



BERRY RECRUITMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



BERRY RECRUITMENT LIMITED

COMPANY INFORMATION

Directors	A G Berry S Berry C Chown S Folds L Gamble I Haddock I Langley D McCall M Sarson M Stewart
Company secretary	D McCall
Registered number	07036111
Registered office	Porters House 4 Porters Wood St Albans Hertfordshire AL3 6PQ
Independent auditors	HB Accountants Chartered Accountants Plumpton House Plumpton Road Hoddesdon Hertfordshire EN11 0LB

BERRY RECRUITMENT LIMITED

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BERRY RECRUITMENT LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The directors present the strategic report and financial statements for the year ended 31 December 2021.

Business review

The Company's principal activity is that of an employment business. The Company concentrates on seven specialist sectors which are Industrial, Commercial, Driving, Construction, Catering, Technical and Rail.

The Company offers its client the best of both worlds. We are a privately owned company that offers a flexible and local service and treats its customer with total respect. At the same time, the size of our branch network and financial strength allows us to provide an enhanced service offering to our customers.

In line with the wider UK economy, the contraction in revenue at the start of the COVID-19 crisis was significant and unprecedented. The Company immediately explored business development opportunities in sectors that continued to perform well, providing key workers to clients working across critical services. Decisive action was also taken to reduce overheads and manage cash flow.

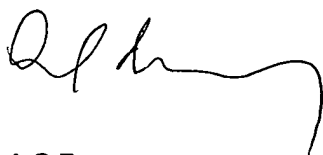
Despite the extended winter lockdown at the start of 2021, The Company has since undergone a significant recovery. As well as continuing to develop opportunities arising during the pandemic, the Company also welcomed back loyal customers forced to temporarily shut down. In the year to December 2021, the Company achieved a turnover of £55.8m, an increase of 12% on 2020 (£49.7m). The operating profit of £1,357,000 represented an increase of 79% on the previous year (£759,000)

Working capital remained well managed with debtor days of 38.2 (2020: 40.4) and £991,000 of cash included on the balance sheet.

The Company is part of the Berry Recruitment Group of companies. The group offers bespoke solutions including our Onsite Managed Services. Delivery of service to the highest standard underpins everything we do. The group achieved an EBITDA of £2.27m and increase of 49% on 2020 (£1.52m).

The group is backed by experienced industry figures including Tony Berry (former Chairman of Blue Arrow and Manpower) and Ian Langley (Chairman of infrastructure recruitment specialist, Airswift Holdings).

This report was approved by the board on 11 March 2022 and signed on its behalf.



A G Berry
Director

BERRY RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1,060,955 (2020 - £478,095).

Ordinary dividends of £508,592 were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

A G Berry
S Berry
C Chown
S Folds
L Gamble
I Haddock
I Langley
D McCall
M Sarson
M Stewart

BERRY RECRUITMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Future developments

The Company expects continued growth in 2022 both organically and through targeted acquisitions. The Company will continue to maximise profitability through ongoing market segmentation, a disciplined pricing strategy, improved consultant productivity, increased use of technology and control of operating costs.

The longer term implications of the pandemic and Brexit, including the impact on the UK labour market are expected to remain the biggest area of risk to the company and our sector for the foreseeable future. The emerging conflict in Ukraine and the potential impact on the global and UK economy is also of significant concern and the directors will continue to monitor the situation very closely.

The board of directors firmly believe the strong governance and financial management of the Company during the previous challenging two years, place us in a strong position to manage these potential risks.

Disclosure of information to auditors

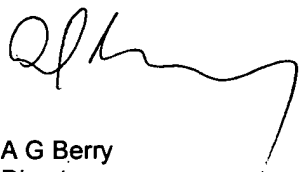
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditors

The auditors, HB Accountants, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 March 2022 and signed on its behalf.



A G Berry
Director

BERRY RECRUITMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRY RECRUITMENT LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

BERRY RECRUITMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRY RECRUITMENT LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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, 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 Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BERRY RECRUITMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRY RECRUITMENT LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that 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. We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included:

- Evaluation of the design of management's controls designed to prevent and detect irregularities.
- Testing unusual or unexpected journal entries, particularly those impacting revenue.
- Challenging assumptions and judgements made by management in respect of significant accounting estimates.

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

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

Use of our report

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

BERRY RECRUITMENT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BERRY RECRUITMENT LIMITED
(CONTINUED)**



Karen Chase (Senior Statutory Auditor)

for and on behalf of

HB Accountants

Chartered Accountants

Plumpton House
Plumpton Road
Hoddesdon
Hertfordshire
EN11 0LB

25 March 2022

BERRY RECRUITMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	3	55,837,954	49,726,737
Cost of sales		(46,301,087)	(41,310,965)
Gross profit		9,536,867	8,415,772
Administrative expenses		(8,804,113)	(8,113,905)
Other operating income	4	624,132	457,379
Operating profit	5	1,356,886	759,246
Interest receivable and similar income	9	-	505
Interest payable and similar expenses	10	(100,879)	(111,572)
Profit before tax		1,256,007	648,179
Tax on profit	11	(195,052)	(170,084)
Profit for the financial year		1,060,955	478,095
Other comprehensive income for the year			
Total comprehensive income for the year		1,060,955	478,095

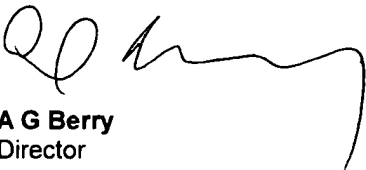
The notes on pages 12 to 29 form part of these financial statements.

BERRY RECRUITMENT LIMITED
REGISTERED NUMBER: 07036111

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	149,005	243,112
Tangible assets	14	748,080	419,838
Investments	15	7,136,760	7,136,760
		<u>8,033,845</u>	<u>7,799,710</u>
Current assets			
Debtors	16	9,479,938	12,479,002
Cash at bank and in hand	17	990,981	1,904,717
		<u>10,470,919</u>	<u>14,383,719</u>
Creditors: amounts falling due within one year	18	<u>(14,713,664)</u>	<u>(18,877,410)</u>
Net current liabilities		<u>(4,242,745)</u>	<u>(4,493,691)</u>
Total assets less current liabilities		<u>3,791,100</u>	<u>3,306,019</u>
Creditors: amounts falling due after more than one year	19	(100,665)	(165,008)
Provisions for liabilities			
Other provisions	22	(173,504)	(176,443)
		<u>(173,504)</u>	<u>(176,443)</u>
Net assets		<u>3,516,931</u>	<u>2,964,568</u>
Capital and reserves			
Called up share capital	23	63,574	63,574
Share premium account		183,926	183,926
Profit and loss account		3,269,431	2,717,068
		<u>3,516,931</u>	<u>2,964,568</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 March 2022.


A G Berry
 Director

The notes on pages 12 to 29 form part of these financial statements.

BERRY RECRUITMENT LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	63,574	183,926	2,717,068	2,964,568
Comprehensive income for the year				
Profit for the year	-	-	1,060,955	1,060,955
	<hr/>	<hr/>	<hr/>	<hr/>
Dividends: Equity capital	-	-	(508,592)	(508,592)
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	(508,592)	(508,592)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	63,574	183,926	3,269,431	3,516,931

The notes on pages 12 to 29 form part of these financial statements.

BERRY RECRUITMENT LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	63,574	183,926	2,747,565	2,995,065
Comprehensive income for the year				
Profit for the year	-	-	478,095	478,095
Dividends: Equity capital	-	-	(508,592)	(508,592)
Total transactions with owners	-	-	(508,592)	(508,592)
At 31 December 2020	63,574	183,926	2,717,068	2,964,568

The notes on pages 12 to 29 form part of these financial statements.

BERRY RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Berry Recruitment Limited is a private company limited by shares incorporated in England and Wales. The registered office is Porters House, 4 Porters Wood, St Albans, Hertfordshire, AL3 6PQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

Trading conditions during 2021 continued to be challenging as a result of the COVID-19 pandemic. As set out within the Strategic Report, the directors took a number of mitigations which enabled the business to experience significant growth in profitability.

Notwithstanding the ongoing risks as set out in the Directors Report, the directors are confident the actions taken in the last two years together with the strategic objectives for 2022 and beyond will result in continued EBITDA growth. Results to date in 2022 are ahead of budget.

The Company is part of the wider Berry Recruitment Group. The Group continually forecasts and projects its financial position, results and cash flow. Based on these forecasts the Group will remain comfortably within its banking facilities for the next 12 months. The Group have provided undertakings that it will support the Company for a period of at least 12 months from the approval of these financial statement.

The directors therefore have a reasonable expectation that the Company has adequate resources to continue trading for the foreseeable future. Accordingly, The Company has continued to adopt the going concern basis of accounting in preparing the financial statements.

BERRY RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Transactions and balances

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

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

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

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

2.4 Revenue

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

Rendering of services

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

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

BERRY RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

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

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2020 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Research and development costs

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2.7 Government grants

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

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest income

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

2.9 Finance costs

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

2.10 Borrowing costs

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

BERRY RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

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

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

2.12 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.13 Intangible assets

Goodwill

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

Other intangible assets

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

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

2.14 Tangible fixed assets

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

BERRY RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20%	Or over the length of the lease.
Fixtures and fittings	-	10%	
Computer equipment	-	25%	

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

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

Computer equipment in progress is not currently being depreciated. Depreciation will commence when the asset has been completed.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.16 Debtors

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

2.17 Cash and cash equivalents

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

2.18 Creditors

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

BERRY RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.19 Provisions for liabilities

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

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

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

2.20 Financial Instruments

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

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

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when

BERRY RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.20 Financial instruments (continued)

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.21 Dividends

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

2.22 Cash Flow Statement

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company which holds 100% of the company's share capital, publishes consolidated accounts.

3. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Temporary Sales	55,180,308	49,223,829
Permanent Sales	657,646	502,908
	<u>55,837,954</u>	<u>49,726,737</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	55,607,153	49,475,580
Rest of Europe	230,801	251,157
	<u>55,837,954</u>	<u>49,726,737</u>

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Other operating income

	2021 £	2020 £
Management Fees Received	486,000	-
Government grants receivable	138,132	457,379
	<u>624,132</u>	<u>457,379</u>

The Company received Coronavirus Job Retention Scheme (CJRS) grants totalling £114,132 (2020:£232,379) during the year. £17,694 (2020:£200,753) of the grants are in respect of employees of the Group placed on furlough. An expense for the same amount has been recognised within administrative expenses. A further £96,438 (2020: £31,626) was received in respect of temporary workers unable to work on assignments at clients as a result of the pandemic. A cost for the same amount has been recognised within cost of sales. No revenue has been generated in respect of these costs. In addition the company received £24,000 of grants relating to the Kickstart scheme. In 2020 the company received £225,000 of local authority grants as a result of the COVID-19 pandemic.

5. Operating profit

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

	2021 £	2020 £
Exchange differences	596	245
Operating lease rentals	513,893	618,587
Fees payable to the company's auditor for the audit of the company's financial statements	27,500	27,500
Depreciation of owned tangible fixed assets	119,199	618,587
Amortisation of intangible assets	94,108	94,108

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements.	27,500	27,500

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employees

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

	2021 £	2020 £
Wages and salaries	5,239,491	4,741,591
Social security costs	576,026	488,069
Cost of defined contribution scheme	103,409	101,981
	<u>5,918,926</u>	<u>5,331,641</u>

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

	2021 No.	2020 No.
Directors	9	9
Finance	15	17
Admin	6	8
Operations	83	82
	<u>113</u>	<u>116</u>

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	618,672	608,745
Company contributions to defined contribution pension schemes	29,556	24,851
	<u>648,228</u>	<u>633,596</u>

The highest paid director received remuneration of £127,249 (2020 - £110,906).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,791 (2020 - £7,656).

In addition the directors received other benefits totalling £61,628 during the year (2020 £45,753).
The highest paid directors received other benefits totalling £545 during the year (2020 £10,892).

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Interest receivable

	2021 £	2020 £
Other interest receivable	-	505
	<u>-</u>	<u>505</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Other loan interest payable	10,807	12,170
Interest on Invoice financing arrangements	90,072	99,402
	<u>100,879</u>	<u>111,572</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	195,052	170,084
	<u>195,052</u>	<u>170,084</u>
Total current tax	<u>195,052</u>	<u>170,084</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>195,052</u>	<u>170,084</u>

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>1,256,007</u>	<u>648,179</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	238,641	123,154
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	17,880	17,880
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,494	15,246
Depreciation for year in excess of capital allowances	(69,963)	13,804
Total tax charge for the year	<u>195,052</u>	<u>170,084</u>

12. Dividends

	2021 £	2020 £
Dividends Paid	508,592	508,592
	<u>508,592</u>	<u>508,592</u>

BERRY RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Intangible assets

	Goodwill £
Cost	
At 1 January 2021	3,779,307
Additions	1
At 31 December 2021	<u>3,779,308</u>
Amortisation	
At 1 January 2021	3,536,195
Charge for the year on owned assets	94,108
At 31 December 2021	<u>3,630,303</u>
Net book value	
At 31 December 2021	<u>149,005</u>
<i>At 31 December 2020</i>	<u>243,112</u>

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Computer Equipment in progress £	Total £
Cost or valuation					
At 1 January 2021	327,220	253,812	709,919	-	1,290,951
Additions	65,654	23,204	74,710	286,247	449,815
Disposals	(9,089)	(40,051)	(12,648)	-	(61,788)
At 31 December 2021	383,785	236,965	771,981	286,247	1,678,978
Depreciation					
At 1 January 2021	82,269	209,506	579,338	-	871,113
Charge for the year on owned assets	25,169	23,856	70,174	-	119,199
Disposals	(9,053)	(37,713)	(12,648)	-	(59,414)
At 31 December 2021	98,385	195,649	636,864	-	930,898
Net book value					
At 31 December 2021	285,400	41,316	135,117	286,247	748,080
At 31 December 2020	244,951	44,306	130,581	-	419,838

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	7,136,760
At 31 December 2021	7,136,760

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Amanda Smith Recruitment Ltd	England	Dormant	Ordinary	100%
Bushley Limited	England	Dormant	Ordinary	100%
London Recruitment Services Ltd	England	Dormant	Ordinary	100%
Mainline Resourcing Limited	England	Dormant	Ordinary	100%
Wild Recruitment Limited	England	Employment Agency	Ordinary	100%
Joy Recruitment Limited	England	Dormant	Ordinary	100%
London Staff Bureau Limited	England	Dormant	Ordinary	100%
Winward Holdings Limited	England	Dormant	Ordinary	100%

16. Debtors

	2021 £	2020 £
Trade debtors	7,304,038	10,615,745
Amounts owed by group undertakings	1,809,616	1,541,257
Other debtors	49,071	42,162
Prepayments and accrued income	317,213	232,025
Grants receivable	-	47,813
	9,479,938	12,479,002

17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	990,981	1,904,717
	990,981	1,904,717

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Invoice Discounting	6,757,250	9,429,159
Bank loans	18,256	18,256
Trade creditors	793,299	1,306,914
Amounts owed to group undertakings	4,010,138	3,341,442
Corporation tax	69,823	174,090
Other taxation and social security	1,154,033	2,194,162
Other creditors	1,168,211	1,775,568
Accruals and deferred income	742,654	637,819
	<u>14,713,664</u>	<u>18,877,410</u>

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

	2021 £	2020 £
Bank loans	100,665	115,008
Other creditors	-	50,000
	<u>100,665</u>	<u>165,008</u>

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	18,256	18,256
Invoice Discounting	6,757,250	9,429,159
	<u>6,775,506</u>	<u>9,447,415</u>
Amounts falling due 1-2 years		
Bank loans	100,665	115,008
	<u>100,665</u>	<u>115,008</u>
	<u>6,876,171</u>	<u>9,562,423</u>

The invoice discounting is secured by fixed charge over the book debts. The loans are secured by way of a fixed charge over a long leasehold property and a debenture over all assets of the company.

21. Financial instruments

	2021 £	2020 £
Financial assets		
Debt Instruments measured at amortised cost	9,225,725	12,199,164
Carrying amount of financial liabilities		
Measured at amortised cost	13,653,473	16,674,166

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Provisions

	Dilapidations £
At 1 January 2021	176,443
Charged to profit or loss	(2,939)
At 31 December 2021	173,504

The dilapidations provision represents the future obligation to return leased premises to their original condition.

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
63,574 (2020 - 63,574) Ordinary shares of £1.00 each	63,574	63,574

24. Share Premium account

	2021 £	2020 £
At beginning and end of year	183,926	183,926
	183,926	183,926

25. Commitments under operating leases

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

	2021 £	2020 £
Not later than 1 year	300,298	426,974
Later than 1 year and not later than 5 years	182,216	490,260
Later than 5 years	-	30,830
	482,514	948,064

BERRY RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. Ultimate parent undertaking and controlling party.

The ultimate parent undertaking is Berry Recruitment Group Limited, a company incorporated in the United Kingdom, which is the smallest and largest group to consolidate these financial statements.

Copies of the financial statements of Berry Recruitment Group Limited can be obtained from:

The Company Secretary, Porters House, 4 Porters Wood, St Albans, Hertfordshire, AL3 6PQ