legally enforceable or constructive obligations as a result of a past event and for which the settlement is likely to require an outflow of resources and to the extent these can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. Estimated amounts for legal claims are provided for at the lowest amount at which the Group expects the claim to be reasonably settled. Provided amounts for legal claims are categorised to be settled within one year after the balance sheet date, unless the group has the right to defer settlement for more than one year. Onerous contract provisions are recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Revenue recognition

Rendering of services

Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

If the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of commission made by the Group.

Costs of direct labour/personnel and indirect personnel expenses

Direct personnel expenses relate to costs attributed directly to the services provided. Indirect personnel expenses relate to costs attributed directly to our internal staff.

Share in result of equity accounted investees

Under the equity method, the equity accounted investees are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition and to recognise any provision for impairment.

The share in the result of equity accounted investees consists of the share of the group in the results of these investees, determined on the basis of the accounting principles of the group. Results on transactions, where the transfer of assets and liabilities between the group and the non-consolidated investee and mutually between non-consolidated investees themselves, are not recognised as they can be deemed as not realised.

The results of interests acquired or sold during the financial year are stated in the group result from the date of acquisition or until the date of sale respectively.

Employee benefits/pensions

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Pension plans prevailing within the Group are solely defined contribution plans, which are funded through payments to independent entities. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group has no legal or constructive obligations to pay further contributions if these separate entities do not hold sufficient assets to pay all employees the pension benefits relating to employee service in the current and prior periods. The regular contributions constitute net periodic costs for the year in which they are due and are included within the Costs of Direct labour/personnel and Indirect personnel expenses.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Finance income and finance cost

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- Dividend income;
- The net gain or loss on the disposal of available-for-sale financial assets;
- The foreign currency gain or loss on financial assets and financial liabilities;
- The gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination;
- The fair value loss on contingent consideration classified as financial liability;

- Impairment losses recognised on financial assets (other than trade receivables);

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised as other comprehensive income, in which case it is recognised in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

If the carrying values of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Leasing

As explained in note “Change in accounting policies”, the Group has changed its accounting policy for leases where the Group is the lessee.

Determining whether an arrangement contained a lease

Until 31 December 2018, at inception of an arrangement, the Group determined whether an arrangement was or contained a lease.

At inception or on reassessment of an arrangement that contained a lease, the Group separated payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concluded for a finance lease that it was impracticable to separate the payments reliably, then an asset and a liability were recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability was reduced as payments were made and an imputed finance cost on the liability was recognised using the Group’s incremental borrowing rate.

Leased assets

Until 31 December 2018, assets held by the Group under leases that transferred to the Group substantially all of the risks and rewards of ownership were classified as finance leases. The leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group’s statement of financial position.

Lease payments

Until 31 December 2018, payments made under operating leases

were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases were apportioned between the finance expense and the reduction of the outstanding liability. The finance expense was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash flows in foreign currency are translated into EUROS using the weighted average exchange rates at the dates of the transactions.



Property, plant and equipment

The movements in tangible fixed assets can be shown as follows:

	Buildings EUR 1,000	Other EUR 1,000	Total EUR 1,000
Cost			
Balance at 1 January 2018	955	2,138	3,093
Additions	4	322	326
Acquisitions	-	-	-
Disposals	-	-	-
Effect of movements in exchange rates	-	(11)	(11)
Balance at 31 December 2018	959	2,449	3,408
Balance at 1 January 2019	959	2,449	3,408
Additions	5	223	228
Disposals	(113)	(373)	(486)
Acquisitions	-	36	36
Effect of movements in exchange rates	9	65	74
Balance at 31 December 2019	860	2,400	3,260
Accumulated depreciation and impairment losses			
Balance at 1 January 2018	(480)	(1,702)	(2,182)
Depreciation	(56)	(205)	(261)
Disposals	-	-	-
Acquisitions	-	-	-
Effect of movements in exchange rates	(2)	16	14
Balance at 31 December 2018	(538)	(1,891)	(2,429)
Balance at 1 January 2019	(538)	(1,891)	(2,429)
Depreciation	(47)	(212)	(259)
Disposals	113	363	476
Acquisitions	-	(27)	(27)
Effect of movements in exchange rates	(8)	(46)	(54)
Balance at 31 December 2019	(480)	(1,813)	(2,293)
Carrying amounts			
At 31 December 2017	475	436	911
At 31 December 2018	421	558	979
At 31 December 2019	380	587	967

Right-of-use assets

The movements in right-of-use assets can be shown as follows:

	Buildings EUR 1,000	Other EUR 1,000	Total EUR 1,000
Cost			
Balance at 31 December 2018	-	-	-
First adoption IFRS 16 Leases	3,070	556	3,626
Balance at 1 January 2019	3,070	556	3,626
Additions	1,297	446	1,743
Disposals	(820)	(67)	(887)
Acquisitions	-	-	-
Effect of movements in exchange rates	74	-	74
Balance at 31 December 2019	3,621	935	4,556
Accumulated depreciation and impairment losses			
Balance at 31 December 2018	-	-	-
Balance at 1 January 2019	-	-	-
Depreciation	(811)	(260)	(1,071)
Disposals	70	30	100
Acquisitions	-	-	-
Effect of movements in exchange rates	(14)	-	(14)
Balance at 31 December 2019	(755)	(230)	(985)
Carrying amounts			
At 31 December 2018	-	-	-
At 1 January 2019	3,070	556	3,625
At 31 December 2019	2,866	705	3,571

For further details on Right-of-use Assets and the adoption of IFRS 16 Leasing, refer to page 28-29 on Change in accounting policies.

Intangible assets

The movements in intangible fixed assets can be shown as follows:

	Software EUR 1,000	Development costs EUR 1,000	Customer relationships EUR 1,000	Other EUR 1,000	Total intangibles EUR 1,000
Cost					
Balance at 1 January 2018	-	1,772	481	172	2,425
Investments	-	143	-	-	143
Other acquisition - internally developed	-	-	-	-	-
Effect of movements in exchange rates	-	-	-	-	-
Balance at 31 December 2018	-	1,915	481	172	2,568
Balance at 1 January 2019	-	1,915	481	172	2,568
Investments	529	-	1,156	46	1,731
Other acquisition - internally developed	251	121	-	-	372
Effect of movements in exchange rates	-	-	63	2	65
Balance at 31 December 2019	780	2,036	1,700	220	4,736
Accumulated amortisation and impairment losses					
Balance at 1 January 2018	-	(979)	(36)	(17)	(1,032)
Amortisation	-	(367)	(72)	(34)	(473)
Balance at 31 December 2018	-	(1,346)	(108)	(51)	(1,505)
Balance at 1 January 2019	-	(1,346)	(108)	(51)	(1,505)
Amortisation	-	(357)	(150)	(41)	(548)
Effect of movements in exchange rates	-	-	(4)	(0)	(4)
Balance at 31 December 2019	-	(1,703)	(262)	(92)	(2,057)
Carrying amounts					
At 31 December 2017	-	793	445	155	1,393
At 31 December 2018	-	569	373	121	1,063
At 31 December 2019	780	333	1,438	128	2,679

Development costs

The capitalised development costs relate to the development of the Atlas4Sales platform, which is already in use by the Company since 2014, and the development of a new ERP system. The development of the Atlas4Sales platform is ongoing and therefore costs were capitalised in 2019 as well. As per balance date the remaining estimated economic useful life is 5 years. During 2019, development cost for the new ERP system were capitalised, for which amortisation will commence in the course of 2020.

A legal reserve for the carrying amount of the capitalized development costs is accounted for in the Company's financial statements.

Customer relationships

The valuation of customer relationships acquired in a business combination is based on the present value of estimated future cash flows. Customer relationships are initially recognised at fair value and subsequently amortized on a straight line basis over an estimated useful life of maximum seven years. Investments in 2019 mostly comprise of customer relationships identified as part of the acquisition of Brander Ltd. See note 23 on Business Combinations for further information about this acquisition.

Equity accounted investees

The movements in financial fixed assets can be shown as follows:

	2019 EUR 1,000	2018 EUR 1,000
Interested in joint venture	5,581	9,701
Balance at 31 December	5,581	9,701

Joint ventures

The Group participates in two joint ventures: Atlas Programmed Marine Holdings Pty Ltd (hereafter: APMH) and Mariteam Personnel Services B.V. (hereafter MPS). All joint ventures are principally engaged in the seconding professionals to the marine and offshore industry.

The valuation of the share in the joint venture APMH was initially at cost. This original recognition was for a significant part based on a contingent consideration (the so called vendor loan). During 2019 a number of material amendments were made to the original vendor loan agreement, including a reduction in interest rate from 5% to 2% per annum, a change in the conditions under which interest will become due and a waiver of all interest accrued at 30 June 2019. Given these substantial modifications, the original vendor loan was considered extinguished and a new financial liability for the vendor loan, applying the amended terms, has been recognised. The net positive impact from extinguishment of the original vendor loan and recognition of the new vendor loan (EUR 2,485) as well as the waived interest accrued at 30 June 2019 (EUR 643) have been recognised in Other losses (gains) in the Consolidated statement of profit and loss 2019.

Given the intricate relationship between the fair value of the vendor loan and the valuation of the share in APMH, the significant reduction in the value of the vendor loan constituted a triggering event for an impairment assessment of the interest in APMH. The revised valuation of this interest is mainly based on APMH's latest forecasted cash flows and observable market data available for average market participants. The resulting impairment charge (EUR -3,062) is included in Other losses (gains) in the Consolidated statement of profit and loss 2019.

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in both joint ventures.

	2019 EUR 1,000	2018 EUR 1,000
Percentage ownership interest	50%	50%
Non-current assets	6,397	4,829
Current assets	25,117	30,506
Non-current liabilities	(1,172)	(481)
Current liabilities	(17,796)	(20,361)
Net assets (100%)	12,547	13,035
Group's share of net assets (50%)	6,274	6,517
Carrying amount of interest in joint venture	5,581	9,701
Revenue	108,604	157,872
Profit and total comprehensive income (100%)	(2,157)	552
Profit and total comprehensive income (50%)	50%	50%
Group's share of profit and total comprehensive income	(1,077)	276
Dividends received by the Group	-	-

Trade and other receivables

	2019 EUR 1,000	2018 EUR 1,000
Trade receivables	26,658	22,359
Sales to be invoiced	16,115	16,511
Prepayments and other receivables	4,361	3,812
	47,134	42,682
Non-current	1,015	1,220
Current	46,119	41,462
	47,134	42,682

Non-current other receivables relate to loans provided to third parties with an amount of EUR 1,015 (2018: EUR 1,208) and the average interest accrues at 4% per annum.

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables is included in note 14 on Financial Instruments.

Cash and cash equivalents

In the ending balance amounting to EUR 5,068 (2018: EUR 7,636) includes an amount of EUR 51 (2018: EUR 492) restricted cash and cash equivalents. This restricted cash and cash equivalent amounts relate to blocked accounts used for future tax payments.

Group equity

Share Capital

	2019 EUR 1,000	2018 EUR 1,000
Issued at 1 January	225	225
Issue of Shares	-	-
Issued at 31 December	225	225
Authorised - par value EUR 0.045	900	900

The authorised capital of the Company amounts to EUR 900 (2018: EUR 900) and consists of 20,000 (2018: 20,000) ordinary shares of EUR 0.045 each. 5,000 (2018: 5,000) ordinary shares have been issued.

Details on the nature and purpose of each of the reserves within Equity are disclosed in note 26 to the Company's financial statements.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of adjusted net debt to adjusted equity. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents.

The Group's policy is to keep the ratio below 2.5 The Group's adjusted net debt to equity ratio at 31 December 2019 was as follows:

	2019 EUR 1,000	2018 EUR 1,000
Total liabilities	41,934	39,654
Less: cash and cash equivalents*)	5,017	7,144
Adjusted net debt	36,917	32,510
Total equity	25,636	24,122
Adjusted net debt to adjusted equity ratio	1.44	1.35

*) restricted cash is excluded

Loans & borrowings

Non-current Liabilities

	2019 EUR 1,000	2018 EUR 1,000
Shareholders' loan	-	4,800
Other non-current liabilities	4,754	6,630
	4,754	11,430

Current Liabilities

	2019 EUR 1,000	2018 EUR 1,000
Debts to credit institutions	6,478	-
	6,478	-

Debts to credit institutions

In 2018, Atlas Professionals B.V. entered into a facility agreement with HSBC Bank Plc. HSBC Bank Plc provided a revocable, uncommitted credit facility with a maximum principle amount of EUR 15,000 for working capital and refinancing purposes.

This facility carries a variable interest rate based on the (fixed) main refinancing rate published by the European Central Bank plus a margin of 150 bps. A minimum of 150 bps is applicable if the main refinancing rate is lower than zero. This facility is engaged for an undefined period of time and no guarantees have been issued.

In 2013 Atlas Professionals B.V., together with its Dutch subsidiaries (borrowers) and its Cypriot and United Kingdom subsidiaries (guarantors), had entered into a credit facility with ING Bank N.V. This facility was no longer required and was terminated early 2019. All security rights and supplemental pledges have been released and confirmed by ING Bank N.V.

Debts to Shareholders

The shareholder loans were related to the acquisitions with Programmed Marine in 2017. These loans were subordinated to the ING Bank N.V. and carried a fixed interest rate of 8% per annum; interest was due at the end of each year, in arrears, based on 360 days a year. All debts to shareholders have been repaid in 2019.

Other non-current Liabilities

The principal amount of the other non-current liabilities relates to debt to third parties. The related Net Present Value of EUR 4,754 (2018: EUR 6,630) assumes a discount factor of 8.01% per annum. This agreement carries an interest rate of 2% per annum, to be paid in arrears.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

As at 31 December	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
		%		2019 EUR 1,000	2019 EUR 1,000	2018 EUR 1,000	2018 EUR 1,000
Other non-current liabilities	EUR	2.0	2018/2033	13,444	4,754	13,251	6,630
Shareholders Loan	EUR	8.0	2020/2022	-	-	4,800	4,800
Total interest-bearing liabilities				13,444	4,754	18,051	11,430



Lease liabilities

	2019	2018
	EUR 1,000	EUR 1,000
Opening balance	-	
First adoption IFRS 16 Leases	3,626	
Balance at 1 January 2019	3,626	
New lease contracts	1,743	
Ended lease contracts	(782)	
Lease payments	(1,034)	
Accrued interest	68	
Effect of movements in exchange rates	62	
Balance at 31 December 2019	3,683	
Non-current	2,727	
Current	956	
Total Lease liabilities	3,683	

For further details on Lease liabilities and the adoption of IFRS 16 Leasing, refer to page 28-29 on Change in accounting policies.



Employee benefit liabilities

	2019 EUR 1,000	2018 EUR 1,000
Wages and salaries	13,634	12,666
Social security contributions	1,987	2,568
Other employee benefit expenses	323	403
Other long term incentives	135	133
	16,079	15,770
Non-current	135	133
Current	15,944	15,637
	16,079	15,770

Provisions

	Onerous lease EUR 1,000	Employee benefits and other provisions EUR 1,000	Total provisions EUR 1,000
Balance at 1 January 2019	215	-	215
Additions	-	660	660
Utilisation	(62)	-	(62)
Effect of movements in exchange rates	6	-	6
Balance at 31 December 2019	158	660	818
Non-current	100	-	100
Current	58	660	718
Balance at 31 December 2019	158	660	818

In 2018, a provision was recognised for the onerous contract related to office rent in Houston. The obligation for the discounted future payments, net of expected rental income, has been provided for. Additions during 2019 predominantly relate to employee benefit liabilities the Group is exposed to in its normal course of business, among others related to regulatory changes.

Trade and other payables

	2019 EUR 1,000	2018 EUR 1,000
Trade payables	1,807	2,245
Customer advance payments	230	589
VAT payable	2,170	1,997
Other payables	4,658	5,937
	8,865	10,768

The Other payables are mainly related to employee related payables, insurance payables, and interest related payables.

All current liabilities are due within one year.



Financial instruments

Financial risk management

During the normal course of business, the Company uses various financial instruments that expose the Company to currency, interest, liquidity, credit and or market risks.

The Company does not trade in financial derivatives and follows procedures to limit the size of the risk with each counterparty and market. If a counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies, and processes for measuring and managing risk.

Risk management framework

Management has the overall responsibility for the establishment and oversight of the Group's risk management framework and is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Loans and receivables contain credit risks. The Group has no significant concentration of credit risk. The main type of financial assets that are subject to the expected credit loss model under IFRS 9 is trade receivables. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

At 31 December 2019, the maximum exposure to credit risk for trade receivables and turnover to be invoiced by type of service line was as follows:

	2019 EUR 1,000	2018 EUR 1,000
Marine	17,120	11,654
Energy	25,653	27,216
	42,773	38,870

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases an own assessment based on specific knowledge of the customer. Purchase limits are established for each customer which represents the maximum open amount without requiring approval from management; these limits are reviewed periodically. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

At 31 December 2019, the ageing of trade receivables that were not impaired was as follows:

Ageing of past-due (but not impaired)	2019 EUR 1,000	2018 EUR 1,000	Expected loss rate	Loss allowance
Not past due	20,714	12,334	0%	-
Past due: up to 1 month	3,773	6,017	0%	-
Past due: between 1 and 3 months	2,148	2,770	0%	-
Past due: between 3 and 6 months	269	418	95%	256
Past due: between 6 and 9 months	150	386	100%	150
Past due: over 9 months	820	753	100%	820
	27,874	22,678		1,226

The biggest part of the Group's customers has been transacting with the Group for many years, and no major impairment loss has been recognised against these customers. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Group's industrial customers. Customers that are graded as 'high risk' are placed on a restricted customer list and monitored by the Group's management, and future sales are made on a prepayment basis.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for impairments

	2019 EUR 1,000	2018 EUR 1,000
Beginning balance	319	337
Addition to allowance	911	14
Utilized during the year	-	-
Released	-	-
Other movements	(4)	(32)
Ending balance	1,226	319

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group periodically monitors cash flow requirements and optimises its cash return on investments. The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a certain period, including the servicing of financial obligations. The Group has a bank overdraft. More details about the bank overdraft are disclosed under the current liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and excluding the impact of netting agreements:

31 December 2019	Carrying amount		Contractual cash flows				
		Total	2 months or less	2 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Non-derivative financial liabilities							
Bank overdrafts	6,444	6,444	6,444	-	-	-	-
Trade and other payables	8,865	8,865	8,865	-	-	-	-
Secured bank loans	3,683	3,683	159	797	809	1,258	660
Debts to shareholders	-	-	-	-	-	-	-
	18,992	18,992	15,468	797	809	1,258	660

31 December 2018	Carrying amount		Contractual cash flows				
		Total	2 months or less	2 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Non-derivative financial liabilities							
Bank overdrafts	-	-	-	-	-	-	-
Trade and other payables	10,768	10,768	10,768	-	-	-	-
Secured bank loans	-	-	-	-	-	-	-
Debts to shareholders	4,800	4,800	-	-	-	4,800	-
	15,568	15,568	10,768	-	-	4,800	-

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration and derivative instruments may be different from the amounts in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

The main part of the Group's business is EUR denominated. The Group has exposure to foreign exchange risk as a consequence of activities denominated in non-EUR currencies, mainly the US Dollar, British Pound, Singapore Dollar, Brazilian Real, Norwegian Kroner, Russian Rubbles and the Australian Dollar.

These exposures are not being hedged, but it is the Group's standard operating procedure that incoming and outgoing cash flows in relation to people seconded have to be in the same currency.

The net currency position for currencies with a net position exceeding EUR 200 is presented below:

Net currency position	2019	2018
	EUR 1,000	EUR 1,000
GBP	9,695	5,536
USD	4,022	4,813
AUD	675	2,364
SGD	1,451	1,787
NOK	210	1,557

The following significant exchange rates have been applied during the year:

	Average Rate		Year-end spot rate	
	2019	2018	2019	2018
GBP 1	1.1406	1.1303	1.1756	1.1128
USD 1	0.8933	0.8473	0.8916	0.8737
AUD 1	0.6211	0.6329	0.6253	0.6163
SGD 1	0.6549	0.6285	0.6625	0.6409
NOK 1	0.1016	0.1041	0.1014	0.1007

A fluctuation of the EUR, USD, AUD, NOK, SGD or GBP against all other currencies at 31 December might have affected the measurement of financial instruments denominated in a foreign currency. The Group's policy is to match the income currency and expenses currency on a project basis. Therefore, fluctuations of the aforementioned currencies against all other currencies have no significant impact on the Groups' financial statements.

Interest rate risk and cash-flow risk

The Group has no specific policy regarding a split percentage between fixed interest rate loans and variable interest rate loans to finance its operations. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets.

The Company runs an interest rate risk on interest bearing assets and liabilities and on the refinancing of existing loans. For assets and liabilities with variable interest rate agreements, the Group runs a risk of future cash flows and for fixed interest rate loans a fair value risk.

The interest rate profile of the Group's interest-bearing financial instruments as reported to management of the Group is as follows:

Carrying amount	2019	2018
	EUR 1,000	EUR 1,000
Fixed-rate instruments		
Financial assets	1,115	1,220
Financial liabilities	(11,233)	(11,430)
	(10,118)	(10,210)
Variable rate instruments		
Financial liabilities	-	-
	-	-

Financial liabilities have a derivative embedded in its non-current liabilities. The fair value of this embedded derivative per 31 December 2019 is EUR nil (2018: EUR nil).



Off-balance sheet assets and commitments and contingencies

Long-term financial obligations

Long-term unconditional obligations have been entered into mainly in respect of rent of Buildings and Company cars. Detailed information is included in the note on Change in accounting policies - IFRS 16 Leasing.

At 31 December 2019, other commitments have been entered into mainly relating to IT and (IT) maintenance services for an amount of EUR 1,492, of which EUR 739 is payable within one year.

Investments

At year-end 2019, there are no liabilities arising from investments in other fixed assets (2018: EUR 0).

Fiscal unity

Investments

For corporate income tax purposes, the company constitutes a fiscal unity with Atlas Services Group B.V., Atlas Professionals Public Marine Services B.V., Atlas Professionals Flex Services B.V., Atlas Services Group Merchant B.V., Atlas Services Group Energy B.V., Atlas Services Group International B.V., Atlas Services Group Geophysics B.V., Atlas Consultancy Services B.V., Atlas Services Group Financial Services B.V., International Crew Services (ICS) B.V. and Atlas Professionals ANZ Holding B.V.

Claims and litigation

A subsidiary of the Group (Atlas Professionals do Brasil Ltda) is in a litigation with the Brazilian tax authorities, which relates to the normal course of business in Atlas. The dispute concerns a federal Brazilian VAT claim of EUR 1,100 (infraction for PIS/COFINS taxes issued against Atlas in August 2017) for the services of providing local personnel to perform offshore activities in Brazilian territorial waters in 2012. Atlas Professionals do Brasil Ltda was awarded a favourable decision, however, the case is currently under appeal the Brazilian tax authorities. Atlas anticipates that this case will not have an impact on its financial position or operating results.

A few other claims have been lodged against the Company and/or group companies. The company disclaims liability and – partly on the basis of legal advice – it is not considered probable that a liability will arise.

Other Commitments and guarantees

For financial year 2019, Atlas Professionals B.V. has deposited with the trade register of the Chamber of Commerce a joint and several liability statement (a statement based on Article 2:403 of the Dutch Civil Code) for the following group companies:

- Atlas Services Group B.V.
- Atlas Services Group Financial Services B.V.
- Atlas Services Group Merchant B.V.
- Atlas Professionals Flex Services B.V.
- Atlas Professionals Public Marine Services B.V.
- Atlas Services Group Energy B.V.
- Atlas Services Group Geophysics B.V.
- Atlas Consultancy Services B.V.
- Atlas Professionals ANZ Holding B.V.
- International Crew Services (ICS) B.V.

As at 31 December 2019, the Group provided guarantees and securities for a total amount of EUR 673 (2018: EUR 680).

Revenue

Revenue per service line can be specified as follows:

	2019 EUR 1,000	2018 EUR 1,000
Marine	59,297	50,019
Energy	175,383	163,956
	234,680	213,975

Revenue per geographical area can be specified as follows:

	2019 EUR 1,000	2018 EUR 1,000
Europe	196,372	187,580
North-America	18,219	13,229
Asia	11,702	3,532
Rest of the world	8,388	9,634
	234,680	213,975

Cost of direct labour/personnel

The cost of direct labour/personnel per service line can be specified as follows:

	2019 EUR 1,000	2018 EUR 1,000
Marine	50,679	43,011
Energy	153,716	140,985
	204,395	183,996

Cost of sales by cost category can be specified as follows:

	2019 EUR 1,000	2018 EUR 1,000
Wages and salaries	131,423	113,390
Social security costs	7,972	5,561
Pension costs	1,537	2,226
Other employee expenses	15,978	13,078
Subcontracted work/consultants	47,485	49,741
	204,395	183,996

Indirect personnel expenses

The cost of indirect personnel expenses by cost category can be specified as follows:

	2019 EUR 1,000	2018 EUR 1,000
Wages and salaries	12,272	11,144
Social security costs	1,851	1,739
Pension costs	426	390
Other employee expenses	1,089	926
	15,638	14,199

Other operating expenses

The other operating expenses by cost category can be specified as follows:

	2019 EUR 1,000	2018 EUR 1,000
Marketing & publicity expenses	572	543
IT expenses	1,244	950
Travel	720	710
Transport expenses	232	456
Rent & other housing expenses	458	1,123
Lease expenses related to short-term leases	53	-
Net change in trade receivables allowance	1,020	-
Other operating expenses	2,921	2,863
	7,220	6,645

Field staff

During the 2019 financial year, the average number of field employees in the Group, converted into full-time equivalents, amounted to 2,320 (2018: 2,223) employees. Field staff (average number) can be split into the following categories:

	2019	2018
Field staff by activity:		
Energy	1,247	1,307
Marine	1,073	916
	2,320	2,223

Office staff

During the 2019 financial year, the average number of employees in the Group, converted into full-time equivalents, amounted to 302 (2018: 276) employees.

	2019	2018
Office staff by company:		
Fully consolidated companies	302	276
	302	276

Net finance costs

	2019 EUR 1,000	2018 EUR 1,000
Interest income on:		
Deposits	-	5
Loans	63	56
Foreign exchange differences	-	207
Other financial income	-	111
Finance income	63	379
Financial liabilities measured at amortised cost – interest expense	(1,167)	(1,552)
Interest expenses on lease liabilities	(68)	-
Other financial expenses	(159)	-
Foreign exchange differences	(932)	-
Finance costs	(2,326)	(1,552)
Net finance costs recognised in profit or loss	(2,263)	(1,173)



Taxation

Amounts recognised in profit or loss

	2019	2018
	EUR 1,000	EUR 1,000
Current tax expense		
Current year	492	1,471
Adjustment for prior years	1	(46)
	493	1,425
Deferred tax expense		
Origination and reversal of temporary differences	182	311
Amount of deferred tax expense (income) related to changes in tax rate	54	-
Change in recognised deductible temporary differences	-	-
	236	311
Income tax expense	729	1,736

Income tax expense excludes the Group's share of income tax expense of the equity-accounted investees of EUR -269 (2018: EUR 69), which has been included in 'share of profit of equity accounted investees, net of tax'.

Reconciliation of effective tax rate

The applicable weighted average tax rate is 69.7% (2018: 23.1%). The tax charge in the profit and loss account over 2019 amounts to EUR 729 (69.7%) of the result before taxation (2018: 23.1%). The 2019 tax charge is higher compared to 2018, due to non-deductible expenses in foreign operations and the expected lower Dutch tax rate in 2021 from 25.0% to 21.7% that is affecting the related deferred taxation assets.

		2019		2018
	%	EUR 1,000	%	EUR 1,000
Profit before tax from continuing operations		1,046		7,504
Tax using the Company's domestic tax rate	23.9%	250	22.3%	1,675
Tax effect of:				
Non-deductible expenses	54.3%	568	0.0%	3
Effect of share of profits of equity-accounted investees	25.8%	269	-0.9%	(69)
Investees				
Tax incentives	-0.4%	(4)	-0.1%	(9)
Utilization of previously unrecognized tax losses	-39.4%	(412)	0.0%	-
Current year losses for which no deferred tax asset was recognised	0.3%	3	2.4%	183
Amount of deferred tax expense (income) related to changes in tax rate	5.2%	54	0.0%	-
Change in estimates related to prior years	0.1%	1	-0.6%	(46)
	69.7%	729	23.1%	1,736

Movement in deferred tax balances

2019	Net balance at 1 January	Recognised in profit or loss	Other	Business combinations	Net balance at 31 December	Deferred tax assets	Deferred tax liabilities
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Intangible assets	(13)	(126)	(10)	(206)	(355)	179	(534)
Employee benefits	23	(0)	1	-	24	24	-
Other items	17	93	(1)	-	109	109	-
Carry forward tax loss	920	(204)	4	-	720	720	-
Net tax assets (liabilities)	947	(237)	(6)	(206)	498	1,032	(534)

2018	Net balance at 1 January	Recognised in profit or loss	Other	Business combinations	Net balance at 31 December	Deferred tax assets	Deferred tax liabilities
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Intangible assets	(330)	(55)	372	-	(13)	253	(266)
Employee benefits	(72)	(20)	115	-	23	23	-
Other items	488	8	(460)	-	36	48	(12)
Carry forward tax loss	1,153	(244)	(8)	-	901	901	-
Net tax assets (liabilities)	1,239	(311)	19	-	947	1,225	(278)

Deferred income taxes are calculated in full on temporary differences using a nominal principle tax rate. Deferred tax assets are recognised for tax losses carry forwards to the extent that realisation of the related tax benefit through future taxable profits is probable, and for temporary timing differences between fiscal and commercial tax calculation regarding the different treatment of goodwill.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax losses for an amount of EUR 480 (2018: EUR 918), because it is not probable that future taxable profit will be available against which the Group can use the benefits.



Transactions with related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged.

There have been transactions with the related parties for EUR 20,513 (2018: EUR 19,048).

	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
	2019 EUR 1,000	2018 EUR 1,000	2019 EUR 1,000	2018 EUR 1,000
Sale of goods and services				
Affiliates	19,976	18,565	1,984	1,930
Others				
Remuneration of managing directors	537	483	-	-
	20,513	19,048	1,984	1,930

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within two months of the end of the reporting period. None of the balances is secured. No expense has been recognised in the current year or prior year for bad of doubtful debts in respect of amounts owed by related parties.

To support the activities of the joint venture, the Group and the other investors in the joint venture have agreed to make additional contribution in proportion to their interests to make up any losses, if required.



Business combinations

On 14 January 2019, the Group acquired 100% of the issued share capital and voting interest in Brander Ltd. (Hereafter: 'Brander'), a technical recruitment company based in Aberdeen, United Kingdom, mostly active in drilling businesses.

In the first quarter of 2019, Brander contributed total revenue of EUR 4,186 and a net profit of EUR 269 to the Group's results. As from April 2019, the activities and contributed revenues and profits of Brander were fully integrated into Atlas Professionals UK Ltd., as this Group entity is performing almost all drilling activities in the Aberdeen region.

Details on the purchase considerations and net assets acquired of Brander are as follows:

	2019 EUR 1,000
Total consideration (cash paid in current year)	4,368
Property, plant and equipment	9
Intangible assets (customer relationships)	1,171
Intangible assets (other)	46
Cash	1,882
Deferred tax liabilities	(207)
Other non-current liabilities	(3)
<i>Accounts receivable</i>	<i>2,174</i>
<i>Other current assets</i>	<i>544</i>
<i>Accounts payable</i>	<i>(60)</i>
<i>Other current liabilities</i>	<i>(1,174)</i>
Net working capital	1,484
Net asset value acquired	4,382

	2019 EUR 1,000
Cash paid	4,368
Net assets acquired	(4,382)
Badwill in P&L	(14)

The Group incurred acquisition-related costs (EUR 17) on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

No contingent considerations are applicable in respect of the acquisition of Brander Ltd.

Company statement of financial position

(Before appropriation of profit)

As at 31 December	Note	2019 EUR 1,000	2018 EUR 1,000
Fixed assets			
Financial fixed assets	24	18,452	16,801
Deferred tax		-	270
Total fixed assets		18,452	17,071
Current assets			
Trade and other receivables	25	15,671	7,476
Total current assets		15,671	7,476
Total assets		34,123	24,547
Shareholder's equity	26		
Issued share capital		225	225
Translation reserve		(985)	(2,182)
Other legal reserves		6,563	7,815
Retained earnings		19,452	12,416
Unappropriated result		339	5,784
Total equity		25,594	24,058
Current liabilities	27	8,529	489
Total equity and liabilities		34,123	24,547



Company statement of profit and loss

	2019 EUR 1,000	2018 EUR 1,000
Share in results from participating interests, after taxation	367	6,219
Other result after taxation	(98)	(435)
Net result	269	5,784



Notes to the 2019 Company financial statements

General

The Company financial statements are part of the 2019 consolidated financial statements of the Company. For the Company profit and loss account, use has been made of the exemption pursuant to Section 2:402 of the Netherlands Civil Code.

In so far as no further explanation is provided of items in the Company statement of financial position and the Company statement of profit and loss, please refer to the notes to the consolidated balance sheet and consolidated profit and loss account.

Accounting policies

The Company financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its Company financial statements, the Company makes use of the option provided in section 2:362(8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the Company financial statements are the same as those applied for the consolidated EU-IFRS financial statements. See pages 27 to 35 for a description of these principles.

Participating interest in group companies

Participating interests in group companies are accounted for in the Company financial statements according to the equity method. Refer to the basis of consolidation accounting policy in the consolidated financial statements.

Result in participating interests

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realised.





The amount of financial fixed assets can be specified as follows:

	2019 EUR 1,000	2018 EUR 1,000
Participating interests in group companies	18,004	16,440
Other participating interests	448	361
	18,452	16,801

The movements in financial fixed assets can be shown as follows:

	Participating interests in group companies EUR 1,000	Other participating interests EUR 1,000	Total EUR 1,000
Balance at 1 January 2018	10,416	343	10,759
Changes during the financial year:			
Investments and loans provided	-	-	-
Exchange differences	(177)	-	(177)
Disvestment and redeemed loans	-	-	-
Share in result of participating interests	6,201	18	6,219
Balance at 31 December 2018	16,440	361	16,801

	Participating interests in group companies EUR 1,000	Other participating interests EUR 1,000	Total EUR 1,000
Balance at 1 January 2019	16,440	361	16,801
Changes during the financial year:			
Investments and loans provided	-	-	-
Exchange differences	1,197	-	1,197
Disvestment and redeemed loans	-	-	-
Share in result of participating interests	367	87	454
Balance at 31 December 2019	18,004	448	18,452

Other participating interest

Other participating interest relates to Mariteam Personnel Services B.V.



Other receivables

	2019 EUR 1,000	2018 EUR 1,000
Receivable from group companies	15,541	7,243
Corporate income tax	-	135
Other receivables	130	98
	15,671	7,476

Receivables from group companies of EUR 15,541 (2018: EUR 7,243) are due within one year and comprise of current account positions with multiple entities within the Atlas Group.

Shareholder's equity

Refer to the consolidated statement of changes in equity on page 28 to see the movements of the year.

Issued capital

The authorised capital of the Company amounts to EUR 900 (2018: EUR 900) and consist of 20,000 (2018: 20,000) ordinary shares of EUR 0.045 each. 5,000 (2018: 5,000) ordinary shares have been issued.

Other legal reserves

Other legal reserves consist of non-distributable legal reserves for participating interests and for capitalised development costs.

- EUR 6,274 (2018: EUR 7,246) relates to profits retained from participating interests.
- In accordance with applicable legal provisions, a legal reserve of EUR 290 (2018: EUR 569) had to be formed for capitalized development costs.

Unappropriated results

The General Meeting of Shareholders will be asked to approve the addition of the 2019 profit after tax of EUR 339 to other reserves.

Translation reserve

The translation reserve comprises of all foreign currency differences arising from the translation of the investments in foreign operations.



Current liabilities

	2019 EUR 1,000	2018 EUR 1,000
Debts to credit institutions	7,373	-
Bank overdrafts	215	-
Debts to group companies	114	87
Accounts payable to suppliers and trade creditors	-	161
Corporate income tax	570	-
Other liabilities	257	241
	8,529	489



Off-balance sheets assets and liabilities

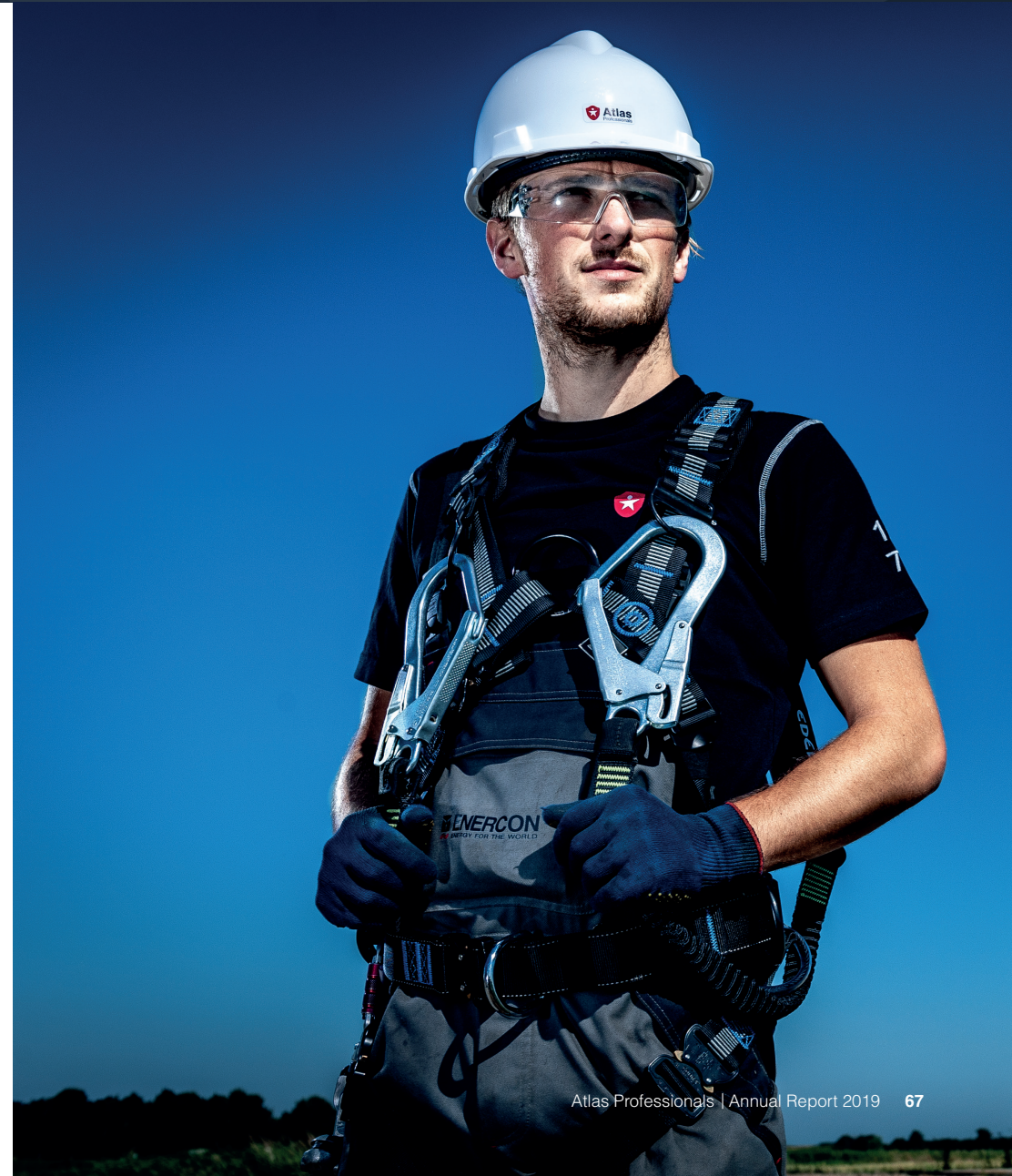
Several liability and guarantees

As described under note 9, as of 2013 the Company was jointly and severally liable for the funding provided by ING Bank N.V. to Atlas Services Group Financial Services B.V. and certain of its group companies. This facility was no longer required and was terminated early 2019. All security rights and supplemental pledges have been released.

As described under note 15, as at 31 December 2019 the Company provided guarantees and securities for a total amount of EUR 673 (2018: EUR 680).

Fiscal unity

The Company constitutes a fiscal unity with its Dutch subsidiaries for corporate income tax purposes the standard conditions prescribe that each of the companies is liable for the corporate income tax payable by all companies belonging to the fiscal unity.



Auditor's fees

With reference to Section 2:382a (1) and (2) of the Dutch Civil Code, the following fees for the financial year have been charged by PricewaterhouseCoopers Accountants N.V. ('PwC') and KPMG Accountants N.V. to the Company, its subsidiaries, and other consolidated entities:

	PwC/KPMG Accountants N.V.	Other PwC/ KPMG network	Total PwC/KPMG
	2019 EUR 1,000	2019 EUR 1,000	2019 EUR 1,000
Audit of the financial statements	428	106	534
Other audit engagements	-	-	-
Other non-audit services	43	-	43
Tax services	-	-	-
	471	106	577

	PwC/KPMG Accountants N.V.	Other PwC/ KPMG network	Total PwC/KPMG
	2018 EUR 1,000	2018 EUR 1,000	2018 EUR 1,000
Audit of the financial statements	357	150	507
Other audit engagements	-	-	-
Other non-audit services	-	-	-
Tax services	-	10	10
	357	160	517



Remuneration of managing and supervisory directors

The emoluments, including pension costs as referred to in Section 2:383(1) of the Netherlands Civil Code, charged in the financial year to the Company and group companies amounted to EUR 537 (2018: EUR 483) for managing directors, and EUR 86 (2018: EUR 55) for supervisory directors.

Hoofddorp, 10 March 2020

The Board of Directors:

M.J.M. Burghouwt
R.G.H.A.M. Neelissen
P.E. Wit

The Supervisory Board:

R. van Gelder (Chairman)
J.N. van Wiechen
J. Muchez
A. Schouten



Other information

Provisions in the Articles of Association governing the appropriation of profit

According to article 22 of the Company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders. This meeting can allocate the profit wholly or partly to general or specific reserve funds.

The Company can only make distributions to the shareholders to the extent that shareholders' equity is greater than the paid-up and called-up part of the capital plus legally required reserves.

Proposal for profit appropriation

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2019 profit after tax: an amount of EUR 339 (2018: EUR 5,784) to be added to the other reserves. The result after taxes for 2019 is included under the unappropriated result item in the shareholders' equity.

The Company can only make payments to the shareholders and other parties entitled to the distributable profit in so far as (1) the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and (2) the shareholders' equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, management of the Company shall not approve the distribution.

Subsequent events

There were no subsequent events that would have material impact on the 2019 financial statements that have not been recorded in the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit and loss accounts for the financial year 1 January – 31 December 2019, or that have been disclosed in the notes to the financial statements as presented before.

Branch offices

The Company has two branch offices in Kazakhstan.





Independent auditor's report

To: the general meeting and the supervisory board of Atlas Professionals B.V.

Report on the financial statements 2019

Our opinion

- the consolidated financial statements of Atlas Professionals B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2019 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Atlas Professionals B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2019 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2019 of Atlas Professionals B.V., Hoofddorp. The financial statements include the consolidated financial statements of the Group and the company financial statements.

- the consolidated statement of financial position as at 31 December 2019;
- the following statements for 2019: the consolidated statement of profit and loss, the consolidated statements of other comprehensive income, changes in equity and cash flows; and
- the notes, comprising significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at 31 December 2019;
- the company statement of profit and loss for the year then ended;
- the notes, comprising the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' 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 Atlas Professionals B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the message of the supervisory board;
- the message of the board of directors;
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors and the supervisory board for the financial statements

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. 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 but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 10 March 2020

PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.C. Bond RA

Appendix to our auditor's report on the financial statements 2019 of Atlas Professionals B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Atlas
Professionals

ANNUAL REPORT
2019