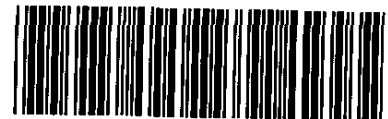


COMPANY REGISTRATION NUMBER: 09464678

THE SHORE GRP HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2022

FRIDAY



A49 *ACD20XQ8* 29/09/2023 #17
COMPANIES HOUSE

UHY HACKER YOUNG
Chartered Accountants & Statutory Auditors
168 Church Road
Hove
East Sussex
BN3 2DL

THE SHORE GRP HOLDINGS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the group for the year ended 31 December 2022.

Fair review of the business

The year ending on the 31st December 2022 was a solid period of consolidation for the Group. The Group continued to diversify and expand its range of services with new and existing clients.

Underlying sales from continuing operations grew compared to previous year rising to £72.7m from £57.8m, with the gross margin of the continuing business increasing from £5.7m to £7.5m. The Board continued to see the demand for labour pushing up the rates paid to workers, however careful management and negotiations saw the Group average gross margin % increase from 9.80% to 10.31%.

The Group always looks for business efficiencies as it continues to grow. With the opening of new offices in Southampton, Chester and Brentford in the last three years, the group has continued its policy of reinvesting profits to develop its presence in new locations and sectors.

This development and investment has allowed The Shore Group to become a truly national player in the recruitment and support services market. Investments in technology, people & business process continues. Operating profit % has increased from 1.35% to 1.97% as a result of the continued investment in diversification. The board and the management team coordinate a continual programme of reorganisation and cost reduction in order to allow the Group to be flexible in aligning to the changing markets in which it operates. The challenge of increasing interest rates has meant the Shore Group has had to look for further cost efficiencies in the business to maintain or improve its operating profit %.

The Directors continue to review the operating model and group structure with a view to finding a model that strategically fits with the overall direction of the Group. It is the opinion of the Board that the Group is now better equipped to deal with the challenges ahead and has a cost base that will allow the business to grow profits year on year, as well as grow at a gross margin level.

Principal risks and uncertainties

Management identifies risk under three key areas - financial, operational and strategic. All risks are assessed on a regular basis and controls are put in place to mitigate risk.

Financial risk

The Board continue to monitor procedures in place to manage credit risk. During the year, the Group has continued to review its procedures and policies in this area to ensure that credit insurance is being employed more effectively and that payment terms are complied with more strictly by all clients, especially in light of the challenges faced by clients during and after the Pandemic.

Further, The Board review the cost base of the Group at every Board Meeting to ensure that all costs are proportionate with services being received and any increases from suppliers are approved at Board level. This is particularly important in view of potential interest rate rises to ensure the company has a strong liquidity position and can cope with the changing commercial and economic landscape.

THE SHORE GRP HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Operational risk

The biggest risk comes from the continuing changes associated with employment and tax legislation. During 2022, the Group continued to engage with industry leading advisors to ensure we remain compliant with any changes, and that we have provisioned accordingly to ensure financially we can address the impact of any of these changes.

Strategic risk

The continued investment in the expansion of the Group is based on forecast levels of profitability. In order to ensure that the Board's investment program can be achieved, and that the Group can become an ongoing national player in the recruitment market, maintaining profit margins and the overall level of return on investment is key. Rigorous and regular detailed forecasting is essential and is embedded in the Group's processes.

Key performance indicators

The Board use a range of financial and non-financial key performance indicators ("KPIs") to assess the performance of the Group. Each of the figures quoted below is based on continuing operations.

		2022	2021
Turnover	£'000	£72,727	£57,845
Gross profit	£'000	£7,499	£5,699
Gross profit	%	10.31%	9.80%

Technological Development

The Group continues to invest heavily in its operations CRM and invoicing systems. This is to ensure that the database is as up to date as possible and remains an effective tool in matching candidates to job vacancies. The Board also recognise the importance of compliance with all relevant legislation and ensures that the database development supports our activities in a compliant manner.

There has also been significant on-going investment in ISO certification with the group successfully renewing ISO 9001, 14001, 27001 and 450001 accreditations. This demonstrates the Board's commitment to quality and the continuing professionalisation of the business, while also allowing access to the clients PSLs not previously open to us.

In addition, the company has completed accreditation with a number of industry regulatory and certification bodies to demonstrate the highest possible levels of compliance with legislation and standards.

The board is continually looking to embrace technology as a way of improving its service to clients whilst keeping overheads under control.

THE SHORE GRP HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Going Concern

As is commonplace in the recruitment sector, the Group and Company are financed through an Confidential Invoice Finance facility and are reliant on the continuation of this source of funding. The Board are confident of ongoing facilities, either through the current provider or other interested parties in the market, and accordingly, have based their forecasting on the existing availability of current (or equivalent) banking facility.

Review of the Group's projections and cash flow forecasts form the basis of the Directors assessment of the Group's and Company's going concern status. At the year end the group had net current assets of £1,328,818 including cash at bank of £90,982.

The Directors are closely monitoring performance against cash flow projections on a rolling 13-week basis. They have also prepared a detailed plan built from monthly trading projections which run until December 2024 and are supported by a detailed cash flow forecast. These forecasts indicate that there is sufficient headroom in the invoice discount facility. The Directors continue with a range of initiatives to proactively improve the cash position of the business.

Since these forecasts support that the Group and Company will be able to meet its obligations as they fall due for the foreseeable future, the accounts have been prepared on a going concern basis.

Future Development

The leadership team continues to work on a strategy to secure stable profit growth over the next 5 years, and to ensure it becomes an innovative, inspiring, profitable and compliant leading national recruiter in the construction sector and other related sectors.

THE SHORE GRP HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Statement of director's duties to stakeholder

DIRECTOR'S DUTIES TO STAKEHOLDERS (Section 172(1) statement)

The directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole and, in doing so, to have regard (amongst other matters) to;

The likely consequences of any decision in the long term;

The interests of the Company's employees;

The need to foster the Company's business relationships with suppliers, customers and others;

The impact of the Company's operations on the community and the environment;

The desirability of the Company maintaining a reputation for high standards of business conduct; and

The need to act fairly as between members of the Company.

The Directors of the Company have sought to balance the needs of its members with the s.172 matters throughout the year, for example in the policies and practices which run through the company, ensuring that the company's reputation for high standards of conduct are maintained and in our engagement with our employees.

The Directors of the Company have a duty to promote the success of the Company, and it relies on smooth operations, and the support and joint efforts of all stakeholders. Thus, effective communication and interaction are indispensable in the Company's business operations, The Shore Group is aware of the importance of stakeholder opinions and understands and responds to relevant stakeholders and their concern.

We identified the most important stakeholders based on past stakeholder communications. We contact these stakeholders through regular/ad hoc channels to ensure comprehensive communications.

Engagement with Employees

We recognise that employees are the most valuable assets of the Company. We engage with our employees on regular basis through company emails, regular all-company briefings, staff meetings, regular one to one meetings and a detailed personal development and engagement process.

We discuss the following in these communications;

Sustainable strategies and their implementation

Welfare and employee care

Compliance and legislation changes

Current workloads, our business strategies and performance outlooks

The work environment, and Health and Safety on sites

We set up strict selection procedures and standards in place to ensure non-discrimination in our employment policy. We provide employees with comprehensive training and career development opportunities. We conduct departmental and external professional training. The Company strives to

THE SHORE GRP HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

enhance employee safety and care.

The management team holds weekly and monthly health and safety review and planning meetings. We have a comprehensive staff health and training programme and encourage employee involvement in monitoring and enhancing CSR and health & safety practices throughout the Company.

Engagement with suppliers, customers and others in a business relationship with the Company

Suppliers

The Shore Group works with its supplier base to ensure its operations can be carried out as efficiently as possible. We work with suppliers to give them maximum possible vision of our relevant operational requirements and ensure that invoices are paid in a timely manner.

Customers

The Shore Group works with its customers to ensure that we understand their requirements, and that the personnel provided are suitably skilled and qualified to meet those requirements. We aim to deliver services in line with customer expectations and contractual requirements.

Our CSR Newsletter is circulated to all stakeholders, and is freely available on our social media channels. All other policies are available on our website.

This report was approved by the board of directors on 27 September 2023 and signed on behalf of the board by:



J Hobden
Director

Registered office:
First Floor South
Haversham House
18 -22 Boundary Road
Hove
East Sussex
BN3 4EF

THE SHORE GRP HOLDINGS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements of the group for the year ended 31 December 2022.

Principal activities

The principal activity of the company is a holding company and group continued to be that of recruitment and placement staff within the construction industry.

Directors

The directors who served the company during the year were as follows:

J Hobden
L Yorke-Johnson

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report 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). 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 group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies 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 company will continue in business.

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

THE SHORE GRP HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

Auditor

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

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 27 September 2023 and signed on behalf of the board by:



J Hobden
Director

Registered office:
First Floor South
Haversham House
18 -22 Boundary Road
Hove
East Sussex
BN3 4EF

THE SHORE GRP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHORE GRP HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of The Shore Grp Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows 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 FRS 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 December 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;
- 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 auditor's 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 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 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.

THE SHORE GRP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHORE GRP HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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.
-

THE SHORE GRP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHORE GRP HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2022

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

THE SHORE GRP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHORE GRP HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2022

Auditor's responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, including review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE SHORE GRP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHORE GRP HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2022

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

THE SHORE GRP HOLDINGS LIMITED

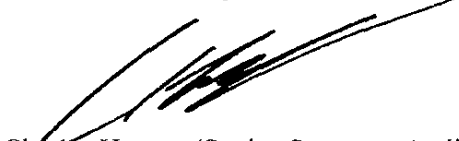
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHORE GRP HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2022

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

Use of our report

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



Charles Homan (Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young
Chartered Accountants & Statutory Auditors
168 Church Road
Hove
East Sussex
BN3 2DL

27 September 2023

THE SHORE GRP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	72,727,689	57,845,311
Cost of sales		<u>65,228,560</u>	<u>52,176,147</u>
Gross profit		7,499,129	5,669,164
Administrative expenses		6,065,657	5,444,152
Other operating income	5	<u>–</u>	<u>557,750</u>
Operating profit	6	1,433,472	782,762
Income from interests in associates	10	–	240,000
Interest payable and similar expenses	11	<u>596,512</u>	<u>241,775</u>
Profit before taxation		836,960	780,987
Tax on profit	12	<u>189,170</u>	<u>122,460</u>
Profit for the financial year and total comprehensive income		<u>647,790</u>	<u>658,527</u>
Dividends paid and payable	13	(270,000)	(370,000)
Retained earnings at the start of the year		427,043	138,516
Retained earnings at the end of the year		<u>804,833</u>	<u>427,043</u>

All the activities of the group are from continuing operations.

The notes on pages 19 to 36 form part of these financial statements.

THE SHORE GRP HOLDINGS LIMITED

COMPANY STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Profit for the financial year and total comprehensive income		382,044	233,536
Dividends paid and payable	13	(270,000)	(370,000)
Retained earnings at the start of the year		42,973	179,437
Retained earnings at the end of the year		<u>155,017</u>	<u>42,973</u>

The notes on pages 19 to 36 form part of these financial statements.

THE SHORE GRP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	378,143	202,452
Investments:	16		
Investments in associates		<u>260,162</u>	<u>260,162</u>
		638,305	462,614
 Current assets			
Debtors	17	21,372,765	16,489,339
Cash at bank and in hand		<u>90,982</u>	<u>106,262</u>
		21,463,747	16,595,601
 Creditors: amounts falling due within one year	18	<u>20,134,929</u>	<u>15,151,372</u>
Net current assets		1,328,818	1,444,229
Total assets less current liabilities		1,967,123	1,906,843
 Creditors: amounts falling due after more than one year	19	1,152,862	1,477,864
 Provisions	21	<u>8,096</u>	<u>604</u>
Net assets		<u>806,165</u>	<u>428,375</u>
 Capital and reserves			
Called up share capital	24	230	230
Capital redemption reserve	25	1,102	1,102
Profit and loss account	25	<u>804,833</u>	<u>427,043</u>
Shareholders funds		<u>806,165</u>	<u>428,375</u>

These financial statements were approved by the board of directors and authorised for issue on 27 September 2023, and are signed on behalf of the board by:



J Hobden
Director

Company registration number: 09464678

The notes on pages 19 to 36 form part of these financial statements.

THE SHORE GRP HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	165,026	168,791
Investments	16	281,522	281,525
		<u>446,548</u>	<u>450,316</u>
Current assets			
Debtors	17	20,591,329	17,597,790
Cash at bank and in hand		1,636	5,878
		<u>20,592,965</u>	<u>17,603,668</u>
Creditors: amounts falling due within one year	18	<u>19,879,111</u>	<u>16,548,854</u>
Net current assets		<u>713,854</u>	<u>1,054,814</u>
Total assets less current liabilities		<u>1,160,402</u>	<u>1,505,130</u>
Creditors: amounts falling due after more than one year	19	<u>1,004,053</u>	<u>1,460,825</u>
Net assets		<u>156,349</u>	<u>44,305</u>
Capital and reserves			
Called up share capital	24	230	230
Capital redemption reserve	25	1,102	1,102
Profit and loss account	25	155,017	42,973
Shareholders funds		<u>156,349</u>	<u>44,305</u>

The profit for the financial year of the parent company was £382,044 (2021: £233,536).

These financial statements were approved by the board of directors and authorised for issue on 27 September 2023, and are signed on behalf of the board by:



J Hobden
Director

Company registration number: 09464678

The notes on pages 19 to 36 form part of these financial statements.

THE SHORE GRP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	647,790	658,527
<i>Adjustments for:</i>		
Depreciation of tangible assets	34,848	33,097
Income from interests in associates	–	(240,000)
Interest payable and similar expenses	596,512	241,775
Tax on profit	189,170	122,460
Accrued expenses/(income)	168,887	(667,702)
<i>Changes in:</i>		
Trade and other debtors	(4,883,426)	(748,637)
Trade and other creditors	4,986,214	(977,411)
Cash generated from operations	1,739,995	(1,577,891)
Interest paid	(596,512)	(241,775)
Tax paid	(121,580)	(355,713)
Net cash from/(used in) operating activities	<u>1,021,903</u>	<u>(2,175,379)</u>
Cash flows from investing activities		
Purchase of tangible assets	(210,539)	(7,508)
Dividends received	–	240,000
Net cash (used in)/from investing activities	<u>(210,539)</u>	<u>232,492</u>
Cash flows from financing activities		
Proceeds from borrowings	(705,000)	2,350,000
Payments of finance lease liabilities	148,356	(4,206)
Dividends paid	(270,000)	(370,000)
Net cash (used in)/from financing activities	<u>(826,644)</u>	<u>1,975,794</u>
Net (decrease)/increase in cash and cash equivalents	<u>(15,280)</u>	<u>32,907</u>
Cash and cash equivalents at beginning of year	<u>106,262</u>	<u>73,355</u>
Cash and cash equivalents at end of year	<u>90,982</u>	<u>106,262</u>

The notes on pages 19 to 36 form part of these financial statements.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is First Floor South, Haversham House, 18 -22 Boundary Road, Hove, East Sussex, BN3 4EF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have made an assessment of the group's ability to continue as a going concern.

As is commonplace in the recruitment sector, the group is financed through an invoice discounting facility and is reliant on the continuation of this source of funding. The Board are confident of ongoing facilities and accordingly, have based their forecasting on the existing availability of current (or equivalent) banking facility.

Review of the group's projections and cash flow forecasts form the basis of the directors assessment of the group's going concern status. At the year end the group had net current assets of £1,328,818 including cash at bank of £90,982. The directors are closely monitoring performance against cash flow projections on a rolling 13-week basis. They have also prepared a detailed plan built from monthly trading projections which run until December 2024 and are supported by a detailed cash flow forecast. These forecasts indicate that there is sufficient headroom in the invoice discount facility. The directors continue with initiatives to proactively improve the cash position of the business.

Since these forecasts support that the group and company will be able to meet their obligations as they fall due for the foreseeable future, the accounts have been prepared on a going concern basis.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of The Shore Grp Holdings Limited, which are publicly available. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

3. Accounting policies *(continued)*

Consolidation

The financial statements consolidate the financial statements of The Shore Grp Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 20% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Short leasehold property	-	Over the lease term
Fixtures and fittings	-	25% reducing balance
Motor vehicles	-	25% straight line
Equipment	-	25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Investments in associates

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Dividends and other distributions received from the investment are recognised as income.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Recruitment services	<u>72,727,689</u>	<u>57,845,311</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

5. Other operating income

	2022	2021
	£	£
Management charges receivable	–	120,000
Other operating income - furlough income	–	242,750
Other operating income	–	195,000
	<u>–</u>	<u>557,750</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	34,847	33,097
Impairment of trade debtors	128,628	(9,433)
Operating lease charges	<u>421,399</u>	<u>391,378</u>

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>38,500</u>	<u>48,925</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>5,000</u>	<u>5,000</u>

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2022	2021
	No.	No.
Administrative staff	14	13
Directors	2	2
LLP member profit shares	7	7
Sales staff	<u>42</u>	<u>40</u>
	<u>65</u>	<u>62</u>

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	2,846,252	2,663,888
Social security costs	256,795	177,266
Other pension costs	45,494	37,424
	<u>3,148,541</u>	<u>2,878,578</u>

Included within wages and salaries are payments for LLP member profit share of £540,792 (2021: £808,727).

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	<u>17,680</u>	<u>19,050</u>

10. Income from interests in associates

	2022	2021
	£	£
Dividends from interests in associates	<u>—</u>	<u>240,000</u>

11. Interest payable and similar expenses

	2022	2021
	£	£
Interest on obligations under finance leases and hire purchase contracts	3,982	—
Invoice finance interest payable	510,397	213,163
Bank loan interest payable	82,133	28,612
	<u>596,512</u>	<u>241,775</u>

12. Tax on profit

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	181,678	125,521

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

12. Tax on profit *(continued)*

	2022 £	2021 £
Deferred tax:		
Origination and reversal of timing differences	7,492	(3,061)
Tax on profit	189,170	122,460

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	836,960	780,987
Profit on ordinary activities by rate of tax	159,022	148,388
Effect of expenses not deductible for tax purposes	30,100	18,402
Effect of capital allowances and depreciation	(7,444)	4,206
Effect of revenue exempt from tax	—	(45,600)
Utilisation of tax losses	—	125
Deferred tax	7,492	(3,061)
Tax on profit	189,170	122,460

13. Dividends

	2022 £	2021 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	270,000	370,000

14. Intangible assets

Group	Goodwill £
Cost	
At 1 January 2022 and 31 December 2022	65,699
Amortisation	
At 1 January 2022 and 31 December 2022	65,699
Carrying amount	
At 1 January 2022 and 31 December 2022	—
At 31 December 2021	—

The company has no intangible assets.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

14. Intangible assets *(continued)*

15. Tangible assets

Group	Freehold property £	Short leasehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Jan 2022	188,243	—	23,533	—	80,541	292,317
Additions	—	25,000	7,754	160,000	17,785	210,539
At 31 Dec 2022	<u>188,243</u>	<u>25,000</u>	<u>31,287</u>	<u>160,000</u>	<u>98,326</u>	<u>502,856</u>
Depreciation						
At 1 Jan 2022	19,452	—	23,459	—	46,954	89,865
Charge for the year	3,765	167	3,806	12,833	14,277	34,848
At 31 Dec 2022	<u>23,217</u>	<u>167</u>	<u>27,265</u>	<u>12,833</u>	<u>61,231</u>	<u>124,713</u>
Carrying amount						
At 31 Dec 2022	<u>165,026</u>	<u>24,833</u>	<u>4,022</u>	<u>147,167</u>	<u>37,095</u>	<u>378,143</u>
At 31 Dec 2021	<u>168,791</u>	<u>—</u>	<u>74</u>	<u>—</u>	<u>33,587</u>	<u>202,452</u>
Company						Freehold property £
Cost						
At 1 January 2022 and 31 December 2022						<u>188,243</u>
Depreciation						
At 1 January 2022						19,452
Charge for the year						<u>3,765</u>
At 31 December 2022						<u>23,217</u>
Carrying amount						
At 31 December 2022						<u>165,026</u>
At 31 December 2021						<u>168,791</u>

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

15. Tangible assets *(continued)*

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements.

Group	Motor vehicles £	Equipment £	Total £
At 31 December 2022	147,167	15,363	162,530
At 31 December 2021	—	19,484	19,484

The company has no tangible assets held under finance lease or hire purchase agreements.

16. Investments

Group	Interests in associates £	
Share of net assets/cost		
At 1 January 2022 and 31 December 2022		260,162
Impairment		—
At 1 January 2022 and 31 December 2022		—
Carrying amount		
At 1 January 2022 and 31 December 2022		260,162
At 31 December 2021		260,162
Company	Shares in group undertakings £	Shares in participating interests £
Cost		
At 1 January 2022	21,363	260,162
Disposals	(3)	—
At 31 December 2022	21,360	260,162
Impairment		
At 1 January 2022 and 31 December 2022	—	—
Carrying amount		
At 31 December 2022	21,360	260,162
At 31 December 2021	21,363	260,162

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

16. Investments *(continued)*

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows.

	Class of share	Percentage of shares held
Subsidiary undertakings		
The Shore Grp Limited	Ordinary	100
Shore Professional Services Limited	Ordinary	100
The Shore Grp Solutions Limited	Ordinary	100
The Shore Grp (Kent) Limited	Ordinary	100
The Shore Grp (London) Limited	Ordinary	100
SPR Executive Limited	Ordinary	100
Shore Grp Resources LLP	Ordinary	50
The Shore Grp (UK) LLP	Ordinary	34
The Shore Grp Recruitment LLP	Ordinary	–
Other significant holdings		
Boost Pay Limited	Ordinary	40
Boost Payroll Services Limited	Ordinary	40

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

16. Investments *(continued)*

The company does not hold any interest in The Shore Grp Recruitment LLP, but has been consolidated as the company has control over the activities this company. Consequently, the company is able to govern the financial and operating policies of The Shore Grp Recruitment LLP.

The company disposed of its investment in Shore Construction Group Limited during the year.

The company's holding in The Shore Grp (UK) LLP is an indirect holding.

Shore Grp Resources LLP and The Shore Grp (UK) LLP have been treated as subsidiaries on the grounds that the company controls the financial and operating policies of those companies with a view to gaining economic benefits from its activities.

The registered office of the subsidiary undertakings is First Floor South, Haversham House, 18-22 Boundary Road, Hove, East Sussex, BN3 4EF.

The registered office of the other significant holdings is Unit X, The Park, The Street, Walberton, Arundel, West Sussex, BN18 0PH.

The share capital and reserves of Boost Pay Ltd for its last reporting year end of 31 March 2022 was £9,319 and its profit for the year then ended was £395,651.

The share capital and reserves of Boost Payroll Services Ltd for its last reporting year end of 31 March 2022 was £161,555 (deficit) and its profit for the year then ended was £2,502.

In order for the subsidiary entities to take the audit exemption in Section 479A of the Companies Act 2006, the company has guaranteed all the outstanding liabilities of those subsidiary entities at 31 December 2022 until those liabilities are satisfied in full.

17. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	18,856,255	15,803,083	–	–
Amounts owed by group undertakings	–	–	18,280,853	15,610,068
Prepayments and accrued income	1,274,691	314,325	1	45,001
Amounts due from associated companies	883,269	–	2,144,781	1,707,493
Other debtors	358,550	371,931	165,694	235,228
	<u>21,372,765</u>	<u>16,489,339</u>	<u>20,591,329</u>	<u>17,597,790</u>

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

18. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	640,947	889,175	640,947	889,175
Trade creditors	2,018,104	805,737	—	—
Amounts owed to group undertakings	—	—	18,316,172	15,021,888
Accruals and deferred income	479,733	310,846	345,487	28,612
Corporation tax	185,671	125,573	90,741	250
Social security and other taxes	773,538	1,033,701	485,764	608,929
Obligations under finance leases and hire purchase contracts	21,336	4,750	—	—
Amounts due to associated companies	—	1,521,816	—	—
Other creditors	16,015,600	10,459,774	—	—
	<u>20,134,929</u>	<u>15,151,372</u>	<u>19,879,111</u>	<u>16,548,854</u>

Included in other creditors are advances of £15,925,558 (2021: £10,452,993) made under an invoice discounting facility and are secured on the group's assets by a debenture.

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	1,004,053	1,460,825	1,004,053	1,460,825
Obligations under finance leases and hire purchase contracts	148,809	17,039	—	—
	<u>1,152,862</u>	<u>1,477,864</u>	<u>1,004,053</u>	<u>1,460,825</u>

The bank loan is a Coronavirus Large Business Interruption Loan that is government backed. The amount is repayable by quarterly instalments within 3 years and has an interest rate range of between 2.50% and 3.5%. The bank has security over the company's freehold property in this respect.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	31,550	5,715	—	—
Later than 1 year and not later than 5 years	167,399	20,600	—	—
	198,949	26,315	—	—
Less: future finance charges	(28,804)	(4,526)	—	—
Present value of minimum lease payments	170,145	21,789	—	—

21. Provisions

Group	Deferred tax (note 22) £
At 1 January 2022	604
Additions	7,492
At 31 December 2022	8,096

The company does not have any provisions.

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in provisions (note 21)	8,096	604	—	—

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	8,096	604	—	—

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £45,494 (2021: £37,424).

24. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>230</u>	<u>230</u>	<u>230</u>	<u>230</u>

25. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

26. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	106,262	(15,280)	90,982
Debt due within one year	(893,925)	231,642	(662,283)
Debt due after one year	<u>(1,477,864)</u>	<u>325,002</u>	<u>(1,152,862)</u>
	<u>(2,265,527)</u>	<u>541,364</u>	<u>(1,724,163)</u>

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	213,352	129,638	—	—
Later than 1 year and not later than 5 years	<u>183,678</u>	<u>157,741</u>	<u>—</u>	<u>—</u>
	<u>397,030</u>	<u>287,379</u>	<u>—</u>	<u>—</u>

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

28. Contingencies

In order for the subsidiary entities The Shore Grp Limited, Shore Professional Services Limited, The Shore Grp Solutions Limited, The Shore Grp (Kent) Limited, The Shore Grp (London) Limited, SPR Executive Limited, Shore Grp Resources LLP, The Shore Grp (UK) LLP and The Shore Grp Recruitment LLP to take the audit exemption in Section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of those subsidiary entities at 31 December 2022 until those liabilities are satisfied in full.

29. Related party transactions

Group

At 31 December 2022, debtors included amounts due from associated companies amounting to £883,269 (2021: £1,521,816 creditor). These amounts are interest free, unsecured and repayable on demand.

During the year, the group had the following transactions with associated companies:

	2022	2021
	£	£
Management charge receivable	–	120,000
Fees charged to the group for services rendered	48,220,455	41,866,750

Company

At 31 December 2022, creditors, amounts falling due within one year, included amounts owed to group undertakings, which are not wholly owned within the group, amounting to £1,327,515 (2021: £1,327,455), in respect of loans. The loans are interest free, unsecured and repayable on demand.

At 31 December 2022, debtors included amounts owed by group undertakings, which are not wholly owned within the group, amounting to £6,932,639 (2021: £6,022,935) in respect of loans. The loans are interest free, unsecured and repayable on demand.

At 31 December 2022, debtors included amounts due from associated companies amounting to £2,144,781 (2021: £1,707,493). These amounts are interest free, unsecured and repayable on demand.

During the year, dividends totalling £270,000 (2021: £370,000) were paid to the company's shareholders.

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the group.

THE SHORE GRP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2022

30. Controlling party

The company and group are not under the control of anyone individual.