

**REGISTERED NUMBER: 05723485 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2022  
FOR  
HARNHAM SEARCH AND SELECTION LIMITED**

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**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

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FOR THE YEAR ENDED 30 NOVEMBER 2022**

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## **HARNHAM SEARCH AND SELECTION LIMITED**

### **COMPANY INFORMATION FOR THE YEAR ENDED 30 NOVEMBER 2022**

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**DIRECTORS:**

S J Clarke  
D Farmer  
S Lawrence

**REGISTERED OFFICE:**

3rd Floor, Melbury House  
51 Wimbledon Hill Road  
Wimbledon  
London  
SW19 7QW

**REGISTERED NUMBER:**

05723485 (England and Wales)

**AUDITORS:**

Hartley Fowler LLP  
Statutory Auditors  
Chartered Accountants  
4th Floor Tuition House  
27-37 St George's Road  
Wimbledon  
London  
SW19 4EU

## **HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2022**

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The directors present their strategic report for the year ended 30 November 2022.

#### **REVIEW OF BUSINESS**

The directors are pleased to report the Company's consolidated performance for the year.

Harnham Search & Selection is a provider of recruitment services and operates in the UK market. It specialises in providing permanent and contract staffing solutions for the data and AI sector.

Gross profit increased by 67% to £13,668,899 (2021 - £8,175,675). Profit before taxation was £3,431,542 a strong increase from 2021 (£2,374,499) with particularly strong demand in the first half year as the requirement for data professionals grew and there was high levels of movement between jobs in the data sector.

Employees increased to an average of 111 headcount from 79 in 2021 as the Company acted to expand in reaction to the increased demand.

Turnover increased by £10m to £31m. Revenue from contract staffing solutions increased by 41% to £20m; permanent staffing solutions grew by 73% to £10.5m.

The global impact of inflation, exacerbated by the conflict in the Ukraine impacted the company's markets from the last quarter of 2022. This has led to a reduction in trading through the first half of 2023 and the company has taken action to reduce costs in line.

Over the year the company invested in developing its headquarters in Wimbledon (£1.2m). To spread the cash impact, the company took a £2.5m 3-year term loan from HSBC.

The company's operations have a minimal impact on the environment and local communities given it is a services business with a mix of home-based and office-based employees. The company supports and take part in initiatives to reduce any such impact and takes an active role in the local communities.

#### **Key performance indicators**

The company uses a number of key performance indicators to monitor the company's performance.

	2022	2021
Gross Profit	13,668,899	8,175,675
EBITDA	3,821,020	2,528,601
Total assets less current liabilities	8,271,875	5,548,453

The board considers:

i) Gross Profit as a measure of growth in the business. This year the business grew rapidly (67% gross profit improvement) building on the growth in the second half of the prior year.

ii) Earnings before interest, tax, depreciation, and amortisation (EBITDA) as a measure of the underlying profitability. The growth in EBITDA is despite investing in growth in its sales teams and supporting infrastructure.

iii) Total assets less current liabilities (TALCL) represents the underlying assets of the business excluding any longer-term funding. It increased by £2.7m through the investment in the expanded Wimbledon office and an increase in working capital due to revenue growth.

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key risks and associated mitigating factors are laid out below.

**Business and Operational risk**

The Company's business operates in a dynamic competitive environment; risk mitigation is through execution of robust business plans and continuous monitoring of performance.

The risk of disruption to operations is mitigated by ensuring appropriate disaster recovery plans are in place. These plans are regularly reviewed by the senior management team.

**Market risk**

The Company is exposed to economic downturns generally and more specifically to the markets it trades in. This is mitigated by international diversification and that the growth of the data and analytics market insulates it from general economic fluctuations.

The directors note that the global downturn driven by inflation is impacting the business and that this may extend. They also are aware of the significant growth of artificial intelligence (AI) and that this could be a risk as well as an opportunity, however given the company operated in this sector it is well placed to react appropriately.

**Credit risk**

The Company's credit risk stems primarily from trade debtors. Dedicated credit control resource is focused on continued review and active management to mitigate such risk. The Company's clients tend to be "blue chip" with strong credit ratings and there is no significant level of bad debt.

**Financial risk**

The Company is exposed to financial risks such as liquidity and currency fluctuations. Risk is mitigated through regular forecasting and continuous monitoring of performance against expectations. The company has an ability to borrow up to £4m through its invoice discounting facilities with HSBC. The Company looks to reduce its currency exposure by reducing non-Sterling balances and natural hedges of costs in the same currency.

**Covid 19**

The company, and the Data and Analytics sector has proved robust in its ability to weather the impact of the global pandemic caused by Covid 19. The company no longer sees any impact from Covid 19. It has a robust and tested disaster recovery plan with all employees being able to work from home and the company intends to maintain this capability to ensure business continuity and the safety of its employees.

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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**SECTION 172(1) STATEMENT**

The Board acknowledges Section 172(1) of the UK Companies Act 2006, and its duty to promote the success of the Company.

A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so has regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- fostering business relationships with suppliers, customers and others
- the impact on the community and environment
- the reputation for high standards of business conduct
- the need to act fairly between members of the company

**Our outlook**

The Directors understand the business and the evolving environment in which we operate. The strategy set by the Board is based on these key priorities - expand reach in core markets, achieve better outcomes for our clients, and nurture and grow our people.

**Our clients**

Our clients and the work we do for them is the bedrock of our business and the reason we can attract and retain our people. The relationships and trust our teams build with our clients, combined with the knowledge of our client's businesses, culture and skill requirements guarantees we have a high success rate on our placements.

**Our people**

Our people and their development are intrinsically linked to the success of our clients and achieving our strategic goals. We engage with our people regularly throughout the year and through a variety of means. We feel that it is important to bring our people together in person and have frequent events. It is important for the business that our people are listened to, their views are responded to, and everyone's achievements are celebrated.

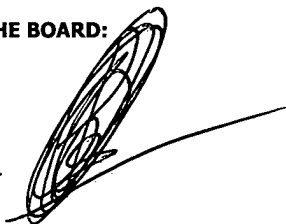
**FUTURE DEVELOPMENTS**

The Company, due to market conditions, has restricted its growth in the first half of 2023. The board are focused on preserving the company's reserves and maintaining the ability to grow again when the market improves.

The board are confident of the company's abilities to further exploit the opportunities within the data and AI sector.

**ON BEHALF OF THE BOARD:**

S J Clarke - Director



26 June 2023

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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The directors present their report with the financial statements of the company for the year ended 30 November 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of recruitment services.

**DIVIDENDS**

The total distribution of dividends for the year ended 30 November 2022 will be £2,055,091.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2021 to the date of this report.

S J Clarke  
D Farmer  
S Lawrence

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

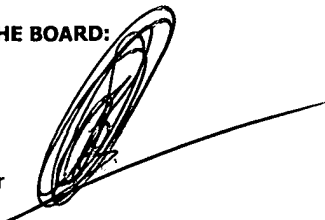
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Hartley Fowler LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

S J Clarke - Director



26 June 2023

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM SEARCH AND SELECTION LIMITED**

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### **Opinion**

We have audited the financial statements of Harnham Search And Selection Limited (the 'company') for the year ended 30 November 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 company's affairs as at 30 November 2022 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM SEARCH AND SELECTION LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures;
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM SEARCH AND SELECTION LIMITED**

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As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

As a result of performing the above, we did not identify any key matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

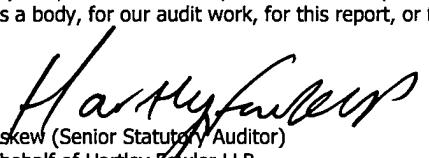
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing minutes of meetings of those charged with governance, reviewing internal reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale for any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.



Jonathan Askew (Senior Statutory Auditor)  
for and on behalf of Hartley Fowler LLP  
Statutory Auditors  
Chartered Accountants  
4th Floor Tuition House  
27-37 St George's Road  
Wimbledon  
London  
SW19 4EU

26 June 2023

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****INCOME STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	3	30,634,010	20,378,770
Cost of sales		16,965,111	12,203,095
<b>GROSS PROFIT</b>		13,668,899	8,175,675
Administrative expenses		12,480,185	7,382,837
		1,188,714	792,838
Other operating income	4	2,278,714	1,580,703
<b>OPERATING PROFIT</b>	6	3,467,428	2,373,541
Interest receivable and similar income		-	958
		3,467,428	2,374,499
Interest payable and similar expenses	7	35,886	-
<b>PROFIT BEFORE TAXATION</b>		3,431,542	2,374,499
Tax on profit	8	249,636	207,655
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3,181,906	2,166,844

The notes form part of these financial statements

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
<b>PROFIT FOR THE YEAR</b>		3,181,906	2,166,844
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>3,181,906</u>	<u>2,166,844</u>

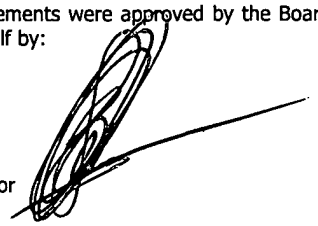
The notes form part of these financial statements

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****BALANCE SHEET  
30 NOVEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		37,849		2,649
Tangible assets	11		1,181,015		288,593
			<u>1,218,864</u>		<u>291,242</u>
<b>CURRENT ASSETS</b>					
Debtors	12	13,796,989		9,087,254	
Cash at bank and in hand		<u>677,236</u>		<u>1,221,135</u>	
		14,474,225		10,308,389	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>7,421,214</u>		<u>5,051,178</u>	
<b>NET CURRENT ASSETS</b>			<u>7,053,011</u>		<u>5,257,211</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			8,271,875		5,548,453
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(1,351,882)		-
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(283,823)</u>		<u>(39,098)</u>
<b>NET ASSETS</b>			<u>6,636,170</u>		<u>5,509,355</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		13		13
Share premium			19,884		19,884
Retained earnings			<u>6,616,273</u>		<u>5,489,458</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>6,636,170</u>		<u>5,509,355</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2023 and were signed on its behalf by:

S J Clarke - Director



The notes form part of these financial statements

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 December 2020</b>	13	3,722,614	19,884	3,742,511
<b>Changes in equity</b>				
Total comprehensive income	-	2,166,844	-	2,166,844
Dividends	-	(400,000)	-	(400,000)
<b>Balance at 30 November 2021</b>	13	5,489,458	19,884	5,509,355
<b>Changes in equity</b>				
Total comprehensive income	-	3,181,906	-	3,181,906
Dividends	-	(2,055,091)	-	(2,055,091)
<b>Balance at 30 November 2022</b>	13	6,616,273	19,884	6,636,170

The notes form part of these financial statements

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

		2022 £	2021 £
<b>Cash flows from operating activities</b>	Notes		
Cash generated from operations	1	2,444,112	1,219,300
Interest paid		(35,886)	-
Tax paid		(541,342)	(140,781)
Net cash from operating activities		<u>1,866,884</u>	<u>1,078,519</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(41,435)	-
Purchase of tangible fixed assets		(1,220,132)	(163,420)
Interest received		-	958
Net cash from investing activities		<u>(1,261,567)</u>	<u>(162,462)</u>
<b>Cash flows from financing activities</b>			
New loans in year		2,500,000	-
Loan repayments in year		(329,468)	-
Intercompany loan movements		(1,264,657)	(815,139)
Capital repayments in year		-	(88,584)
Equity dividends paid		(2,055,091)	(400,000)
Net cash from financing activities		<u>(1,149,216)</u>	<u>(1,303,723)</u>
<b>Decrease in cash and cash equivalents</b>		<u>(543,899)</u>	<u>(387,666)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>1,221,135</u>	<u>1,608,801</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>677,236</u></u>	<u><u>1,221,135</u></u>

The notes form part of these financial statements

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit before taxation	3,431,542	2,374,499
Depreciation charges	336,272	150,655
Finance costs	35,886	-
Finance income	-	(958)
	<u>3,803,700</u>	<u>2,524,196</u>
Increase in trade and other debtors	(1,257,396)	(3,510,799)
(Decrease)/increase in trade and other creditors	<u>(102,192)</u>	<u>2,205,903</u>
<b>Cash generated from operations</b>	<u><u>2,444,112</u></u>	<u><u>1,219,300</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 November 2022**

	30/11/22	1/12/21
	£	£
Cash and cash equivalents	<u><u>677,236</u></u>	<u><u>1,221,135</u></u>

**Year ended 30 November 2021**

	30/11/21	1/12/20
	£	£
Cash and cash equivalents	<u><u>1,221,135</u></u>	<u><u>1,608,801</u></u>

**3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

	At 1/12/21	Cash flow	At 30/11/22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>1,221,135</u>	<u>(543,899)</u>	<u>677,236</u>
	<u>1,221,135</u>	<u>(543,899)</u>	<u>677,236</u>
<b>Debt</b>			
Finance leases	(3,634)	3,634	-
Debts falling due within 1 year	-	(818,650)	(818,650)
Debts falling due after 1 year	-	(1,351,882)	(1,351,882)
	<u>(3,634)</u>	<u>(2,166,898)</u>	<u>(2,170,532)</u>
<b>Total</b>	<u><u>1,217,501</u></u>	<u><u>(2,710,797)</u></u>	<u><u>(1,493,296)</u></u>

The notes form part of these financial statements



**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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**1. STATUTORY INFORMATION**

Harnham Search And Selection Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Compliance with accounting standards**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The presentation currency of the financial statements is the Pound Sterling (£) which is also the functional currency of the company.

**Going concern**

These financial statements are prepared on the going concern basis. The directors have reviewed the group's business plan, post year end performance and future forecast, and have confidence that the company has adequate resources to continue in operational existence for the foreseeable future. The directors believe that it is appropriate to prepare the financial statements on a going concern basis.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Critical accounting judgements and key sources of estimation uncertainty**

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

**a) Revenue recognition**

The main area of judgement in revenue recognition relates to cut-off as revenue is recognised for permanent placements on the day a candidate starts work and temporary placement income over the duration of the placement.

**b) Bad debt provisions**

The directors assess individual debtor balances on a case by case basis at each year end and use judgement in determining an appropriate level of provision against irrecoverable debts.

**c) Depreciation and amortisation**

The directors are required to estimate the useful economic lives and residual values of tangible and intangible assets in order to determine an appropriate basis and method of depreciation and amortisation.

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

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**2. ACCOUNTING POLICIES - continued**

**Turnover**

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

**Revenue recognition**

Turnover represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Turnover arising from the placement of permanent candidates is recognised at the time that the candidate commences full-time employment. Where a permanent candidate starts employment but does not work for the contractual period, a provision is made in respect of the required refund or credit note due to the client.

Turnover arising from temporary placements is recognised over the period that temporary workers are provided.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- over the lease term
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 33% on cost
Computer equipment	- 33% on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are only offset, with the net amounts presented in the financial statements, when there is a legally 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.

**Basic financial assets**

Basic financial assets, which included debtors and cash at bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including creditors and loans from fellow group companies are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Leasing commitments**

Assets obtained under hire purchase or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under financial leases are depreciated over their estimated useful lives of the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Share options**

The group operates an EMI share option scheme, engaging in equity settled share based payment transactions in respect of services received. Details of the options within this scheme are set out in the Share Based Payment Transactions note.

It is the policy of the company to grant share options that have an exercise price representing fair market value at the date of grant. Fair market values have been determined using the Black Scholes model, which takes into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. This is in accordance with FRS102 'Share-based payment.'

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022****3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022 £	2021 £
United Kingdom	29,670,374	19,908,075
Europe	608,665	272,485
United States of America	294,521	198,210
ROW	60,450	-
	<u>30,634,010</u>	<u>20,378,770</u>

**4. OTHER OPERATING INCOME**

	2022 £	2021 £
Management recharge	<u>2,278,714</u>	<u>1,580,703</u>

**5. EMPLOYEES AND DIRECTORS**

	2022 £	2021 £
Wages and salaries	7,836,577	5,056,051
Social security costs	971,484	589,132
Other pension costs	149,293	104,460
	<u>8,957,354</u>	<u>5,749,643</u>

The average number of employees during the year was as follows:

	2022	2021
Directors	3	3
Employees	<u>111</u>	<u>79</u>
	<u>114</u>	<u>82</u>

	2022 £	2021 £
Directors' remuneration	697,747	586,950
Directors' pension contributions to money purchase schemes	<u>24,000</u>	<u>19,278</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2022	2021
Money purchase schemes	<u>3</u>	<u>3</u>

Information regarding the highest paid director is as follows:

	2022 £	2021 £
Emoluments etc	215,000	195,650
Pension contributions to money purchase schemes	<u>8,000</u>	<u>6,426</u>

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022****6. OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Other operating leases	426,757	273,902
Depreciation - owned assets	322,287	81,854
Depreciation - assets on finance leases	5,423	63,201
Computer software amortisation	6,235	5,600
Auditors' remuneration	3,500	3,500
Taxation compliance services	6,150	5,320
Other non-audit services	15,000	9,851
Foreign exchange differences	114,899	46,219

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank loan interest	35,886	-

**8. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	4,911	193,308
Deferred tax	244,725	14,347
Tax on profit	249,636	207,655

UK corporation tax was charged at 19% in 2021.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	3,431,542	2,374,499
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	651,993	451,155
Effects of:		
Expenses not deductible for tax purposes	151,351	10,363
Capital allowances in excess of depreciation	(115,851)	-
Depreciation in excess of capital allowances	-	2,202
Other tax adjustments	(167,278)	-
Group relief	(515,304)	(270,412)
Deferred tax movement	244,725	14,347
Total tax charge	249,636	207,655

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**9. DIVIDENDS**

	2022 £	2021 £
A Ordinary shares of 0.1p each Interim	2,055,091	400,000

**10. INTANGIBLE FIXED ASSETS**

	Computer software £
<b>COST</b>	
At 1 December 2021	49,602
Additions	41,435
At 30 November 2022	91,037
<b>AMORTISATION</b>	
At 1 December 2021	46,953
Amortisation for year	6,235
At 30 November 2022	53,188
<b>NET BOOK VALUE</b>	
At 30 November 2022	37,849
At 30 November 2021	2,649

Amortisation of intangible assets is included within administrative expenses in the income statement.

**11. TANGIBLE FIXED ASSETS**

	Short leasehold £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 December 2021	-	197,715	6,999
Additions	108,388	-	-
At 30 November 2022	108,388	197,715	6,999
<b>DEPRECIATION</b>			
At 1 December 2021	-	126,318	6,782
Charge for year	9,038	32,953	217
At 30 November 2022	9,038	159,271	6,999
<b>NET BOOK VALUE</b>			
At 30 November 2022	99,350	38,444	-
At 30 November 2021	-	71,397	217

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2022**

**11. TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 December 2021	224,428	68,000	281,019	778,161
Additions	931,979	-	179,765	1,220,132
At 30 November 2022	1,156,407	68,000	460,784	1,998,293
<b>DEPRECIATION</b>				
At 1 December 2021	160,384	7,777	188,307	489,568
Charge for year	192,673	9,332	83,497	327,710
At 30 November 2022	353,057	17,109	271,804	817,278
<b>NET BOOK VALUE</b>				
At 30 November 2022	803,350	50,891	188,980	1,181,015
At 30 November 2021	64,044	60,223	92,712	288,593

Fixed assets, included in the above, which are held under finance leases are as follows:

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 December 2021	197,715	47,943	73,051	318,709
Transfer to ownership	(197,715)	(47,943)	(73,051)	(318,709)
At 30 November 2022	-	-	-	-
<b>DEPRECIATION</b>				
At 1 December 2021	126,318	45,945	70,007	242,270
Charge for year	1,431	1,998	1,994	5,423
Transfer to ownership	(127,749)	(47,943)	(72,001)	(247,693)
At 30 November 2022	-	-	-	-
<b>NET BOOK VALUE</b>				
At 30 November 2022	-	-	-	-
At 30 November 2021	71,397	1,998	3,044	76,439

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	6,052,979	5,208,329
Amounts owed by group undertakings	6,910,720	3,458,381
Other debtors	11,736	13,258
Accrued income	629,863	237,425
Prepayments	191,691	169,861
	13,796,989	9,087,254



**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022****13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	818,650	-
Finance leases (see note 16)	-	3,634
Trade creditors	1,051,846	1,321,998
Amounts owed to group undertakings	2,590,001	402,319
Tax	(343,122)	193,309
Social security and other taxes	438,816	516,713
VAT	801,064	886,989
Other creditors	42,451	73,559
Deferred income	-	22,000
Accrued expenses	2,021,508	1,630,657
	<u>7,421,214</u>	<u>5,051,178</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£	£
Bank loans (see note 15)	<u>1,351,882</u>	<u>-</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>818,650</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>843,550</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>508,332</u>	<u>-</u>

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Finance leases	
	2022	2021
	£	£
Gross obligations repayable:		
Within one year	<u>-</u>	<u>3,705</u>
Finance charges repayable:		
Within one year	<u>-</u>	<u>71</u>
Net obligations repayable:		
Within one year	<u>-</u>	<u>3,634</u>

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022****16. LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	686,670	296,062
Between one and five years	2,717,787	336,220
In more than five years	2,808,233	-
	<u>6,212,690</u>	<u>632,282</u>

**17. SECURED DEBTS**

The company has a receivables finance agreement with their bankers to provide an invoice discounting facility. The agreement includes a fixed and floating charge over the assets of the company. At the balance sheet date the amount drawn down on the facility and owing to the bank was £nil (2021 - £nil).

**18. PROVISIONS FOR LIABILITIES**

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>283,823</u>	<u>39,098</u>
		Deferred tax
		£
Balance at 1 December 2021		39,098
Provided during year		244,725
Balance at 30 November 2022		<u>283,823</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
11,900	A Ordinary	0.1p	12	12
1,488	B Ordinary	0.1p	1	1
			<u>13</u>	<u>13</u>

A Ordinary shares have voting rights with entitlement to dividend distributions.  
B Ordinary shares have no voting rights or entitlement to dividend distributions.

**HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022****20. RELATED PARTY DISCLOSURES**

Harnham Search and Selection Limited performs head office functions on behalf of the members of the group and subsequently recharges certain administrative costs across the group through intercompany loan arrangements. The loans are not secured, have no repayments terms and do not bear interest.

	Movement 30 November 2022	Balance 30 November 2022	Movement 30 November 2021	Balance 30 November 2021
	£	£	£	£
Harnham Group Limited	12,416	500,285	(17,183)	487,869
Harnham Europe Limited	(389,913)	867,716	635,059	1,257,629
Harnham Inc	(2,187,682)	(2,590,001)	(1,370,754)	(402,319)
Harnham GmbH	193,761	575,213	236,586	381,452
Rockborne Limited	3,633,295	4,964,726	1,331,431	1,331,431

No compensation was paid to key management personnel during the year. However during the year ended 30 November 2021 a total of key management personnel compensation of £606,228 was paid.

**21. SHARE-BASED PAYMENT TRANSACTIONS**

The parent company, Harnham Group Limited, operates an employee EMI share option scheme. This is in respect of employee services received by Harnham Search and Selection Limited, the share options being issued in the parent company.

The following share options are in issue at the year end:

	Brought forward	Non conditional	Conditional	Options exercised / lapsed	Carried forward	Exercise period (from date of grant)	Exercise price per ordinary share
<b>EMI</b>							
Employees	183	-	-	(183)	-	5 years	£83.19
<b>Total</b>	<b>183</b>	<b>-</b>	<b>-</b>	<b>(183)</b>	<b>-</b>		

In arriving at the fair value, each grant of an option is valued separately using Black Scholes Model and the resulting fair value charged to the profit and loss over the vesting period.

The expected life used in the model has been adjusted, based on management's best estimate for the effects on non-transferability, exercise restriction and behavioural considerations. The following table lists the assumptions used in the model:

Expected volatility	10%
Risk free interest rate	2.5%
Expected life of option (years)	5
Exercise price	£83.19 and £0.001
Expected dividends	None

**22. ULTIMATE PARENT COMPANY**

Harnham Group Limited is regarded by the directors as being the company's ultimate parent company. Registered office and principal place of business: 3rd Floor Melbury House, 51 Wimbledon Hill Road, London, SW19