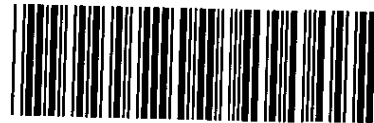


Registered number: 11285597

RED SNAPPER GROUP LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

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RED SNAPPER GROUP LIMITED

COMPANY INFORMATION

Directors	H Jerrold M Jerrold
Registered number	11285597
Registered office	10 Alie Street London England E1 8DE
Independent auditors	MHA MacIntyre Hudson Chartered Accountants and Statutory auditors 2 London Wall Place London EC2Y 5AU

RED SNAPPER GROUP LIMITED

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RED SNAPPER GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31ST MAY 2021

Introduction

The directors present their Group Strategic Report for Red Snapper Group Limited for the year ended 31 May 2021.

Business review

Red Snapper Group is the holding company for Red Snapper Recruitment (RSR) Limited, Red Snapper Learning (RSL) Limited, Red Snapper Media (RSM) Limited, 3GS UK (3GS) Limited, Intervention Consultancy (IC) Limited (until Feb 21), 999 Learning Ltd and the most recent addition Red Snapper Managed Services (RSMS) Limited.

Overall the Group was able to effectively navigate the complex trading conditions of the financial year as a result of COVID-19 due to its diversified product and market focus.

RSR's key strategic advance of FY20 of becoming an established provider of full recruitment process outsource and mastervend services returned increased revenues from these clients. These contracts have a dual effect of allowing domination of supply in core skill sets as well as full engagement for recruitment services to the wider organisation. The key service architecture also increased revenues for Group companies through the introduction of services from RSMS and RSL.

During FY21 Anjum Mouj was appointed to the board of RSR. Anjum will lead RSR's direction and initiatives on equality and diversity marking the business' commitment to this area both for internal and external social development.

The challenges of the switch to remote learning which impacted RSL during FY20 have transformed the business' online offering. The development of the portfolio of online learning and delivery has strengthened the overall offering. This allows the business to meet the needs of the blended approach often preferred in the new operating environment.

During the year, 3GS secured an important win of a London Borough demonstrating that the business is able to compete in all geographic regions. The high standards and ethical principles of the business are providing a competitive advantage along with the association with the groups' skills and reputation in UK the criminal justice and wider public sectors. During FY21 the directors also took full control of the business with 3GS becoming a 100% owned subsidiary of RSG.

RSM continues to be the strategic stalwart of the business whose network extends well beyond that of other group businesses. The management are committed to continuous investment in the Police Oracle news service which is central to user engagement and denotes the Group's commitment to this sector. The performance of this business is measured in reach and engagement rather than financial metrics. The revenues of the business were not impacted by the pandemic due to its subscriber engagement and its online product.

During the year IC became a subsidiary of RSMS and RSMS became a subsidiary of RSG. RSMS supports the Group's markets by providing fully managed investigation, enforcement, offender intervention and community safety services. The product development in this business is undertaken in partnership with client organisations providing a portfolio of products and services with a high barrier to competition. RSG's trusted brand and partner status with longstanding clients have enabled innovative solutions to be created, thereby meeting the operational needs of the market.

The intervention consultancy business is now integrated into RSMS with a transfer of staff and trade within the year. IC's product line continues to develop through its thought leadership in the space of digital interventions and practical application through the Group client bases.

RSG took a minority stake in 999 Learning trading (as Police Revision) during the previous financial year. This business provides online examination support for core law enforcement qualifications. The partnership between the RSG Group and the founding directors is mutually beneficial as RSG Group companies are able to provide infrastructure and route to market, whilst RSG benefits from a high-quality cost efficient alternative to existing

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST MAY 2021**

offerings.

RSG's Group companies deliver significant investment into local communities and underrepresented groups. Importantly, RSR, and 999 Learning are able to support individuals from underrepresented groups within UK law enforcement with education and mentoring support throughout their careers.

COVID-19

The impact of measures to combat the Coronavirus had varying impacts on group companies across each quarter. The diversified product and market operations enabled the business to trade through the turbulence of the lockdown periods. Services such as environmental enforcement, permanent recruitment and classroom based teaching were most heavily impacted. New product development has been a positive outcome of the change in working patterns with the RSL team in particular creating a suite of online learning products.

Principal risks and uncertainties

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and foreign currency exchange risk. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Credit risk

The Group's credit risk is primarily attributable to its trade debtors. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure it has sufficient available funds for operations and planned expansions. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.

Interest rate risk

The Group has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets comprise only cash and cash equivalents and an interest at a variable rate. The Group has a policy of maintaining debt at fixed rates to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy, should the Group's operations change in nature or size. Details of the terms in the Group's borrowings are disclosed in note 19, 20 and 21.

Foreign currency exchange rate risk

The Group is exposed to foreign currency exchange rate risk as a result of trade debtors and creditors which will be settled in foreign currency. The Group has no material financial exposure to foreign exchange gains and losses on financial assets or liabilities at the period-end and does not hedge its trading activities.

RED SNAPPER GROUP LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST MAY 2021**

Future developments

Increased revenues and margins are anticipated from three sources during FY22. These are the recovery of covid impacted service lines in RSR, 3GS and RSL, new product lines in RSMS and RSL and a wider range of contingency recruitment under mastervend contracts in RSR. Further growth is expected through the development of the client bases of 999 Learning and IC teams.

During FY22 the assets of IC will be transferred to RSMS and the legacy company closed.

During FY22 Ian Hopkins, former Chief Constable of Greater Manchester Police was appointed to the boards of RSR and RSMS. Ian will work with the board to strengthen corporate governance and bring an in-depth insight into the criminal justice arena.

Other key performance indicators

Consolidated turnover decreased during the year by 11% due to covid related factors. The operating loss increased by 46% reflecting the need to maintain overhead levels during the periods of reduced incomes.

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



.....
Helen Jerrold
Director

Date: 27 May 2022

RED SNAPPER GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MAY 2021**

The directors present their report and the financial statements for the year ended 31 May 2021.

Results and dividends

The loss for the year, after taxation, amounted to £351,207 (2020 - loss £329,351) to minority interests.

Directors

The directors who served during the year were:

H Jerrold
M Jerrold

Future developments

See Strategic Report for details.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
H Jerrold
Director

Date: 27 May 2022

RED SNAPPER GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31ST MAY 2021**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED SNAPPER GROUP LIMITED

Opinion

We have audited the financial statements of Red Snapper Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31st May 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31st May 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

RED SNAPPER GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED SNAPPER GROUP LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED SNAPPER GROUP LIMITED
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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:

[Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.]

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 Auditors' 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.



Neil Stern FCA (Senior Statutory Auditor)

For and on behalf of
MHA MacIntyre Hudson

Chartered Accountants

2 London Wall Place
London
EC2Y 5AU

30 May 2022

RED SNAPPER GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2021**

	Note	2021 £	2020 £
Turnover	4	28,316,270	31,771,707
Cost of sales		(24,871,807)	(26,387,945)
Gross profit		3,444,463	5,383,762
Distribution costs		-	1,200
Administrative expenses		(3,942,201)	(5,636,918)
Other operating income	5	288,977	109,823
Fair value movements		873	-
Operating loss		(207,888)	(142,133)
Interest receivable and similar income		9,331	43
Interest payable and similar expenses		(23,264)	(103,385)
Loss before taxation		(221,821)	(245,475)
Tax on loss	11	(309,522)	(145,704)
Loss for the financial year		(531,343)	(391,179)
(Loss) for the year attributable to:			
Non-controlling interests		(180,136)	(61,828)
Owners of the parent Company		(351,207)	(329,351)
		(531,343)	(391,179)
Total comprehensive income for the year attributable to:			
Non-controlling interest		(180,136)	(61,828)
Owners of the parent Company		(351,207)	(329,351)
		(531,343)	(391,179)

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 20 to 43 form part of these financial statements.


CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	2,794,709	1,986,577
Tangible assets	14	165,648	165,640
Investments	15	873	-
		<u>2,961,230</u>	<u>2,152,217</u>
Current assets			
Debtors: amounts falling due within one year	16	5,884,088	3,900,680
Cash at bank and in hand	17	1,563,507	890,336
		<u>7,447,595</u>	<u>4,791,016</u>
Creditors: amounts falling due within one year	18	(6,631,822)	(4,643,782)
Net current assets		<u>815,773</u>	<u>147,234</u>
Total assets less current liabilities		<u>3,777,003</u>	<u>2,299,451</u>
Creditors: amounts falling due after more than one year	19	(256,484)	(13,333)
Provisions for liabilities			
Deferred taxation	21	(15,076)	-
		<u>(15,076)</u>	<u>-</u>
Net assets		<u>3,505,443</u>	<u>2,286,118</u>
Capital and reserves			
Called up share capital	22	5,563	4,328
Share premium account	23	5,959,700	3,964,163
Merger reserve	23	9,641	9,641
Profit and loss account	23	(2,127,867)	(1,115,396)
Equity attributable to owners of the parent Company		<u>3,847,037</u>	<u>2,862,736</u>
Non-controlling interests		(341,594)	(576,618)
		<u>3,505,443</u>	<u>2,286,118</u>

RED SNAPPER GROUP LIMITED
REGISTERED NUMBER: 11285597

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 May 2022.


.....

H Jerrold
Director

The notes on pages 20 to 43 form part of these financial statements.

RED SNAPPER GROUP LIMITED
REGISTERED NUMBER: 11285597

COMPANY BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	15	6,487,617	4,304,178
		<u>6,487,617</u>	<u>4,304,178</u>
Current assets			
Debtors: amounts falling due within one year	16	658,736	303,015
Cash at bank and in hand	17	5,140	39,962
		<u>663,876</u>	<u>342,977</u>
Creditors: amounts falling due within one year	18	(2,120,782)	(948,397)
Net current liabilities		<u>(1,456,906)</u>	<u>(605,420)</u>
Total assets less current liabilities		<u>5,030,711</u>	<u>3,698,758</u>
Creditors: amounts falling due after more than one year	19	-	(13,333)
Net assets		<u><u>5,030,711</u></u>	<u><u>3,685,425</u></u>
Capital and reserves			
Called up share capital	22	5,563	4,328
Share premium account	23	5,959,700	3,964,163
Merger reserve	23	9,641	9,641
Profit and loss account	23	(944,193)	(292,707)
		<u><u>5,030,711</u></u>	<u><u>3,685,425</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 May 2022.



H Jerrold
 Director

The notes on pages 20 to 43 form part of these financial statements.

RED SNAPPER GROUP LIMITED
REGISTERED NUMBER: 11285597

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company
	£	£	£	£	£
At 1st June 2020	4,328	3,964,163	9,641	(1,115,396)	2,862,736
Comprehensive income for the year					
Loss for the year	-	-	-	(351,207)	(351,207)
Total comprehensive income for the year	-	-	-	(351,207)	(351,207)
Dividends: Equity capital	-	-	-	(129,348)	(129,348)
Shares issued during the year	1,235	1,995,537	-	-	1,996,772
Group reconstructions	-	-	-	(531,916)	(531,916)
Total transactions with owners	1,235	1,995,537	-	(661,264)	1,335,508
At 31st May 2021	5,563	5,959,700	9,641	(2,127,867)	3,847,037

	Non- controlling interests	Total equity
	£	£
At 1st June 2020	(576,618)	2,286,118
Comprehensive income for the year		
Loss for the year	(180,136)	(531,343)
Total comprehensive income for the year	(180,136)	(531,343)
Dividends: Equity capital	-	(129,348)
Shares issued during the year	-	1,996,772
Group reconstructions	415,160	(116,756)
Total transactions with owners	415,160	1,750,668
At 31st May 2021	(341,594)	3,505,443

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company
	£	£	£	£	£
At 1st June 2019	4,328	3,964,163	9,641	(786,045)	3,192,087
Comprehensive income for the year					
Loss for the year	-	-	-	(329,351)	(329,351)
Total comprehensive income for the year	-	-	-	(329,351)	(329,351)
Dividends: Equity capital	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
At 31st May 2020	4,328	3,964,163	9,641	(1,115,396)	2,862,736

	Non- controlling interests	Total equity
	£	£
At 1st June 2019	(509,892)	2,682,195
Comprehensive income for the year		
Loss for the year	(61,828)	(391,179)
Total comprehensive income for the year	(61,828)	(391,179)
Dividends: Equity capital	(4,898)	(4,898)
Total transactions with owners	(4,898)	(4,898)
At 31st May 2020	(576,618)	2,286,118

The notes on pages 20 to 43 form part of these financial statements.

RED SNAPPER GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021**

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1st June 2020	4,328	3,964,163	9,641	(292,707)	3,685,425
Comprehensive income for the year					
Loss for the year	-	-	-	(651,484)	(651,484)
Total comprehensive income for the year	-	-	-	(651,484)	(651,484)
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(2)	(2)
Shares issued during the year	1,235	1,995,537	-	-	1,996,772
Total transactions with owners	1,235	1,995,537	-	(2)	1,996,770
At 31st May 2021	5,563	5,959,700	9,641	(944,193)	5,030,711

The notes on pages 20 to 43 form part of these financial statements.

RED SNAPPER GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1st June 2019	4,328	3,964,163	9,641	-	3,978,132
Comprehensive Income for the year					
Loss for the year	-	-	-	(292,707)	(292,707)
Other comprehensive income for the year					
	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(292,707)	(292,707)
Total transactions with owners	-	-	-	-	-
At 31st May 2020	4,328	3,964,163	9,641	(292,707)	3,685,425

The notes on pages 20 to 43 form part of these financial statements.

RED SNAPPER GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MAY 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(531,343)	(391,179)
Adjustments for:		
Amortisation of intangible assets	710,803	746,768
Depreciation of tangible assets	47,575	30,970
Impairments of fixed assets	-	242,230
Loss on disposal of tangible assets	2,563	-
Interest paid	23,264	103,385
Interest received	(9,331)	(43)
Taxation charge	309,523	145,704
(Increase)/decrease in debtors	(762,166)	420,557
(Increase)/decrease in amounts owed by groups	(1)	-
Decrease in amounts owed by associates	1,573	-
Increase/(decrease) in creditors	805,472	(1,815,399)
(Decrease)/increase in amounts owed to groups	(302,481)	-
Net fair value (gains)/losses recognised in P&L	(873)	-
Corporation tax (paid)	(266,101)	(158,587)
Net cash generated from operating activities	28,477	(675,594)
Cash flows from investing activities		
Purchase of intangible fixed assets	(51,932)	(1,250)
Purchase of tangible fixed assets	(48,724)	(117,736)
Purchase of fixed asset investments	(873)	-
Interest received	9,331	43
Net cash from investing activities	(92,198)	(118,943)
Cash flows from financing activities		
New secured loans	2,049	-
Other new loans	205,161	-
Repayment of other loans	-	(12,967)
Movements on invoice discounting	698,267	-
Dividends paid	(129,348)	(4,898)
Interest paid	(23,264)	(103,385)
Net cash used in financing activities	752,865	(121,250)
Net increase/(decrease) in cash and cash equivalents	689,144	(915,787)
Cash and cash equivalents at beginning of year	859,655	1,775,442

RED SNAPPER GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31ST MAY 2021

	2021	2020
	£	£
Cash and cash equivalents at the end of year	1,548,799	859,655
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,563,507	890,336
Bank overdrafts	(14,708)	(30,681)
	1,548,799	859,655

The notes on pages 20 to 43 form part of these financial statements.

RED SNAPPER GROUP LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31ST MAY 2021**

	At 1st June 2020 £	Cash flows £	At 31st May 2021 £
Cash at bank and in hand	890,336	673,171	1,563,507
Bank overdrafts	(30,681)	15,973	(14,708)
Debt due after 1 year	(13,333)	(243,151)	(256,484)
Debt due within 1 year	(4,643,782)	(1,938,006)	(6,581,788)
	<u>(3,797,460)</u>	<u>(1,492,013)</u>	<u>(5,289,473)</u>

The notes on pages 20 to 43 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

1. General information

Red Snapper Group Limited is a private company, limited by shares and was incorporated in England & Wales. The registered office address can be found on the Company information page.

The principal activity of the group is that of recruitment services.

Accounts have been rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021

2. Accounting policies (continued)

2.3 Going concern

The group's businesses have continued to perform well during and since the financial year. Some elements of the group's business have been impacted by the COVID-19 pandemic. These impacts include the furloughing of staff in the environmental enforcement business 3GS (UK) Limited, the postponement of classroom training for Red Snapper Learning Limited and a reduction in permanent recruitment revenue in the recruitment business. However public sector contracts continued to operate due to the commitment of the agency workers, client staff and Red Snapper Group team. On the whole, therefore, the group continues to perform in line with the COVID-19 adjusted budget to date. On 3 June 2020, Red Snapper Recruitment Limited successfully applied for a Coronavirus Business Loan (CBILS) and received £250,000 and on 2 July 2020, Red Snapper Learning Limited successfully applied for a Coronavirus Business Loan (CBILS) and received £325,000.

As at 31 May 2021 the Group had net current assets of £812,697 (2020: £147,234), net assets of £3,502,367 (2020: £2,286,118) and a total comprehensive loss for the year of £534,419 (2020: loss of £391,179).

As at 31 May 2021 the Parent company had net current liabilities of £1,456,906 (2020: £605,420), net assets of £5,030,711 (2020: £3,685,425) and a total comprehensive loss for the financial year of £651,484 (2020: loss £292,707).

The parent owed £2,040,391 (2020: £938,220) to group undertakings as at 31 May 2021, the terms of the loans are interest free, unsecured and repayable on demand.

The directors have prepared forecasts for the next twelve months which demonstrate the group's ability to continue operating within its existing financial facilities. The going concern status is dependent on the group's existing financial facilities, including the debt factoring arrangements and overdraft facilities remaining in place throughout the forecast period to at least 30 June 2023. The directors consider that these facilities will remain in place for the period to at least 30 June 2023. After making enquiries the directors have a reasonable expectation that the group and company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors are satisfied that the financial statements are appropriately prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

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

Rendering of services

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 June 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Research and development

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

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

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

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

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

2. Accounting policies (continued)

2.14 Intangible assets

Goodwill

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

Other intangible assets

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

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

2.15 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, **SELECT OR ENTER METHOD**.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% on reducing balance
Office equipment	-	25% on reducing balance
Computer equipment	-	25% on reducing balance
Improvements to property	-	25% on cost
Training equipment	-	25% on reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

2. Accounting policies (continued)

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

2. Accounting policies (continued)

2.21 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

2. Accounting policies (continued)**2.22 Financial instruments (continued)****2.23 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of financial statements in conformity with generally accepted accounting practise requires management to make estimates and justments that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Bad debts provisions:

Trade debtors balance of £4,316,103 is recorded in the Group's Balance Sheet (Note 17). A full line review of trade debtors is carried out on a regular basis. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Useful life of goodwill and other intangible assets:

The principal balance relates to the acquisition of Red Snapper Recruitment Limited on 1 November 2018 and is being amortised over a five year period (Note 14). The Group continually monitors this policy and the performance of the assets acquired including ongoing trading performance, and will amend the estimate of the useful life should it be required.

Impairment of fixed assets, fixed asset investments and goodwill:

The company prepared an EBITDA forecast to assess the future earnings of the assets acquired. This was then compared to the value of the CGUs's acquired to assess whether any impairment charge was required (Note 14, 15, 16).

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group being recruitment consultancy and all turnover is derived from the United Kingdom.

	2021	2020
	£	£
United Kingdom	28,316,270	31,771,707

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

5. Other operating income

	2021 £	2020 £
Government grants receivable	<u>288,977</u>	<u>109,823</u>

In 2021, government grants of £288,977 (2020: £109,823) were received under the Coronavirus Job Retention Scheme as part of a government initiative to provide immediate financial support as a result of the Covid-19 pandemic to reimburse the Group for 80% of the wages of certain employees who were placed on a temporary period of absence but were kept on the payroll. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.

6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Fee payable to Group's auditor and its associates for the audit of the Group's annual financial statements	37,500	40,325
Depreciation of tangible fixed assets	47,575	30,970
Operating lease rentals	718,220	343,300
Amortisation of intangibles including goodwill	<u>710,803</u>	<u>746,768</u>

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>37,550</u>	<u>40,325</u>

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	31,250	37,325
Taxation compliance services	2,500	-
Accounts production	3,800	3,000
	<u>37,550</u>	<u>40,325</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021

8. Employees

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

	2021 £	2020 £		
Wages and salaries	1,866,258	2,052,283		
Social security costs	466,272	219,654		
Cost of defined contribution scheme	60,409	38,454		
	2,392,939	2,310,391		
	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	1,866,258	2,052,283	-	-
Social security costs	466,272	219,654	-	-
Cost of defined contribution scheme	60,409	38,454	-	-
	2,392,939	2,310,391	-	-

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Directors	2	2	2	2
Administrative staff	98	89	-	-
	100	91	2	2

9. Interest receivable

	2021 £	2020 £
Other interest receivable	9,331	43

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	1,733	12,231
Other loan interest payable	1,959	4,954
Other interest payable	19,572	86,200
Interest payable	23,264	103,385

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	205,522	145,704
Adjustments in respect of previous periods	86,627	-
	292,149	145,704
Other loan interest payable		
Total current tax	292,149	145,704
Deferred tax		
Origination and reversal of timing differences	17,373	-
Total deferred tax	17,373	-
Origination and reversal of timing differences		
Taxation on profit on ordinary activities	309,522	145,704

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(221,821)</u>	<u>(245,475)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(42,146)	(46,640)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	134,856	72,438
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,052	105,779
Adjustments to tax charge in respect of prior periods	95,082	-
Other timing differences leading to an increase (decrease) in taxation	8,124	6,361
Group relief	21,861	-
Deferred tax not recognised	34,897	7,766
Pre-group tax on profits	44,796	-
Total tax charge for the year	<u>309,522</u>	<u>145,704</u>

Factors that may affect future tax charges

The Finance Act 2021 enacted an increase in the main rate of corporation tax from 19% to 25% from 1 April 2023. As this change of rate was enacted at the balance sheet date then deferred tax balances have been stated at a rate of 25% as they are expected to reverse at the new rate.

12. Dividends

	2021 £	2020 £
Dividends paid from Ordinary B shares	<u>129,348</u>	<u>-</u>

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

13. Intangible assets**Group and Company**

	Development expenditure £	Computer software £	Goodwill £	Total £
Cost				
At 1 June 2020	291,942	22,714	3,733,584	4,048,240
Additions	-	3,932	1,515,003	1,518,935
At 31st May 2021	291,942	26,646	5,248,587	5,567,175
Amortisation				
At 1 June 2020	291,942	21,515	1,748,206	2,061,663
Charge for the year on owned assets	-	1,028	709,775	710,803
At 31st May 2021	291,942	22,543	2,457,981	2,772,466
Net book value				
At 31st May 2021	-	4,103	2,790,606	2,794,709
At 31st May 2020	-	1,199	1,985,378	1,986,577

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**
14. Tangible fixed assets**Group**

	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 June 2020	156,679	59,031	95,532	6,437	317,679
Additions	2,380	-	47,358	408	50,146
Disposals	(11,309)	-	-	-	(11,309)
At 31st May 2021	147,750	59,031	142,890	6,845	356,516
Depreciation					
At 1 June 2020	62,063	34,370	52,705	2,901	152,039
Charge for the year on owned assets	20,938	6,198	19,269	1,170	47,575
Disposals	(8,746)	-	-	-	(8,746)
At 31st May 2021	74,255	40,568	71,974	4,071	190,868
Net book value					
At 31st May 2021	73,495	18,463	70,916	2,774	165,648
At 31st May 2020	94,617	24,661	42,827	3,535	165,640

15. Fixed asset investments**Group**

	Investments in subsidiary companies £
Cost or valuation	
Additions	873
At 31st May 2021	873

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

15. Fixed asset investments (continued)**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2020	4,624,192
Additions	2,233,439
Disposals	(50,000)
At 31st May 2021	6,807,631
Impairment	
At 1 June 2020	320,014
At 31st May 2021	320,014

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Red Snapper Recruitment Limited	10 Alie Street, London, England, E1 8DE	Ordinary	79%
Red Snapper Learning Limited	10 Alie Street, London, England, E1 8DE	Ordinary	100%
Red Snapper Media Limited	10 Alie Street, London, England, E1 8DE	Ordinary	80%
3GS (UK) Limited	10 Alie Street, London, England, E1 8DE	Ordinary	55%
Intervention Consultancy Limited	10 Alie Street, London, England, E1 8DE	Ordinary	55%
Acumin Consulting Limited	10 Alie Street, London, England, E1 8DE	Ordinary	100%
Red Snapper Managed Services Limited	10 Alie Street, London, England, E1 8DE	Ordinary	87%

All subsidiaries share the same registered office as the parent company of 10 Alie Street, London, E1 8DE.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021

15. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31st May 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Red Snapper Recruitment Limited	1,644,626	1,138,703
Red Snapper Learning Limited	280,114	131,581
Red Snapper Media Limited	(544,631)	(54,502)
3GS (UK) Limited	(1,175,952)	(230,851)
Intervention Consultancy Limited	29,934	27,219
Acumin Consulting Limited	326,675	7,893
Red Snapper Managed Services Limited	891,507	405,595

999 Learning Limited is an associate of the Group, and was acquired on 13 December 2019. The investment and results of 999 Learning Limited have been brought in as an associate accounted for under the equity method.

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors excluding factored debts	1,313,052	305,157	-	-
Factored debts	3,003,051	2,139,925	-	-
Amounts owed by connected companies	2,131	3,704	-	-
Other debtors	1,331,020	1,327,657	658,736	303,015
Prepayments and accrued income	233,376	120,483	-	-
Deferred taxation	1,458	3,754	-	-
	5,884,088	3,900,680	658,736	303,015

Amounts owed by group undertakings and connect parties are interest free, unsecured and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	1,563,507	890,336	5,140	39,962
Less: bank overdrafts	(14,708)	(30,681)	-	-
	1,548,799	859,655	5,140	39,962

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	14,708	30,681	-	-
Bank loans	1,997,238	1,217,866	-	-
Other loans	205,161	-	-	-
Trade creditors	675,277	605,926	2,400	-
Amounts owed to group undertakings	100	302,582	2,040,391	938,220
Corporation tax	275,750	147,472	67,825	-
Other taxation and social security	2,418,569	1,628,580	-	-
Other creditors	75,429	58,025	-	-
Accruals and deferred income	969,590	652,650	10,166	10,177
	6,631,822	4,643,782	2,120,782	948,397

Amounts owed to group undertakings, associates and shareholders are interest free, unsecured and repayable on demand.

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other creditors	256,484	13,333	-	13,333

The creditors due in over one year are made up of a deferred tax liability and a CBILS loan following the COVID 19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021

20. Loans

The loan repayable in equal monthly instalments.

	Group 2021 £	Group 2020 £
Amounts falling due within one year		
Bank loans	1,997,238	1,217,866
Other loans	205,161	-
	2,202,399	1,217,866

21. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	3,753	3,031
Charged to profit or loss	(17,373)	722
At end of year	(13,620)	3,753

	Group 2021 £	Group 2020 £
Accelerated capital allowances	(26,443)	2,296
Tax losses carried forward	1,457	1,457
Provisions	11,366	-
	(13,620)	3,753

Comprising:

Asset - due within one year	1,458	3,754	-	-
Liability	(15,077)	-	-	-
	(13,619)	3,754	-	-

RED SNAPPER GROUP LIMITED

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FOR THE YEAR ENDED 31ST MAY 2021**

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
5,563 (2020 - 4,328) Ordinary shares of £1.00 each	5,563.00	4,328.00

During the year, 1,235 ordinary shares of £1 each were issued at £218,665.

23. Reserves**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Merger Reserve

The reserve relates to the difference between the nominal and fair value of shares acquired on initial recognition of the business combination.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021

24. Business combinations

During the year the group made a step acquisition of 3GS UK (Limited), acquired a proportion of Red Snapper Managed Services Limited for the first time and sold it's shareholding in Intervention Consultancy Limited to Red Snapper Managed Services Limited.

Acquisition of Red Snapper Managed Services Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	447	-	447
	<u>447</u>	<u>-</u>	<u>447</u>
Current Assets			
Debtors	1,157,033	-	1,157,033
Cash at bank and in hand	114,711	-	114,711
Total Assets	<u>1,272,191</u>	<u>-</u>	<u>1,272,191</u>
Creditors			
Due within one year	(550,514)	-	(550,514)
Total identifiable net assets	<u>721,677</u>	<u>-</u>	<u>721,677</u>
Non-controlling interests			(93,241)
Goodwill			1,515,003
Total purchase consideration			<u>2,143,439</u>
Consideration			
			£
Equity instruments			<u>2,143,439</u>

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

24. Business combinations (continued)

The results of Red Snapper Managed Services Limited since acquisition are as follows:

	Current period since acquisition £
Profit for the period since acquisition	405,595

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £60,409 (2020: £38,454). Contributions totalling £39,242 (2020: £33,759) were payable to the fund at the balance sheet date.

26. Commitments under operating leases

At 31st May 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	<i>Group 2020 £</i>
Not later than 1 year	309,842	228,397
Later than 1 year and not later than 5 years	408,378	309,304
	718,220	537,701

27. Guarantees

The following charges have been registered at Companies House against the Group.

Fixed and floating charges over the assets of Red Snapper Group Limited and Red Snapper Recruitment Limited in relation to debentures from Close Brothers Limited

A fixed and floating charge over the assets of Red Snapper Recruitment Limited in relation to a debenture from Barclays Bank Plc.

28. Related party transactions

During the period the Parent Company had a loan with Red Snapper Recruitment Limited, a subsidiary. The balance owed at 31 May 2021 was 2,040,291 (2020: 935,601). The loan is interest free and repayable on demand.

During the period sales were made from Red Snapper Recruitment Limited to Red Snapper Managed

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

28. Related party transactions (continued)

Services Limited, a connected company of 114,992 (2020: 56,318). The amount due at the 31 May 2021 in respect of this was 61,717 (2020: -).

During the period sales were made from Red Snapper Managed Services Limited to Red Snapper Recruitment Limited, a connected company of 407,507 (2020: 5,323). The amount due at the 31 May 2021 in respect of this was 217,558 (2020: 61,437).

During the period sales were made from Red Snapper Recruitment Limited to Red Snapper Media Limited, a connected company of 13,565 (2020: -). The amount due at the 31 May 2021 in respect of this was - (2020: -).

During the period sales were made from Red Snapper Recruitment Limited to Red Snapper Learning Limited, a connected company of 78,308 (2020: -). The amount due at the 31 May 2021 in respect of this was - (2020: -).

During the period sales were made from Red Snapper Recruitment Limited to 3GS UK Limited, a connected company of 8,057 (2020: -). The amount due at the 31 May 2021 in respect of this was - (2020: -).

During the period sales were made from Red Snapper Recruitment Limited to Red Snapper Group Limited, the parent company, of 49,250 (2020: -). The amount due at the 31 May 2021 in respect of this was - (2020: -).

During the period Red Snapper Managed Services Limited made sales to 3GS UK Limited, a connected company of - (2020: 17,382), 3GS (UK) Limited owed - (2020: -) in respect of these sales at 31 May 2021.

During the year sales were made from Red Snapper Learning Limited to Red Snapper Managed Services Limited, a connected company of 1,632 (2020: 5,481). The amount due at the 31 May 2021 in respect of this was - (2020: -).

During the year sales were made from Red Snapper Media Limited to Red Snapper Managed Services Limited, a connected company of - (2020: 208). The amount due at the 31 May 2021 in respect of this was - (2020: -).

During the year sales were made from Red Snapper Media Limited to Red Snapper Recruitment Limited, a connected company of 24,000 (2020: -£Nil). The amount due at the 31 May 2021 in respect of this was 14,346 (2020: -).

During the year sales were made from Red Snapper Media Limited to Red Snapper Learning Limited, a connected company of 12,000 (2020: -£Nil). The amount due at the 31 May 2021 in respect of this was - (2020: -).

During the year sales were made from Intervention Consultancy Limited to Red Snapper Managed Services Limited, a connected company of - (2020: 467). The amount due at 31 May 2021 in respect of this was - (2020: -).

During the year dividends of 388,038 (2020: 4,898) were paid by the Group to shareholders. Amounts owed to shareholders as at 31 May 2021 was -£Nil (2020: -£Nil).

During the year -£Nil (2020: 468,810) was paid by the Group to shareholders. Amounts owed by shareholders as at 31 May 2021 was -£Nil (2020: 550,949).

At the year end, the group had outstanding Directors' loans due of 1,080,215 (2020: 588,770).

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2021**

29. Subsidiary Companies Audit Exemption: Parent Undertaking Declaration of Guarantee

The Directors of the following subsidiaries have taken the exemption afforded by s479A of the *Companies Act 2006* to not have their financial statements for the year ended 31 May 2021 subjected to an audit on the grounds that they have been wholly included in the consolidated financial statements of the UK Parent and the Parent has provided a guarantee in accordance with s479C of the *Companies Act 2006*.

Red Snapper Managed Services Limited - company number: 11348857

Red Snapper Media Limited - company number: 04637091

3GS (UK) Limited - company number: 08028066

Red Snapper Learning Ltd - company number: 05943738

Intervention Consultancy Ltd - company number: 09344455

Acumin Consultancy Limited - company number: 03688086

30. Controlling party

The ultimate controlling party is M Jerrold, by virtue of owning more than 70% of the voting rights and being the chairman of the board of directors of the parent Company.