

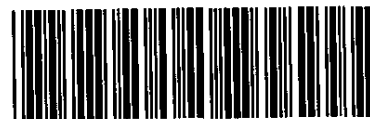
Registered number: 11285597

RED SNAPPER GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

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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 31 MAY 2022

Business review

Red Snapper Group is the holding company for the Red Snapper Recruitment (RSR), Red Snapper Learning (RSL), Red Snapper Media (RSM), 3GS UK (3GS), 999 Learning Ltd and Red Snapper Managed Services (RSMS). The performance of each business is summarised below.

RSR provides contingent labour and permanent recruitment services to the Cyber, government, regulatory and justice sectors. The contribution to RSG increased in FY22 compared the previous year. This increase was a composite effect of an increase in permanent recruitment fees and a reduction in GP % and overall GP of the contingent recruitment divisions. Due to increases in staffing costs, the business achieved an overall decrease in net profit of £621k.

RSL provides training services to the law enforcement and wider public sector. Its contribution decreased in FY22. The decrease was a result of reduced GP due to a decrease in GP%'s of the client mix. This was accompanied by an increase in overheads including staff/directors costs, intercompany cross charges and the cost of financing due to a new finance facility.

3GS provides environmental enforcement services to local authorities. Its contribution increased in FY22. This was due to depressed profits in FY21 due to Covid as well as an intercompany debt write off in FY22. The GP increased by £400k and the net by £500k. The intercompany debt write off accounted for £350k net profit increase, the balance arising from the increased in operating activity.

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. Turnover and GP increased by 27% compared to the prior period. This is mainly due to a recovery of the recruitment advertising income stream which had been depressed due to covid. The business was relieved of an intercompany debt in the period which decreased the overheads by £560k. In addition, operational overheads decreased by a further £60k. Overall the contribution of the business increased by £690k.

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. The contribution in FY22 reduced by £200k compared to the prior period. This reduction is mostly attributable to an increase in staff costs and overheads as the business strengthened its infrastructure in line with its growth forecasts.

999 Learning (trading as Police Revision) 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 offerings. RSG hold a minority stake in 999 Learning whose year end is September. In the 12 months to May 2022, the business grew its turnover by 141% from a base of £19k. Operating costs increased by £7k as the business infrastructure took shape. Net profit increased by £20k. 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 them throughout their careers.

RED SNAPPER GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST MAY 2022

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 which are 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 size or nature. Details of the terms of the Group's borrowings are disclosed in notes 19 and 20.

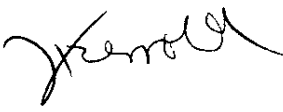
Foreign currency exchange rate risk

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.

Other key performance indicators

Consolidated turnover increased during the year by 23.8% due to the combination of factors set out above. The group is now making an operating profit, predominantly reflecting the impact of covid in the prior period among other factors.

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

Helen Jerrold 
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Helen Jerrold
Director

Date: 27 April 2023

RED SNAPPER GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MAY 2022**

The directors present their report and the financial statements for the year ended 31 May 2022.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £312,408 (2021 - loss £351,206) 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.

Helen Jerrold

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H Jerrold
Director



Date: 27 April 2023

RED SNAPPER GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MAY 2022**

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.

RED SNAPPER GROUP LIMITED

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 31 May 2022, 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 31 May 2022 and of the Group's profit 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.

RED SNAPPER GROUP LIMITED

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

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:

- enquiry of management, those charged with governance around actual and potential litigation and claims.
- performing audit work over the risk and management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- reviewing minutes of meetings of those charged with governance.
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

RED SNAPPER GROUP LIMITED

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

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

London

Date: 28 April 2023

RED SNAPPER GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2022**

	Note	2022 £	2021 £
Turnover	4	34,741,013	28,316,270
Cost of sales		(29,618,305)	(24,871,807)
Gross profit		5,122,708	3,444,463
Administrative expenses		(4,908,063)	(3,942,202)
Other operating income	5	18,051	288,977
Fair value movements		5,320	-
Operating profit/(loss)	6	238,016	(208,762)
Share of profit of associates		9,305	873
Total operating profit/(loss)		247,321	(207,889)
Interest receivable and similar income	9	7,661	9,331
Interest payable and similar expenses	10	(11,194)	(23,262)
Profit/(loss) before taxation		243,788	(221,820)
Tax on profit/(loss)	11	(148,785)	(309,522)
Profit/(loss) for the financial year		95,003	(531,342)
Profit/(loss) for the year attributable to:			
Non-controlling interests		(217,405)	(180,136)
Owners of the parent Company		312,408	(351,206)
		95,003	(531,342)
Total comprehensive income for the year attributable to:			
Non-controlling interest		(217,405)	(180,136)
Owners of the parent Company		312,408	(351,206)
		95,003	(531,342)

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

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 21 to 45 form part of these financial statements.

RED SNAPPER GROUP LIMITED
REGISTERED NUMBER: 11285597

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	1,925,441	2,794,709
Tangible assets	14	168,760	165,648
Investments	15	6,577	873
		<u>2,100,778</u>	<u>2,961,230</u>
Current assets			
Debtors: amounts falling due within one year	16	7,193,523	5,882,631
Cash at bank and in hand	17	605,496	1,563,507
		<u>7,799,019</u>	<u>7,446,138</u>
Creditors: amounts falling due within one year	18	(6,237,504)	(6,631,822)
Net current assets		<u>1,561,515</u>	<u>814,316</u>
Total assets less current liabilities		<u>3,662,293</u>	<u>3,775,546</u>
Creditors: amounts falling due after more than one year	19	(176,027)	(256,484)
Provisions for liabilities			
Deferred taxation	21	(23,490)	(13,618)
		<u>(23,490)</u>	<u>(13,618)</u>
Net assets		<u><u>3,462,776</u></u>	<u><u>3,505,444</u></u>
Capital and reserves			
Called up share capital	22	5,563	5,563
Share premium account	23	5,959,700	5,959,700
Merger reserve	23	9,641	9,641
Profit and loss account	23	(1,953,129)	(2,127,866)
Equity attributable to owners of the parent Company		<u>4,021,775</u>	<u>3,847,038</u>
Non-controlling interests		(558,999)	(341,594)
		<u><u>3,462,776</u></u>	<u><u>3,505,444</u></u>

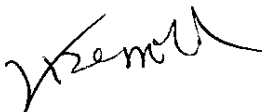
RED SNAPPER GROUP LIMITED
REGISTERED NUMBER: 11285597

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 April 2023

Helen Jerrold

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H Jerrold
Director



The notes on pages 21 to 45 form part of these financial statements.

RED SNAPPER GROUP LIMITED
REGISTERED NUMBER: 11285597

COMPANY BALANCE SHEET
AS AT 31 MAY 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	15	6,487,617	6,487,617
		<u>6,487,617</u>	<u>6,487,617</u>
Current assets			
Debtors: amounts falling due within one year	16	1,134,196	658,736
Cash at bank and in hand	17	14,249	5,140
		<u>1,148,445</u>	<u>663,876</u>
Creditors: amounts falling due within one year	18	(2,246,895)	(2,120,782)
Net current liabilities		<u>(1,098,450)</u>	<u>(1,456,906)</u>
Total assets less current liabilities		<u>5,389,167</u>	<u>5,030,711</u>
Net assets		<u>5,389,167</u>	<u>5,030,711</u>
Capital and reserves			
Called up share capital	22	5,563	5,563
Share premium account	23	5,959,700	5,959,700
Merger reserve	23	9,641	9,641
Profit and loss account	23	(585,737)	(944,193)
		<u>5,389,167</u>	<u>5,030,711</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2023

Helen Jerrold
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H Jerrold
Director



The notes on pages 21 to 45 form part of these financial statements.

RED SNAPPER GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022**

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company
	£	£	£	£	£
At 1st June 2021	5,563	5,959,700	9,641	(2,127,866)	3,847,038
Comprehensive income for the year					
Profit for the year	-	-	-	312,408	312,408
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	312,408	312,408
Dividends: Equity capital	-	-	-	(137,671)	(137,671)
Total transactions with owners	-	-	-	(137,671)	(137,671)
At 31st May 2022	5,563	5,959,700	9,641	(1,953,129)	4,021,775

	Non- controlling interests	Total equity
	£	£
At 1st June 2021	(341,594)	3,505,444
Comprehensive income for the year		
Profit for the year	(217,405)	95,003
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(217,405)	95,003
Dividends: Equity capital	-	(137,671)
Total transactions with owners	-	(137,671)
At 31st May 2022	(558,999)	3,462,776

RED SNAPPER GROUP LIMITED

**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	-	-	-	(351,206)	(351,206)
Other comprehensive income for the year					
	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(351,206)	(351,206)
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	(2,127,866)	3,847,038

RED SNAPPER GROUP LIMITED

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

	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)	(531,342)
	<hr/>	<hr/>
Other comprehensive income for the year	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(180,136)	(531,342)
Dividends: Equity capital	-	(129,348)
Shares issued during the year	-	1,996,772
Group reconstructions	415,160	(116,756)
	<hr/>	<hr/>
Total transactions with owners	415,160	1,750,668
	<hr/>	<hr/>
At 31st May 2021	(341,594)	3,505,444

RED SNAPPER GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022**

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1st June 2021	5,563	5,959,700	9,641	(944,193)	5,030,711
Comprehensive income for the year					
Profit for the year	-	-	-	358,456	358,456
Total comprehensive income for the year	-	-	-	358,456	358,456
Total transactions with owners	-	-	-	-	-
At 31st May 2022	5,563	5,959,700	9,641	(585,737)	5,389,167

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

RED SNAPPER GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit/(loss) for the financial year	95,003	(531,342)
Adjustments for:		
Amortisation of intangible assets	878,795	710,803
Depreciation of tangible assets	39,438	47,575
Loss on disposal of tangible assets	250	2,563
Interest paid	11,194	23,264
Interest received	(7,661)	(9,331)
Taxation charge	148,785	309,523
(Increase) in debtors	(879,809)	(762,166)
(Increase) in amounts owed by groups	(359,716)	(1)
Decrease in amounts owed by associates	2,131	1,573
(Decrease)/increase in creditors	(1,057,042)	805,472
Increase/(decrease) in amounts owed to groups	2,285	(302,481)
Net fair value (gains) recognised in P&L	(5,320)	(873)
Corporation tax (paid)	(289,259)	(266,101)
Net cash generated from operating activities	(1,420,926)	28,478
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,750)	(51,932)
Purchase of tangible fixed assets	(53,966)	(48,724)
Sale of tangible fixed assets	3,005	(873)
Interest received	7,661	9,331
Net cash from investing activities	(45,050)	(92,198)
Cash flows from financing activities		
New secured loans	387,321	2,049
Other new loans	-	205,161
Repayment of other loans	(50,979)	-
Movements on invoice discounting	-	698,267
Dividends paid	(137,671)	(129,349)
Interest paid	(11,194)	(23,264)
Net cash used in financing activities	187,477	752,864
Net (decrease)/increase in cash and cash equivalents	(1,278,499)	689,144
Cash and cash equivalents at beginning of year	1,548,799	859,655

RED SNAPPER GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31ST MAY 2022

	2022 £	2021 £
Cash and cash equivalents at the end of year	270,300	1,548,799
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	605,496	1,563,507
Bank overdrafts	(335,196)	(14,708)
	270,300	1,548,799

The notes on pages 21 to 45 form part of these financial statements.

RED SNAPPER GROUP LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2022**

	At 1st June 2021 £	Cash flows £	At 31st May 2022 £
Cash at bank and in hand	1,563,507	(958,011)	605,496
Bank overdrafts	(14,708)	(320,487)	(335,195)
Debt due within 1 year	(2,228,774)	(338,563)	(2,567,337)
	<u>(679,975)</u>	<u>(1,617,061)</u>	<u>(2,297,036)</u>

The notes on pages 21 to 45 form part of these financial statements.

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

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.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

2. Accounting policies (continued)**2.3 Going concern**

As at 31 May 2022 the Group had net current assets of £1,561,515 (2021: £815,773), net assets of £3,462,776 (2021: £3,505,443) and a total comprehensive income for the year of £95,003 (2021: loss of £531,343).

As at 31 May 2022 the Parent company had net current liabilities of £1,098,450 (2021: £1,456,906), net assets of £5,389,167 (2021: £5,030,711) and a total comprehensive income for the financial year of £358,456 (2021: loss £651,484).

The parent owed £2,040,391 (2021: £2,040,391) to group undertakings as at 31 May 2022, 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 April 2024. The directors consider that these facilities will remain in place for the period to at least 30 April 2024. 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.

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'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

2. Accounting policies (continued)

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.

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 2020 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

2. Accounting policies (continued)

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

2. Accounting policies (continued)

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

2. Accounting policies (continued)

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, on a reducing balance or straight line basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% reducing balance
Office equipment	-	25% reducing balance
Computer equipment	-	25% reducing balance
Improvements to property	-	25% straight line
Training equipment	-	25% 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.

2.16 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

2. Accounting policies (continued)

2.17 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

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 2022**

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

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

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

there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.23 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 judgments 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 £4,036,263 is recorded in the Group's Balance Sheet (Note 16). 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 13). 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 13, 14, 15).

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.

5. Other operating income

	2022 £	2021 £
Other operating income	18,051	2,597
Government grants receivable	-	286,380

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Fee payable to Group's auditor and its associates for the audit of the Group's annual financial statements	39,800	37,500
Exchange differences	(3,229)	47,575
Other operating lease rentals	287,364	718,220
Share based payment	-	710,803
	<u>283,935</u>	<u>1,543,300</u>

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	39,800	37,550
	<u>39,800</u>	<u>37,550</u>

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

Audit-related assurance services	33,500	31,250
Taxation compliance services	2,500	2,500
Accounts production	3,800	3,800
	<u>39,800</u>	<u>37,550</u>

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

8. Employees

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

	2022	2021
	£	£
Wages and salaries	2,727,916	1,866,258
Social security costs	684,789	466,272
Cost of defined contribution scheme	96,238	60,410
	3,508,943	2,392,940

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£	<i>£</i>	£	<i>£</i>
Wages and salaries	2,727,916	1,866,258	-	-
Social security costs	684,789	466,272	-	-
Cost of defined contribution scheme	96,238	60,410	-	-
	3,508,943	2,392,940	-	-

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Directors	2	2	2	2
Administrative staff	94	98	-	-
	96	100	2	2

9. Interest receivable

	2022	2021
	£	£
Other interest receivable	7,661	9,331

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

10. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	73	1,733
Other loan interest payable	1,505	1,959
Other interest payable	9,616	19,570
	11,194	23,262

11. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	138,913	205,522
Adjustments in respect of previous periods	-	86,627
	138,913	292,149
Total current tax	138,913	292,149
Deferred tax		
Origination and reversal of timing differences	9,872	17,373
Total deferred tax	9,872	17,373
Taxation on profit on ordinary activities	148,785	309,522

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

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

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<u>243,788</u>	<u>(221,821)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	50,025	(42,146)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	165,293	134,856
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(65,205)	12,052
Adjustments to tax charge in respect of prior periods	6,461	95,082
Other timing differences leading to an increase (decrease) in taxation	(7,789)	8,124
Group relief	-	21,861
Deferred tax not recognised	-	34,897
Pre-group tax on profits	-	44,796
Total tax charge for the year	<u><u>148,785</u></u>	<u><u>309,522</u></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

	2022 £	2021 £
Dividends paid from Ordinary B shares	<u><u>137,671</u></u>	<u><u>129,348</u></u>

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

13. Intangible assets**Group**

	Developmen t expenditur e £	Computer software £	Goodwill £	Total £
Cost				
At 1 June 2021	291,942	26,646	5,248,587	5,567,175
Additions	-	1,750	-	1,750
At 31st May 2022	291,942	28,396	5,248,587	5,568,925
Amortisation				
At 1 June 2021	291,942	22,543	2,457,981	2,772,466
Charge for the year on owned assets	-	1,056	869,962	871,018
At 31st May 2022	291,942	23,599	3,327,943	3,643,484
Net book value				
At 31st May 2022	-	4,797	1,920,644	1,925,441
At 31st May 2021	-	4,103	2,790,606	2,794,709

Company**Net book value**

At 31st May 2022

At 31st May 2021

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

14. Tangible fixed assets**Group**

	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 June 2021	147,750	59,031	142,890	6,845	356,516
Additions	1,537	-	52,429	-	53,966
Disposals	-	-	(4,636)	-	(4,636)
At 31st May 2022	149,287	59,031	190,683	6,845	405,846
Depreciation					
At 1 June 2021	74,255	40,568	71,974	4,071	190,868
Charge for the year on owned assets	15,875	6,933	23,743	826	47,377
Disposals	-	-	(1,159)	-	(1,159)
At 31st May 2022	90,130	47,501	94,558	4,897	237,086
Net book value					
At 31st May 2022	59,157	11,530	96,125	1,948	168,760
At 31st May 2021	73,495	18,463	70,916	2,774	165,648

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

15. Fixed asset investments**Group**

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 June 2021	320,013	873	320,886
Additions	(1)	-	(1)
Share of profit/(loss)	-	5,705	5,705
At 31st May 2022	320,012	6,578	326,590
Impairment			
At 1 June 2021	320,013	-	320,013
At 31st May 2022	320,013	-	320,013
Net book value			
At 31st May 2022	(1)	6,578	6,577
At 31st May 2021	-	873	873

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

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

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2021	6,807,630
At 31st May 2022	6,807,630
Impairment	
At 1 June 2021	320,013
At 31st May 2022	320,013
Net book value	
At 31st May 2022	6,487,617
At 31st May 2021	6,487,617

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Direct or Indirect holding	Class of shares	Holding
Red Snapper Recruitment Limited	Direct	Ordinary	79%
Red Snapper Learning Limited	Direct	Ordinary	100%
Red Snapper Media Limited	Direct	Ordinary	80%
3GS (UK) Limited	Direct	Ordinary	100%
Intervention Consultancy Limited	Indirect	Ordinary	55%
Acumin Consulting Limited	Indirect	Ordinary	100%
Red Snapper Managed Services Limited	Direct	Ordinary	87%

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

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

15. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31st May 2022 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	1,786,226	516,831
Red Snapper Learning Limited	226,429	31,311
Red Snapper Media Limited	92,997	637,629
3GS (UK) Limited	830,111	345,740
Intervention Consultancy Limited	5,266	(1,126)
Acumin Consulting Limited	331,995	5,320
Red Snapper Managed Services Limited	863,767	143,150

999 Learning Limited is an associate of the Group. The investment and results of 999 Learning Limited have been brought in as an associate accounted for under the equity method.

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors excluding factored debts	770,553	1,313,052	-	-
Factored debts	4,036,263	3,003,052	-	-
Amounts owed by group undertakings	359,717	(1)	82,395	-
Amounts owed by connected companies	-	2,131	-	-
Other debtors	1,819,758	1,331,021	1,051,801	658,736
Prepayments and accrued income	205,543	233,376	-	-
Tax recoverable	1,689	-	-	-
	7,193,523	5,882,631	1,134,196	658,736

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

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	605,496	1,563,507	14,249	5,140
Less: bank overdrafts	(335,195)	(14,708)	-	-
	270,301	1,548,799	14,249	5,140

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

18. Creditors: Amounts falling due within one year

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Bank overdrafts	335,195	14,708	-	-
Bank loans	2,384,559	1,997,238	-	-
Other loans	154,182	205,161	-	-
Trade creditors	642,625	675,277	29,460	2,400
Amounts owed to group undertakings	2,385	100	2,040,391	2,040,391
Corporation tax	198,903	275,750	166,882	67,825
Other taxation and social security	1,180,112	2,418,569	-	-
Other creditors	290,671	75,429	-	-
Accruals and deferred income	1,048,872	969,590	10,162	10,166
	<u>6,237,504</u>	<u>6,631,822</u>	<u>2,246,895</u>	<u>2,120,782</u>

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 2022	Group 2021
	£	£
Amounts owed to group undertakings	1	-
Other creditors	176,026	256,484

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

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

20. Loans

	Group 2022 £	Group 2021 £
Amounts falling due within one year		
Bank loans	2,384,559	1,997,238
Other loans	154,182	205,161
	2,538,741	2,202,399
	2,538,741	2,202,399

21. Deferred taxation**Group**

	2022 £	2021 £
At beginning of year	(13,620)	3,753
Charged to profit or loss	(9,872)	(17,373)
At end of year	(23,492)	(13,620)

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(24,759)	(26,443)
Tax losses carried forward	1,455	1,457
Pension surplus	(188)	11,366
	(23,492)	(13,620)

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

22. Share capital

	2022	<i>2021</i>
	£	<i>£</i>
Allotted, called up and fully paid		
5,563 (2021 - 5,563) Ordinary shares of £1.00 each	5,563.00	<i>5,563.00</i>

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.

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £95,569 (2021: £60,409). Contributions totalling £46,515 (2021: £39,242) were payable to the fund at the balance sheet date.

25. Commitments under operating leases

At 31st May 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022	<i>Group 2021</i>
	£	<i>£</i>
Not later than 1 year	309,842	<i>309,842</i>
Later than 1 year and not later than 5 years	98,536	<i>408,378</i>
	408,378	<i>718,220</i>

26. 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

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

26. Analysis of net debt (continued)

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.

27. 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 2022 was £2,040,391 (2021: £2,040,291). The loan is interest free and repayable on demand.

During the period sales were made from Red Snapper Recruitment Limited to Red Snapper Managed Services Limited, a connected company of £256,179 (2021: £114,992). The amount due at the 31 May 2022 in respect of this was £564,035 (2021: £61,717).

During the period sales were made from Red Snapper Managed Services Limited to Red Snapper Recruitment Limited, a connected company of £374,119 (2021: £407,507). The amount due at the 31 May 2022 in respect of this was £20,106 (2021: £217,558).

During the period sales were made from Red Snapper Recruitment Limited to Red Snapper Media Limited, a connected company of £89,775 (2021: £13,565). The amount due at the 31 May 2022 in respect of this was £3,811 (2021: £Nil).

During the period sales were made from Red Snapper Recruitment to Red Snapper Learning Limited, a connected company of £95,040 (2021: £78,308). The amount due at the 31 May 2022 in respect of this was £602 (2021: £Nil).

During the period sales were made from Red Snapper Recruitment Limited to 3GS UK Limited, a connected company of £107,331 (2021: £8,057). The amount due at the 31 May 2022 in respect of this was £121 (2021: £Nil).

During the period sales were made from Red Snapper Recruitment Limited to Red Snapper Group Limited, the parent company, of £Nil (2021: £49,250). The amount due at the 31 May 2022 in respect of this was £Nil (2021: £Nil).

During the period Red Snapper Managed Services Limited made sales to 3GS (UK) Limited, a connected company of £Nil (2021: £Nil). The amount due at the 31 May 2022 in respect of this was £607 (2021: £Nil).

During the year sales were made from Red Snapper Learning Limited to Red Snapper Managed Services Limited, a connected company of £6,604 (2021: £1,632). The amount due at the 31 May 2022 in respect of this was £Nil (2021: £Nil).

During the year sales were made from Red Snapper Media Limited to Red Snapper Recruitment Limited, a connected company of £24,000 (2021: £24,000). The amount due to the 31 May 2022 in respect of this was £7,844 (2021: £14,346).

During the year sales were made from Red Snapper Media Limited to Red Snapper Learning Limited, a connected company of £12,000 (2021: £12,000). The amount due to the 31 May 2022 in respect of this was £Nil (2021: £Nil).

During the year sales were made from Red Snapper Learning Limited to Red Snapper Recruitment Limited, a connected company of £19,152 (2021: £Nil). The amount due to the 31 May 2022 in respect of

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

27. Related party transactions (continued)

this was £10,356 (2021: £Nil).

During the year sales were made from Red Snapper Learning Limited to Red Snapper Group, a connected company of £2,567 (2021: £Nil). The amount due to the 31 May 2022 in respect of this was £Nil (2021: £Nil).

During the year sales were made from 3GS (UK) Limited to Red Snapper Media Limited, a connected company of £1,362 (2021: £Nil). The amount due to the 31 May 2022 in respect of this was £Nil (2021: £Nil). In addition, 3GS (UK) Limited took out a loan of £20,000 (2021: £Nil) from Red Snapper Media Limited.

During the year sales were made from 3GS (UK) Limited to Red Snapper Learning Limited, a connected company of £269 (2021: £Nil). The amount due to the 31 May 2022 in respect of this was £Nil (2021: £Nil). In addition, 3GS (UK) Limited took out a loan of £95,000 (2021: £Nil) from Red Snapper Learning Limited.

During the year sales were made from 3GS (UK) Limited to Red Snapper Managed Services, a connected company of £1,814 (2021: £Nil). The amount due to the 31 May 2022 in respect of this was £Nil (2021: £Nil).

During the year sales were made from Red Snapper Media Limited to 3GS (UK) Limited, a connected company of £1,362 (2021: £Nil). The amount due at 31 May 2022 in respect of this was £489 (2021: £Nil).

During the year sales were made from Red Snapper Learning Limited to 3GS (UK) Limited, a connected company of £Nil (2021: £Nil). The amount due at 31 May 2022 in respect of this was £105 (2021: £Nil).

During the year sales were made from 3GS (UK) Limited to Red Snapper Recruitment Limited, a connected company of £Nil (2021: £Nil). The amount due at 31 May 2022 in respect of this was £68,142 (2021: £Nil). In addition, 3GS (UK) Limited took out a loan of £95,000 (2021: £Nil) from Red Snapper Recruitment Limited.

During the year sales were made from Red Snapper Learning Limited to Red Snapper Media Limited, a connected company of £Nil (2021: £Nil). The amount due at 31 May 2022 in respect of this was £2,611 (2021: £Nil).

During the year dividends of £431,722 (2021: £388,038) were paid by the Group of shareholders. Amounts owed to shareholders as at 31 May 2022 was £Nil (2021: £Nil).

During the year £263,503 (2021: £Nil) was paid by the Group to shareholders. Amounts owed by shareholders as at 31 May 2022 was £Nil (2021: £Nil).

At the year end, the group had outstanding Director's loans due £788,066 (2021: £1,080,215).

On 1 June 2021 a hive up took place whereby Red Snapper Managed Services Limited purchased the trade and assets of Intervention Consultancy Limited.

RED SNAPPER GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2022**

28. 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 2022 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

29. 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.

RED SNAPPER GROUP LIMITED

**CONSOLIDATED DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2022**

	2022 £	2021 £
Turnover	34,741,013	28,316,270
Cost of sales	(29,618,305)	(24,871,807)
Gross profit	5,122,708	3,444,463
Other operating income	18,051	288,977
Less: overheads		
Administration expenses	(4,908,062)	(3,942,201)
Fair value movements	5,320	-
Operating profit/(loss)	238,017	(208,761)
Share of operating profit of associates	9,305	873
Interest receivable	7,661	9,331
Interest payable	(11,195)	(23,263)
Tax on profit/(loss) on ordinary activities	(148,785)	(309,522)
Profit/(Loss) for the year	95,003	(531,342)

RED SNAPPER GROUP LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 2022**

	2022	2021
	£	£
Turnover		
Sales	34,741,013	28,316,270
	34,741,013	28,316,270
	2022	2021
	£	£
Cost of sales		
Purchases	839	2,076
Direct costs	40,718	25,854
Wages and salaries	787,874	590,841
National insurance	205,675	136,783
Directors' fees	32,657	20,625
Subcontract labour	28,550,542	24,095,628
	29,618,305	24,871,807
	2022	2021
	£	£
Other operating income		
Other operating income	18,051	2,597
Government grants receivable	-	286,380

RED SNAPPER GROUP LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 2022**

	2022 £	2021 £
Administration expenses		
Directors' national insurance	3,610	1,661
Directors' salaries	61,219	41,173
Directors' pension costs - defined contribution schemes	669	-
Staff salaries	1,846,166	1,213,620
Staff private health insurance	-	672
Staff national insurance	475,504	327,827
Staff pension costs - defined contribution schemes	95,569	60,410
Staff training	10,094	8,443
Staff welfare	2,500	13,237
Motor running costs	2,106	23,505
Motor vehicle leasing (operational)	4,098	3,798
Entertainment	9,644	3,943
Hotels, travel and subsistence	88,323	43,383
Consultancy	15,667	10,351
Printing and stationery	2,404	7,957
Postage	10,234	7,307
Telephone and fax	75,943	58,945
Computer costs	386,522	394,022
General office expenses	41	69
Advertising and promotion	86,625	54,687
Trade subscriptions	56,304	105,420
Charity donations	209	1,077
Legal and professional	232,965	184,003
Auditors' remuneration	39,800	37,750
Fees payable - intercompany	-	(428,032)
Accountancy fees	29,473	15,263
Equipment hire	13,054	70,955
Bank charges	159,320	62,071
Bad debts	(320,283)	44,358
Difference on foreign exchange	(3,229)	5,613
Sundry expenses	1,415	(41,512)
Rent - operating leases	283,266	241,862
Rates	75,516	180,232
Light and heat	29,041	17,248
Cleaning	18,164	18,437
Insurances	86,865	83,951
Repairs and maintenance	4,923	-
Sundry establishment expenses	105,839	316,300
Depreciation - office equipment	7,596	6,198
Depreciation - computer equipment	15,966	19,269

RED SNAPPER GROUP LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 2022**

Administration expenses (continued)

Depreciation - fixtures and fittings	15,875	13,362
Amortisation - intangible fixed assets	878,795	710,803
Profit/loss on sale of tangible assets	250	2,563
	4,908,062	3,942,201

2022	2021
£	£

Interest receivable

Other interest receivable	7,661	9,331
	7,661	9,331

2022	2021
£	£

Interest payable

Bank overdraft interest payable	1	1,184
Bank loan interest payable	73	550
Other loan interest payable	1,505	1,959
Other interest - on factored debts	9,616	19,570
	11,195	23,263