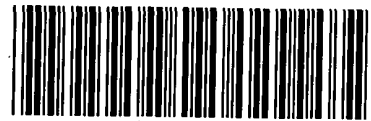


**HARRIS WILLIAMS & CO. LTD**

**Strategic Report, Directors' Report  
and  
Financial Statements**

**31st December 2021**

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**Harris Williams & Co. Ltd**

**COMPANY INFORMATION**

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**Directors:** T C Monjauxe  
P T Poggi  
E I Arkus

**Secretary:** TMF Corporate Administration Services Limited

**Registered Office:** 8th Floor  
20 Farringdon Street  
London  
EC4A 4AB

**Auditors:** The HHC Partnership Ltd  
Suite 2  
9 West End  
Kensington  
Sevenoaks  
Kent  
TN15 6PX

**Bankers:** Lloyds Bank  
25 Gresham Street  
London  
EC2V 7HN

**Company Number:** 07078852

Harris Williams & Co. Ltd  
STRATEGIC REPORT  
FOR THE YEAR ENDED 31ST DECEMBER 2021

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The directors present their strategic report for the year ended 31st December 2021.

Harris Williams & Co. Ltd (the "Company") is a wholly owned subsidiary of Harris Williams LLC. (the "Parent"), an investment banking firm based in the United States of America. The Company's principal office is located in London, England. The Company primarily serves as a sell-side advisor to middle market companies and also provides acquisition advisory, restructuring advisory, board advisory, private placements, and capital markets advisory services.

In 2021, the Company closed 12 transactions, representing approximately \$20.62 million in revenue. This is an increase in revenue of nearly \$4.48 million from 2020. The prime reason for this is that between March and September 2020 COVID-19 had a substantially negative impact on the global mergers and acquisitions market. The pandemic created business uncertainty, which caused market participants to pause mergers and acquisition processes until more confidence and visibility rebounded in business performance. From September 2020, merger and acquisition volumes and the Company's business performance regained traction as more clarity surfaced around the impact of the pandemic.

The Company is focused on long-term growth and sustainability. The directors consider that it has sufficient funds to support its on-going operations for the foreseeable future. However, it will continue to receive financial support from the Parent to fund operations should this become necessary.

The Company has experience serving clients in a variety of industries and has concentrated experience in the technology and consumer industries in London. The company is also initiating healthcare industry coverage beginning in 2022. Employees of the Company also serve on engagement teams based in the United States of America when their expertise is beneficial to a particular engagement.

The Company is exposed to certain business risks in each location including macro-economic trends, availability of credit to potential buyers, foreign currency fluctuations, and regulatory and political environments. The Company actively monitors these risks and makes adjustments to the business model and structure accordingly.

By Order of the Board



P T POGGI  
Director

6th April 2022

**Harris Williams & Co. Ltd**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2021**

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The directors present their annual report and the audited financial statements of Harris Williams & Co. Ltd, (the Company) for the year ended 31st December 2021.

**Dividends**

The directors do not recommend the payment of a dividend for the year.

**Directors**

The directors of the Company are shown on page 3. They served throughout the year under review, unless otherwise stated.

**Directors' responsibilities**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

United Kingdom company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit and loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records that are sufficient to support the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts 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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. It is important to bear in mind that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Post Balance Sheet events**

No post balance sheet events have occurred since 31st December 2021 which require reporting or disclosing in the accounts.

Harris Williams & Co. Ltd  
REPORT OF THE DIRECTORS - Continued  
FOR THE YEAR ENDED 31ST DECEMBER 2021

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**Statement of disclosure of information to auditors**

The directors of the Company who held office at the date of approval of this Annual Report each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of all that information.

**Auditors**

The HHC Partnership Ltd have indicated their willingness to continue in office and are deemed to be re-appointed under section 487(2), Companies Act 2006.

By Order of the Board



P T POGGI  
Director

6th April 2022

**Harris Williams & Co. Ltd**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**HARRIS WILLIAMS & CO. LTD**

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**Opinion**

We have audited the financial statements of Harris Williams & Co. Ltd for the year ended 31st December 2021, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, and notes to the financial statements, which include 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 101 "Reduced Disclosure Framework", a 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 31st 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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**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 entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The 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 the 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.

**Harris Williams & Co. Ltd**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**HARRIS WILLIAMS & CO. LTD**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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, save where expressly agreed by our prior consent in writing.



**ALAN COPLESTON (Senior Statutory Auditor)**  
For and on behalf of THE HHC PARTNERSHIP LTD

9 West End  
Kemsing  
Sevenoaks  
Kent  
TN15 6PX

**CHARTERED ACCOUNTANTS  
AND STATUTORY AUDITORS**

6th April 2022



**Harris Williams & Co. Ltd**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2021**

|  | Notes | 2021<br>\$   | 2020<br>\$   |
|--|-------|--------------|--------------|
| TURNOVER   | 4     | 20,615,896   | 16,137,742   |
| Cost of Sales  |       | (490,310)    | (664,638)    |
| GROSS PROFIT   |       | 20,125,586   | 15,473,104   |
| Administrative expenses  |       | (16,458,759) | (10,694,734) |
| Operating profit   |       | 3,666,827    | 4,778,370    |
| Interest payable and other similar finance costs                       |       | (138,944)    | (145,467)    |
| PROFIT BEFORE TAXATION   | 5     | 3,527,883    | 4,632,903    |
| Taxation   | 8     | -            | 856,937      |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND<br>TOTAL COMPREHENSIVE INCOME |       | \$3,527,883  | \$5,489,840  |

The notes on pages 12 to 24 form an integral part of these financial statements.

**Harris Williams & Co. Ltd**  
**STATEMENT OF CHANGES IN EQUITY**  
**AT 31ST DECEMBER 2021**

|                               | Notes | Share<br>Capital | Capital<br>Contribution<br>Reserve | Retained<br>Earnings | Total |
|-------------------------------|-------|------------------|------------------------------------|----------------------|-------|
|                               |       | \$               | \$                                 | \$                   | \$    |
| Balance at 1st January 2021   | 16    | 35,300,000       | (23,280,866)                       | 12,019,150           |       |
| Total profit for the year     | -     | -                | 3,527,883                          | 3,527,883            |       |
|                               | 16    | 35,300,000       | (19,752,983)                       | 15,547,033           |       |
| Balance at 31st December 2021 | \$16  | \$35,300,000     | \$(19,752,983)                     | \$15,547,033         |       |
| Balance at 1st January 2020   | 16    | 35,300,000       | (28,770,706)                       | 6,529,310            |       |
| Total profit for the year     | -     | -                | 5,489,840                          | 5,489,840            |       |
|                               | 16    | 35,300,000       | (23,280,866)                       | 12,019,150           |       |
| Balance at 31st December 2020 | \$16  | \$35,300,000     | \$(23,280,866)                     | \$12,019,150         |       |

The notes on pages 12 to 24 form an integral part of these financial statements.

**Harris Williams & Co. Ltd**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31ST DECEMBER 2021**

|  | Notes | \$                | 2021<br>\$          | \$                | 2020<br>\$          |
|--|-------|-------------------|---------------------|-------------------|---------------------|
| <b>FIXED ASSETS</b>                          |       |                   |                     |                   |                     |
| Tangible Fixed Assets                        | 9     |                   | 2,345,535           |                   | 2,464,276           |
| Right of Use Assets                          | 10    |                   | 4,919,983           |                   | 5,614,403           |
|  |       |                   | <u>7,265,518</u>    |                   | <u>8,078,679</u>    |
| <b>CURRENT ASSETS</b>                        |       |                   |                     |                   |                     |
| Trade and other receivables                  | 11    | 947,684           |                     | 1,037,891         |                     |
| Bank and cash balances and equivalents       |       | 19,597,723        |                     | 15,711,134        |                     |
|  |       | <u>20,545,407</u> |                     | <u>16,749,025</u> |                     |
| <b>CREDITORS</b>                             |       |                   |                     |                   |                     |
| Amounts falling due within one year          | 12    | (5,607,527)       |                     | (5,988,290)       |                     |
| <b>NET CURRENT ASSETS</b>                    |       |                   | 14,937,880          |                   | 10,760,735          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                   | <u>22,203,398</u>   |                   | <u>18,839,414</u>   |
| <b>CREDITORS</b>                             |       |                   |                     |                   |                     |
| Amounts falling due after more than one year | 12    |                   | (6,656,365)         |                   | (6,820,264)         |
| <b>NET ASSETS</b>                            |       |                   | <u>\$15,547,033</u> |                   | <u>\$12,019,150</u> |
| <b>EQUITY</b>                                |       |                   |                     |                   |                     |
| Called up equity share capital               | 14    |                   | 16                  |                   | 16                  |
| Capital contribution reserve                 | 15    |                   | 35,300,000          |                   | 35,300,000          |
| Retained earnings                            |       |                   | (19,752,983)        |                   | (23,280,866)        |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>             |       |                   | <u>\$15,547,033</u> |                   | <u>\$12,019,150</u> |

The financial statements were approved and authorised for issue by the Board of Directors on 6th April 2022 and were signed on its behalf by:

  
**P T POGGI**  
 Director

**HARRIS WILLIAMS & CO. LTD**  
 Company registration number 07078852 (England and Wales)

The notes on pages 12 to 24 form an integral part of these financial statements.

**Harris Williams & Co. Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**1. General Information**

Harris Williams & Co. Ltd (the "Company") is a wholly owned subsidiary of Harris Williams LLC (the "Parent"), an investment banking firm based in the United States of America. The Company's principal office is located at 25 Savile Row, London, W1S 2ER. The Company primarily serves as a sell-side advisor to middle market companies and also provides acquisition advisory, restructuring advisory, board advisory, private placements, and capital markets advisory services.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The registered office is at 8th Floor, 20 Farringdon Street, London, EC4A 4AB.

**2. Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated:

a) Statement of Compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

These financial statements are separate financial statements.

b) Basis of Preparation

The financial statements have been prepared under the historical cost convention.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. The Company reports under FRS 101 as the group of which it is a member reports under International Financial Reporting Standards (IFRS). The Company considers that using FRS 101 is more consistent with the requirements of IFRS and therefore more closely aligns it with other companies in the group.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements as permitted by FRS 101:

- business combinations
- fair value measurements
- capital management
- presentation of comparative information in respect of certain items
- presentation of a cash flow statement
- impairment of assets
- related party transactions

2. Significant Accounting Policies - continued

c) Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report of the directors on page 4. The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future.

The directors, having assessed the responses of the directors of the parent company, Harris Williams LLC, to their enquiries have no reason to believe that a material uncertainty exists that may cast any significant doubt about the ability of the Harris Williams group to continue as a going concern or its ability to continue to provide any financial support that the Company may require

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the parent company, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

d) New Standards, Amendments and IFRIC Interpretations

There are no new accounting standards, amendments to accounting standards or IFRIC interpretations effective for the year ended 31st December 2021 that have a material effect on the Company's financial statements.

e) Presentation Currency

The financial statements have been prepared and are presented in US Dollars. This is consistent with previous years.

The principal operational currencies the Company uses are pounds sterling and the euro. However, the US dollar is the currency used for financial presentation by all companies within the group of which Harris Williams & Co. Ltd is a member.

f) Revenue Recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for the value of fees and commissions in respect of services provided, stated net of discounts and of Value Added Tax. The Company recognises revenue when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when specific criteria relating to performance obligations have been satisfied as applicable to the relevant activity.

When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes in effect a financing transaction, the fair value of the consideration is measured as the present value of all future receipts determined using an imputed rate of interest, normally the rate that discounts the nominal value of consideration to the cash sales price.

g) Tangible Fixed Assets

Leasehold improvements arising in respect of premises held on short-term leases are held at cost less accumulated amortisation. The directors consider that this reflects the fair value of those assets.

All furniture and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount as appropriate, but only when the cost can be measured reliably and when it is probable that future economic benefits associated to the expenditure will flow to the company. All other repairs and maintenance are charged as an expense during the financial period in which they are incurred.

Harris Williams & Co. Ltd  
NOTES TO THE FINANCIAL STATEMENTS - continued

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2. Significant Accounting Policies - continued

g) Tangible Fixed Assets - continued

Depreciation is calculated so as to write off the cost or valuation of assets in equal annual instalments over their estimated useful lives as follows:

|                           |                              |
|---------------------------|------------------------------|
| Leasehold improvements    | Over the period of the lease |
| Furniture and fittings    | Over 7 years                 |
| Computers                 | Over 3 years                 |
| Other computer equipment  | Over 7 years                 |
| Data processing equipment | Over 5 years                 |
| Servers                   | Over 3 years                 |
| Software                  | Over 5 years                 |

On disposal any difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the Income statement and included in other income.

h) Financial Assets

The Company only enters into basic financial asset transactions like trade and other accounts receivable and payable, and loans to and from related entities. Debt instruments payable or receivable within one year, typically trade payables or receivables, are measured at the undiscounted value 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 receivable deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other receivables are amounts due from clients for services performed in the ordinary course of business. Trade receivables are recognised initially at the unconditional consideration amount, unless they contain significant financing components. Trade receivables are held with the objective of collecting the contractual cash flows

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the end of the reporting period.

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 any such impairment is found, an impairment loss is recognised in the profit or loss. 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 the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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

i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits available on demand and other short-term highly liquid investment that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

2. Significant Accounting Policies - continued

j) Impairment of Non-Financial Assets

At each reporting date non-financial assets not carried at fair value, such as plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and the fair value less cost to sell, is estimated and compared with its carrying value. If the recoverable amount is lower, the carrying value of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying value of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

k) Leases

The company has adopted IFRS 16, Leases. All leases are recognised as a right of use asset with a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any incentives available;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Any amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option, if the company is reasonably certain to exercise that option; and
- Penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, the incremental borrowing rate is used, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments, less lease incentives received, made at or before the commencement of the lease;
- Any initial direct costs or estimated restoration costs.

2. Significant Accounting Policies - continued

k) Leases - continued

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise computer equipment and small items of office furniture.

Information about critical accounting estimates and judgements in the application of lease accounting is disclosed in note 3.

l) Borrowing Costs

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

m) Taxation

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in the same statement.

Current tax is the amount of UK corporation tax payable in respect of the taxable profit for the year or prior years. Tax provisions are established by management where appropriate, on the basis of amounts likely to be payable to the UK tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total profits or losses as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

The policy of the group of which the Company is a member is that losses when arising are surrendered where possible to other eligible group companies and that these tax surrenders are paid for. Therefore full provision is made for tax assets arising on losses that are surrendered and this is treated as a current asset.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and which are expected to apply to the reversal of the timing differences.

n) Pension Contributions

The Company administers a group stakeholder pension plan for its employees. This is a defined contribution plan which is a separate entity. The Company makes contributions to this plan for certain employees and these are charged as an employee benefit expense to the profit and loss account in the period when they fall due.

The Company has no legal or constructive obligations to pay further contributions if the pension plan fund does not hold sufficient assets to pay all qualifying employees the benefits relating to employee service in the current and prior periods.



Harris Williams & Co. Ltd  
NOTES TO THE FINANCIAL STATEMENTS - continued

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2. Significant Accounting Policies - continued

a) Foreign Currencies

Monetary assets and liabilities expressed in foreign currencies are translated into US dollars at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Normal fluctuations on trading items are dealt with as part of the profit or loss for the period in which they occur and recognised in the Income Statement as part of the income or expense.

3. Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with FRS 101 requires management to make significant judgements and critical accounting estimates. No significant judgements were required in preparing these financial statements. However, the directors have made assumptions in relation to certain accounting estimates. These include calculations of:

- a) accruals for staff and management performance bonuses, which form a significant part of total employee costs.
- b) Taxation provisions and assets
- c) Depreciation of tangible fixed assets

4. Turnover

Turnover is wholly attributable to fees and commissions arising from the principal activity of the Company, which is the sale of services.

Analysed geographically it arose as follows:

|                        | 2021<br>\$          | 2020<br>\$          |
|------------------------|---------------------|---------------------|
| United Kingdom         | 8,619,986           | 13,110,282          |
| Other EU member states | 4,025,650           | 1,208,705           |
| United States          | 6,442,005           | -                   |
| Rest of the World      | 1,528,255           | 1,818,755           |
|                        | <u>\$20,615,896</u> | <u>\$16,137,742</u> |

5. Profit/(Loss) on Ordinary Activities Before Taxation

|   | 2021<br>\$ | 2020<br>\$ |
|---|------------|------------|
| This is stated after charging/(crediting):    |            |            |
| Directors' remuneration (see note 7)          | 3,602,440  | 3,806,494  |
| Auditor's remuneration:                       |            |            |
| Audit of these financial statements           | 22,848     | 21,901     |
| Tax compliance services                       | -          | 6,435      |
| Tax advisory services                         | 4,644      | 2,776      |
| Lease expenses, including right of use assets | 801,343    | 747,448    |
| Depreciation charge on owned assets           | 263,377    | 104,641    |
| Foreign exchange gains and losses             | 726,373    | (34,341)   |

6. Employee Information

The average number of persons employed by the company during the year was:

| By activity: | No.       | No.       |
|--------------|-----------|-----------|
| Analysts     | 5         | 5         |
| Associates   | 4         | 3         |
| Support      | 5         | 4         |
| Management   | 8         | 9         |
|              | <u>22</u> | <u>21</u> |

|                               |                     |                    |
|-------------------------------|---------------------|--------------------|
| Their total remuneration was: | \$                  | \$                 |
| Wages and salaries            | 11,155,999          | 8,349,810          |
| Social security costs         | 1,411,077           | 260,184            |
| Pension plan expense          | 330,507             | 265,714            |
|                               | <u>\$12,897,583</u> | <u>\$8,875,708</u> |

Harris Williams & Co. Ltd  
NOTES TO THE FINANCIAL STATEMENTS - continued

7. **Directors' Remuneration**

|                       | 2021<br>\$         | 2020<br>\$         |
|-----------------------|--------------------|--------------------|
| Salaries              | 3,520,636          | 3,724,019          |
| Benefits in kind      | 27,812             | 28,040             |
| Pension contributions | 53,992             | 54,435             |
|                       | <u>\$3,602,440</u> | <u>\$3,806,494</u> |

Directors' remuneration charged in these financial statements is in respect of two directors (2020: Two). In addition, directors' remuneration was charged in the parent or other group companies overseas in respect of duties performed by directors of the company for those other companies.

The aggregate amount accruing to directors of the company under long-term incentive schemes was \$1,882,500 (2020: \$607,500).

The remuneration of the highest paid director was \$2,163,373 (2020: \$2,136,503).

8. **Taxation**

The UK Corporation Tax arising in the period is as follows:

Current tax:

|   |          |                    |
|---|----------|--------------------|
| UK Corporation Tax on profits for the year                                    | -        | -                  |
| Release of overprovision for tax in prior periods                             | -        | (856,937)          |
| Payment received for surrender of prior year losses to a fellow group company | -        | -                  |
|   | <u>-</u> | <u>\$(856,937)</u> |

The tax expense for the year differs from the standard rate of UK Corporation Tax. Factors affecting the tax charge for the year are:

|   |                    |                    |
|---|--------------------|--------------------|
| Profit before taxation  | <u>\$3,527,883</u> | <u>\$4,632,903</u> |
| Profit before taxation multiplied by the standard rate of UK corporation tax of 19% (2020: 19%) | 670,298            | 880,252            |
| Effects of:   |                    |                    |
| Expenses not deductible for tax purposes  | 10,000             | 10,000             |
| Depreciation and amortisation   | 53,364             | 22,980             |
| Capital allowances  | (32,422)           | (70,636)           |
| Losses brought forward and used in the period   | (701,240)          | (842,596)          |
| Release of overprovision relating to prior periods  | -                  | (856,937)          |
| Taxation expense/(income)   | <u>-</u>           | <u>\$(856,937)</u> |

9. Tangible Fixed Assets

|                               | Leasehold<br>improvements | Furniture &<br>Fittings | Computer &<br>Data<br>Processing<br>Equipment | Software      | Total              |
|-------------------------------|---------------------------|-------------------------|---|---------------|--------------------|
|                               | \$                        | \$                      | \$  | \$            | \$                 |
| <b>COST</b>                   |                           |                         |   |               |                    |
| Balance at 1st January 2021   | 1,981,612                 | 381,207                 | 406,472                                       | 14,486        | 2,783,777          |
| Additions in the year         | 12,769                    | -                       | 134,275                                       | -             | 147,044            |
| Disposals                     | -                         | -                       | (55,991)                                      | -             | (55,991)           |
| Balance at 31st December 2021 | <u>1,994,381</u>          | <u>381,207</u>          | <u>484,756</u>                                | <u>14,486</u> | <u>2,874,830</u>   |
| <b>DEPRECIATION</b>           |                           |                         |   |               |                    |
| Balance at 1st January 2021   | 22,018                    | 53,360                  | 235,726                                       | 8,397         | 319,501            |
| Charge for the year           | 132,462                   | 47,252                  | 81,655  | 2,008         | 263,377            |
| Disposals                     | -                         | -                       | (53,583)                                      | -             | (53,583)           |
| Balance at 31st December 2021 | <u>154,480</u>            | <u>100,612</u>          | <u>263,798</u>                                | <u>10,405</u> | <u>529,295</u>     |
| <b>NET BOOK VALUE</b>         |                           |                         |   |               |                    |
| At 31st December 2021         | <u>1,839,901</u>          | <u>280,595</u>          | <u>220,958</u>                                | <u>4,081</u>  | <u>\$2,345,535</u> |
| At 31st December 2020         | <u>1,959,594</u>          | <u>327,847</u>          | <u>170,746</u>                                | <u>6,089</u>  | <u>\$2,464,276</u> |

In accordance with IFRS 16, assets held under finance leases are presented as a separate line item in the balance sheet as Right-of-use assets (see note 10).

10. Leases

The company has lease contracts for offices and equipment used in its operations. The amounts recognised in the financial statements in relation to the leases are as follows:

Amounts recognised in the statement of financial position

The balance sheet shows the following amounts relating to leases:

|   | 2021<br>\$         | 2020<br>\$         |
|---|--------------------|--------------------|
| Right-of-use Assets                               |                    |                    |
| Offices   | 4,907,177          | 5,584,266          |
| Office equipment                                  | 12,806             | 30,137             |
|   | <u>\$4,919,983</u> | <u>\$5,614,403</u> |
| Lease liabilities                                 |                    |                    |
| Current: falling due within one year              | 743,100            | 788,963            |
| Non-current: falling due after more than one year | 4,789,073          | 5,528,695          |
|   | <u>\$5,532,173</u> | <u>\$6,317,658</u> |

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

|   |                  |                  |
|---|------------------|------------------|
| Depreciation charge on right-of-use Assets                                  |                  |                  |
| Offices   | 644,671          | 585,254          |
| Equipment   | 17,486           | 16,306           |
|   | <u>\$662,157</u> | <u>\$601,560</u> |
| Interest expense (included in finance costs)                                | 138,944          | 145,467          |
| Expense relating to short-term leases (included in administrative expenses) | 242              | 421              |

Harris Williams & Co., Ltd  
 NOTES TO THE FINANCIAL STATEMENTS - continued

10. Leases - continued

|   | 2021<br>\$         | 2020<br>\$         |
|---|--------------------|--------------------|
| Future minimum lease payments as at 31 December 2021<br>are as follows: |                    |                    |
| Not later than one year   | 841,576            | 875,002            |
| Later than one year but not later than five years                       | 3,366,302          | 3,443,098          |
| Later than five years   | 1,683,151          | 2,572,475          |
| Total gross payments  | <u>5,891,029</u>   | <u>6,890,575</u>   |
| Impact of finance expenses  | (358,856)          | (572,917)          |
| Carrying value of liability   | <u>\$5,532,173</u> | <u>\$6,317,658</u> |

The total cash outflow for leases in 2021 was \$801,370 (2020: \$828,494)

11. Debtors

|                               |                  |                    |
|-------------------------------|------------------|--------------------|
| Trade debtors                 | 59,285           | -                  |
| Other debtors and prepayments | 888,399          | 1,037,891          |
|                               | <u>\$947,684</u> | <u>\$1,037,891</u> |

All amounts shown as debtors are due within one year.

Harris Williams & Co. Ltd  
NOTES TO THE FINANCIAL STATEMENTS - continued

12. Creditors

|   | 2021<br>\$         | 2020<br>\$         |
|---|--------------------|--------------------|
| Amounts falling due within one year:          |                    |                    |
| Trade creditors                               | 21,202             | (5,112)            |
| Amounts due to group undertakings             | 1,929              | 10,777             |
| Taxes and social security costs               | 588,087            | 652,388            |
| Lease liabilities                             | 743,100            | 788,963            |
| Other creditors and accruals                  | 4,253,209          | 4,541,274          |
|   | <u>\$5,607,527</u> | <u>\$5,988,290</u> |
| Amounts falling due after more than one year: |                    |                    |
| Lease liabilities                             | 4,789,073          | 5,528,695          |
| Other creditors and accruals                  | 1,867,292          | 1,291,569          |
|   | <u>\$6,656,365</u> | <u>\$6,820,264</u> |

13. Deferred Taxation

The directors do not consider that any provision for deferred taxation in respect of accelerated capital allowances or other timing differences was required at the balance sheet date and no provision has been made.

Subject to approval by HM Revenue & Customs and to any losses surrendered within the group, the Company has accumulated losses of approximately \$8,750,000 (2020: \$9,350,000) to carry forward available for set-off against future profits from the same trade.

14. Share Capital

Allotted, called-up and fully paid

|                               |             |             |
|-------------------------------|-------------|-------------|
| 10 Ordinary shares of £1 each | <u>\$16</u> | <u>\$16</u> |
|-------------------------------|-------------|-------------|

Each share is entitled to one vote in all circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising from a winding up of the company.

15. Capital Contribution Reserve

|                         | 2020<br>\$          | 2019<br>\$          |
|-------------------------|---------------------|---------------------|
| Balance brought forward | 35,300,000          | 35,300,000          |
| Balance carried forward | <u>\$35,300,000</u> | <u>\$35,300,000</u> |

16. Capital Commitments

At the balance sheet date the Company had no capital expenditure authorised or committed.

17. Pension Contributions

As stated in note 2(n) the Company administers a group stakeholder pension plan for certain employees to which it also makes contributions. During the year under review contributions made totalled \$330,507 (2020: \$265,714). These contributions were recognised as an expense in profit or loss. There were no contributions due and outstanding at the balance sheet date.

18. Related Party Transactions

As a wholly owned subsidiary, the Company is exempt from the requirements of Financial Reporting Standard 101 to disclose transactions with other members of the group on the grounds that the parent Company's financial statements are publicly available.

19. Controlling Parties

The Company is a wholly owned subsidiary of Harris Williams UK Holdings Ltd, a Company incorporated and resident in Richmond, Virginia, USA.

In the opinion of the directors the ultimate parent undertaking is The PNC Financial Services Group, Inc., a Company incorporated in the USA, of One PNC Plaza, 249 Fifth Avenue, Pittsburgh, PA, USA. Consolidated financial statements of the group can be obtained by writing to this address.

In the opinion of the directors there is no one ultimate controlling party.