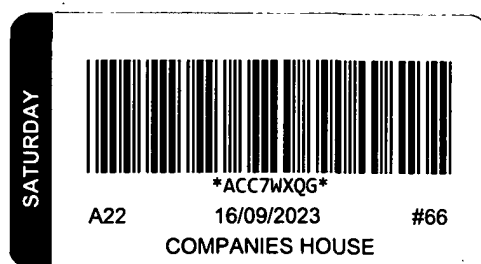


**Company Registration No. 03157401
(England and Wales)**

Halpern Limited

**Annual report and financial statements
for the year ended 31 December 2022**



Halpern Limited

Report and financial statements 2022

| Contents | Page |
|--|-------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Directors' responsibilities statement | 4 |
| Independent auditor's Report | 5 |
| Income statement | 9 |
| Balance sheet | 10 |
| Statement of changes in equity | 11 |
| Notes to the financial statements | 12 |

Halpern Limited

Report and financial statements 2022

Officers and professional advisers

Directors

J P Hornby
D Graham
J Halpern Prince

Registered Office

17 Gresse Street
London
W1T 1QL

Solicitors

Osborne Clarke
One London Wall
London
EC2Y 5EB

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Halpern Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2022. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption under S415a.

Principal activities

Halpern Limited (halpern.co.uk) is a digital first communications and influencer agency, providing culturally potent ideas which they connect to commercial opportunities for their clients.

Business review

The directors are pleased with the performance of the business in the past 12 months. Turnover for the company during the period was £7.74m (31 December 2021: £7.70m) with Gross Profit of £5.36m (31 December 2021: £4.88m).

Results and dividends

The results for the period are set out on page 9.

A dividend amounting to £992,000 (31 December 2021: £760,000) was declared and paid in the period.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, given the strong performance in 2022 and the forecast growth in 2023. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Key performance indicators

Key performance indicators are revenue and operating profit, which are at the same level as in the previous 12 months from January 2022 to December 2022. As such, the directors are happy that the business is performing in line with its key performance indicators.

In addition to our financial key performance indicators, we want everyone to benefit – our people, clients, community and planet. Our wider key performance indicators include metrics to ensure our teams represent the communities in which they operate, our culture is a place where everyone feels they belong, our ways of working are equitable, and our business footprint is sustainable.

Directors

The following directors held office during the period and up to the date of this report:

J P Hornby

D Graham

J Halpern Prince

Halpern Limited

Directors' report

Principal risks and uncertainty

The principal risks facing the Company in common with other PR agencies, remain the loss of key clients and the retention of key personnel in a competitive marketplace. The directors continue to put concerted effort into maintaining strong and close relationships with clients and with staff servicing those clients.

Auditor

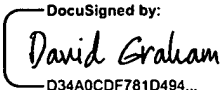
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board on 21 June 2023

DocuSigned by:

D34A0CDF781D494...
D Graham
Director

Halpern Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Halpern Limited

Opinion

In our opinion the financial statements of Halpern Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent, otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Companies Act 2006 and tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in cut-off of project revenue and occurrence of bonus revenue, and our specific procedures performed to address it are described below:

- For occurrence of bonus revenue, we tested a sample and agreed to third-party support, including contracts with clients
- For cut-off of project revenue, we tested a sample and obtained third party support to verify that the revenue is recognised appropriately based on stage of completion and in line with the relevant service dates

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

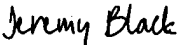
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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

DocuSigned by:

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Jeremy Black (*Senior statutory auditor*)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

21 June 2023

Halpern Limited

Income statement

For the year ended 31 December 2022

| | Note | 2022 £000 | 2021 £000 |
|--|------|--------------|--------------|
| Revenue | 4 | 7,739 | 7,701 |
| Cost of sales | | (2,378) | (2,819) |
| Gross profit | | 5,361 | 4,882 |
| Administrative expenses | | (3,793) | (3,326) |
| Operating profit | | 1,568 | 1,556 |
| Finance income | | 2 | - |
| Profit before taxation | | 1,570 | 1,556 |
| Tax | 7 | (326) | (289) |
| Profit for the financial period attributable to owners of the Company | 8 | 1,244 | 1,267 |

Revenue and operating profit are all derived from continuing operations.

Halpern Limited

Balance sheet

As at 31 December 2022

| | Note | 2022 £000 | 2021 £000 |
|---|------|---------------|---------------|
| Non-current assets | | | |
| Intangible assets | 10 | 168 | 168 |
| | | <hr/> 168 | <hr/> 168 |
| Current assets | | | |
| Work in Progress | 12 | 737 | 934 |
| Trade and other receivables | 11 | 2,591 | 1,283 |
| Cash and bank balances | | 826 | 2,073 |
| | | <hr/> 4,154 | <hr/> 4,290 |
| Total assets | | <hr/> 4,322 | <hr/> 4,458 |
| Current liabilities | | | |
| Trade and other payables | 13 | (515) | (484) |
| Current tax liabilities | | (213) | (110) |
| Deferred income | | (1,165) | (1,687) |
| | | <hr/> (1,893) | <hr/> (2,281) |
| Net current assets | | <hr/> 2,261 | <hr/> 2,009 |
| Total assets less current liabilities | | <hr/> 2,429 | <hr/> 2,177 |
| Total liabilities | | <hr/> (1,893) | <hr/> (2,281) |
| Net assets | | <hr/> 2,429 | <hr/> 2,177 |
| Equity | | | |
| Share capital | 15 | - | - |
| Retained earnings | 16 | 2,429 | 2,177 |
| | | <hr/> 2,429 | <hr/> 2,177 |
| Equity attributable to owners of the Company | | <hr/> 2,429 | <hr/> 2,177 |

The financial statements of Halpern Limited (registered number 03157401) were approved by the board of directors and authorised for issue on 21 June 2023. They were signed on its behalf by:

Director
D Graham

DocuSigned by:
David Graham
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Halpern Limited

Statement of changes in equity For the year ended 31 December 2022

| | Note | Share capital £000 | Retained earnings £000 | Total £000 |
|--|------|--------------------------|------------------------------|---------------|
| Balance at 1 January 2021 | | - | 1,670 | 1,670 |
| Profit for the year | | - | 1,267 | 1,267 |
| Total comprehensive income for the year | | - | 1,267 | 1,267 |
| Dividends | 9 | - | (760) | (760) |
| Balance at 31 December 2021 | | - | 2,177 | 2,177 |
| Profit for the year | | - | 1,244 | 1,244 |
| Total comprehensive income for the year | | - | 1,244 | 1,244 |
| Dividends | 9 | - | (992) | (992) |
| Balance at 31 December 2022 | | - | 2,429 | 2,429 |

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

1. General information

Halpern Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the directors' report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The group accounts of The & Partners Group are available to the public and can be obtained as set out in the notes. The registered office address of the parent Company preparing consolidated accounts is 17 Gresse Street, London WLT 1QL.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 October 2015.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs per the Companies Act 2006 and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

As permitted by IFRS, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions with fully owned group entities.

Where required, equivalent disclosures are given in the Group Financial Statements of The & Partners Group Limited. The Group Financial Statements are available to the public and can be obtained.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The principal accounting policies adopted are set out below.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, given the strong performance in 2022 and the forecast growth in 2023. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

2. Significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses incurred.

Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

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

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

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

Operating profit

Operating profit is stated before investment income and finance costs.

Contract assets and liabilities

The Company does not have a material contract asset or liability balances and so these amounts are included within amounts presented for trade receivables and other payables.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Taxation

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

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

2. Significant accounting policies (continued)

Current tax

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

Deferred tax

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Fixed assets are stated at original cost less accumulated depreciation. Depreciation is calculated to write off the cost less the estimated residual value of each asset principally on a straight-line basis over its expected useful life as follows:

| | |
|----------------------------------|-------------|
| Fixtures, fittings and equipment | 3 - 5 years |
|----------------------------------|-------------|

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Intangible assets - Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired at the date of the acquisition of a business. Goodwill is not subject to amortisation but is assessed for impairment at the end of each financial reporting period and is assumed to have an indefinite useful life.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

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

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

Work in progress

Work in progress is valued at the lower of cost and net realisable value and represents production costs which have not yet been recharged to clients.

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

2. Significant accounting policies (continued)

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

IFRS 9 Financial instruments

Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ('FVOCI') and fair value through profit and loss ('FVTPL'). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. For an explanation of how the Company classifies and measures financial assets and accounts for related gains and losses under IFRS 9, see the relevant accounting policy below. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies for financial liabilities.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. The introduction of the ECL model has had no material financial impact for the Company.

Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

3. Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2 the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies and key sources of estimation uncertainty

No critical judgements exist and there are no key sources of estimation uncertainty at the balance sheet date.

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

4. Revenue

An analysis of the Company's revenue is as follows:

| | 2022 £000 | 2021 £000 |
|------------------------------|--------------|--------------|
| Continuing operations | | |
| Rendering of services | 7,739 | 7,701 |
| | <u>7,739</u> | <u>7,701</u> |

The Company's revenue is in a single geographical market, the United Kingdom.

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £15,000 (31 December 2021: £15,000)

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

6. Staff costs

The average monthly number of employees (including executive directors) was:

| | 2022 No. | 2021 No. |
|----------------|-------------|-------------|
| Fee Earners | 45 | 31 |
| Administration | 4 | 3 |
| | <u>49</u> | <u>34</u> |

Their aggregate remuneration comprised:

| | 2022 £000 | 2021 £000 |
|----------------------------------|--------------|--------------|
| Wages and salaries | 2,534 | 2,070 |
| Social security costs | 271 | 200 |
| Pension costs and other benefits | 93 | 72 |
| | <u>2,898</u> | <u>2,342</u> |

Disclosure of directors' remuneration is included in note 17.

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

7. Tax

| | 2022 £000 | 2021 £000 |
|---|--------------|--------------|
| Corporation tax: | | |
| UK corporation tax | 326 | 311 |
| Adjustments in respect of prior periods - UK corporation tax | - | (22) |
| | <u>326</u> | <u>289</u> |
| Deferred tax | - | - |
| | <u>326</u> | <u>289</u> |

Corporation tax is calculated at 19% (31 December 2021: 19%) of the estimated taxable profit for the period. In the March 2021 budget, the government announced that the standard rate of corporation tax in the UK for the year starting 1 April 2023 would increase to 25%.

The charge for the period can be reconciled to the profit in the income statement as follows:

| | 2022 £000 | 2021 £000 |
|--|--------------|--------------|
| Profit before tax | <u>1,570</u> | <u>1,556</u> |
| Tax at the UK corporation tax rate of 19% (31 December 2021: 19%) | 298 | 296 |
| Tax effect of expenses that are not deductible in determining taxable profit | 28 | (7) |
| Tax expense for the period | <u>326</u> | <u>289</u> |

8. Profit for the period

Profit for the period has been arrived at after charging:

| | 2022 £000 | 2021 £000 |
|--------------------------|--------------|--------------|
| Staff costs (see note 6) | <u>2,811</u> | <u>2,342</u> |

9. Dividends

| | 2022 £000 | 2021 £000 |
|---------------------------------|--------------|--------------|
| Dividend paid during the period | <u>992</u> | <u>760</u> |

The dividend paid during the period ended 31 December 2022 was £992,000, being £496 per share (2021: £760,000, being £380 per share).

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

10. Intangible assets - Goodwill

| | Goodwill £000 |
|--------------------------|--------------------------|
| Cost | |
| At 1 January 2022 | 168 |
| Additions for the period | - |
| | <u>168</u> |
| At 31 December 2022 | <u>168</u> |
| Amortisation | |
| At 1 January 2022 | - |
| Charge for the period | - |
| | <u>-</u> |
| At 31 December 2022 | <u>-</u> |
| Net book value | |
| At 31 December 2021 | 168 |
| At 31 December 2022 | <u>168</u> |

11. Trade and other receivables

| | 2022 £000 | 2021 £000 |
|---|----------------------|----------------------|
| Amounts falling due within one year: | | |
| Amount receivable for the services rendered | 2,004 | 941 |
| Other receivables | 19 | 5 |
| Prepayments and accrued income | 568 | 337 |
| | <u>2,591</u> | <u>1,283</u> |
| Included in current assets | <u>2,591</u> | <u>1,283</u> |
| Total trade and other receivables | <u>2,591</u> | <u>1,283</u> |

12. Work in progress

| | 2022 £000 | 2021 £000 |
|------------------|----------------------|----------------------|
| Work-in-progress | 737 | 934 |
| | <u>737</u> | <u>934</u> |

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

13. Trade and other payables

| | 2022 £000 | 2021 £000 |
|--------------------------------------|--------------|--------------|
| Trade payables | 353 | 246 |
| Other payables | 162 | 238 |
| Amounts falling due within one year: | <u>515</u> | <u>484</u> |

14. Retirement benefit schemes

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees of its construction division. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to income of £6,291 (31 December 2021: £71,736) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2022, contributions of £14,831 (31 December 2021: £10,035) due in respect of the current reporting period had not been paid over to the schemes and are included in other payables.

15. Share capital

| | 2022 £ | 2021 £ |
|------------------------------------|--------------|--------------|
| Authorised: | | |
| ordinary shares of £0.001 each | 2 | 2 |
| ordinary 'A' shares of £0.001 each | <u>0.395</u> | <u>0.395</u> |
| Issued and fully paid: | | |
| ordinary shares of £0.001 each | 2 | 2 |
| ordinary 'A' shares of £0.001 each | <u>0.395</u> | <u>0.395</u> |

The Company has one class of ordinary shares which carry no right to fixed income.

Halpern Limited

Notes to the financial statements For the year ended 31 December 2022

16. Retained earnings

| | £000 |
|-----------------------------|--------------|
| Balance at 1 January 2021 | 1,670 |
| Dividends paid | (760) |
| Net profit for the year | 1,267 |
| | <hr/> |
| Balance at 31 December 2021 | 2,177 |
| | <hr/> |
| Dividends paid | (992) |
| Net profit for the year | 1,244 |
| | <hr/> |
| Balance at 31 December 2022 | <u>2,429</u> |

17. Related party transactions

Directors' and key management personnel remuneration

The directors' remuneration, analysed under the headings required by Company law is set out below. Directors are considered to represent key management.

The emoluments of the directors of the company were:

| | 2022 £000 | 2021 £000 |
|----------------------|--------------|--------------|
| Aggregate emoluments | 229 | 245 |
| | <hr/> | <hr/> |
| | <u>229</u> | <u>245</u> |

Only one director is remunerated by Halpern Limited (31 December 2021: one) and therefore the disclosure above also represents the highest paid director.

Halpern Limited

Notes to the financial statements **For the year ended 31 December 2022**

18. Controlling party

Halpern Limited is a subsidiary of The & Partners Group Limited, which itself is a subsidiary of CHI Partners Holdings Limited, the head of the smallest group of which the results of the Company are consolidated. Copies of those financial statements are available from the registered address of the company and CHI Partners Holdings Limited, 17 Gresse Street, London WLT 1QL.

CHI Partners Holdings Limited is privately owned is incorporated in the United Kingdom, registered in England and Wales.

Cavendish Square Holdings BV, an immediate subsidiary of WPP plc, a company incorporated in Jersey whose address is Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, owns 49.9% of the issued share capital of The & Partners Group Limited and 42.4% of CHI Partners Holdings Limited, the head of the largest group of which the results are consolidated.

Through these shareholdings, WPP plc owns an effective 71.1% of The & Partners Group, and is considered the Ultimate Holding Company from an accounting perspective. However, as these are two minority shareholdings, shareholders of CHI Partners Holdings still control CHI Partners Holdings (and thus The & Partners Group) and therefore they hold the key strategic decision making power to control the Company on a day to day basis.