

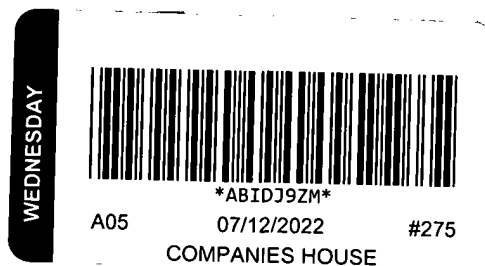
Registered number: 09212464

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**JEMHAFIN LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**JEMHAFIN LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	L Levy M J Murphy
<b>Registered number</b>	09212464
<b>Registered office</b>	Levy Professionals Clerkenwell Workshops Cs.112 27/31 Clerkenwell Close Farringdon London EC1R 0AT
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 30 Old Bailey London EC4M 7AU

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**JEMHAFIN LIMITED**

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## JEMHAFIN LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Introduction

The Directors present their Group Strategic Report for Jemhafin Limited for the year ended 31 December 2021.

#### Business review

The Group and Parent Company has gone through a major transition in 2021. A new operating model was introduced which saw substantial changes across various levels alongside bringing consistency and harmonisation in UK and NL operations. This had a short-term negative impact on the financial performance of the business (see more below), but the changes made are strategically important and will bring benefit to the business in the long run.

Although, revenue and GP were down from last year (£22m v £25m and £5.1 v £5.6m respectively), profitability was maintained at c23%. The management was pleased that despite extreme economic and operational challenges, (pandemic, inflation, business transformation) the Group and Parent Company were able to maintain expected profitability level.

#### Future developments

Looking ahead into 2022 and beyond, the management is highly positive about growth plans and expect to deliver on the budget. A new London office was established in Sep'21 (Farringdon) as the company looked to diversify its offering and attract new talent. As well as hiring new sales staff for the London office, some key personnel hiring (Head of Ops and Finance) also took place recently which should help with providing structure and consistency throughout the business. From a diversification point of view, the Group and Parent Company now engages in offering Perm placements and has a dedicated desk and team to look after the new offering.

#### Principal risks and uncertainties

##### Inflation

All businesses are expected to be affected by high inflation and we are no exception. It could put pressure on companies to introduce temporary recruitment freeze in an attempt to save costs which could impact our business.

##### Exchange rate volatility

Our reporting currency is GBP which means that we are exposed to currency exchange movements on Euro transactions from our Dutch branch. Earlier part of 2022 saw a stronger £ and a weaker €. We are actively looking for currency hedging arrangements and possible forward contracts for our payments to contractors.

#### Key performance indicators

The Group is not a complex business and the Directors are of the opinion that the performance of the business can be measured against five key performance indicators of the trading subsidiary Levy Associates Limited:

Net profit margin for the year was 0.5% (31 December 2020 - 7.7%).

Return on shareholders funds achieved for the year was 0.4% (31 December 2020 - 9.0%).

Trade debtor days amounted to 37 days (31 December 2020 - 31 days).

Trade creditor days amounted to 38 days (31 December 2020 - 28 days).

Decrease in shareholders funds was 0.4% (2020 - 9.0%).

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JEMHAFIN LIMITED

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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

*mj murphy*  
mjYnurfhy (Nov 29, 2022 16:55 GMT)

**M J Murphy**  
Director

Date: 29-Nov-2022

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## **JEMHAFIN LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### **Principal activity**

The Company's principal activity is that of a holding company. The Group's principal is that of recruitment and resource delivery consultancy.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £167k (2020 - profit £1,355k).

#### **Directors**

The Directors who served during the year were:

L Levy  
M J Murphy

#### **Branches in the EU**

Levy Associates Limited, the trading subsidiary, has a branch in Amsterdam, Netherlands.

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

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**Qualifying third party indemnity provisions**

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such a qualifying third party indemnity provision remains in force at the date of approving the Directors' Report.

**Matters covered in the Group Strategic Report**

As permitted by Paragraph 1A of Schedule 7 to the Large and medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they included in the Group Strategic Report on page 1. These matters relate to the business review, future developments, principal risks and uncertainties and key performance indicators.

**Going Concern**

Like all other businesses around the world, 2021 was a challenging year for the Group and the Parent Company and its performance was impacted by internal and external factors. Internal changes, as detailed in the Business review section, are of strategic nature and are expected to deliver results in future, especially in the UK where 2021 is considered to be an 'investment year'. NL also saw major changes, in its operating model, which are expected to bring long lasting benefits, and which are also aimed at protecting company's long-term profitability and to support future expansion plans.

Global threat from the pandemic remained a serious concern and whilst the world learnt to cope and live with Covid, the momentum carried into 2021 from a strong finish position in 2020, started to fade away in the first half of 2021. Unexpected and abrupt closure of existing projects with one of our major clients and untimely movement of our seconded staff to go 'internal' in NL exerted some pressure on our revenue, which declined by c10% YoY. However, our GP margin was maintained at c23% which was pleasing and encouraging for the whole business.

Following on from the above, 2022 got off to a reasonable start. YTD Apr'22 performance has been deemed satisfactory. Company, in its first 4 months of 2022 trading, remained profitable, despite huge economic challenges namely, record levels of inflation and unfavourable €>£ exchange rates. However, the outlook for the remainder of 2022 and beyond remains positive as all our main KPIs; GP margin, trade debtors, net profit margin, remained strong.

Our cash collection is robust (no debt outstanding beyond 60 days) and with adequate 'Invoicing financing' facility available, meeting future cash commitments remains a low risk.

The Directors conclude that there are no material uncertainties around going concern and have a reasonable expectation that the Group and the Parent Company has adequate resources to continue its operational existence for the foreseeable future. The Group and the Parent Company has recently seen a change in operational strategy which has seen the implementation of the new business strategy to drive profitability. Our long-standing frame agreements with clients in the Dutch market, the arrival of new clients in new industries and the addition of senior staff has been key to our plans for growth. Our cash position remains healthy which will facilitate investment in additional new staff to build new markets, clients, industries and potentially a new country location. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

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## JEMHAFIN LIMITED

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

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#### Disclosure of information to auditor

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

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

#### Post balance sheet events


On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Post year end, on 23 February 2022 and 24 February 2022 respectively, Levy Search Limited and Levy Professionals Limited have been incorporated as 100% subsidiaries of Jemhafin Limited. These entities have remained dormant to the date of approval of these financial statements.

#### Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29-Nov-2022 and signed on its behalf.

  
mjmurphy (Nov 29, 2022 16:55 GMT)

**M J Murphy**  
Director



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## JEMHAFIN LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JEMHAFIN LIMITED

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#### Opinion

We have audited the financial statements of Jemhafin Limited (the "Parent Company") and its subsidiary (the "Group") for the year ended 31 December 2021 which comprise the Group Consolidated Statement of Comprehensive Income, the Group and Company Statement of Financial Positions, the Group Consolidated Statement of Cash Flows, the Group and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's loss 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

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**JEMHAFIN LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JEMHAFIN LIMITED**

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**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 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.

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

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

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

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

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JEMHAFIN LIMITED

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**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.

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

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Parent Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to determining residual values and useful economic lives of intangible assets and impairment of investments, revenue recognition (which we pinpointed to the cut-off risk), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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**JEMHAFIN LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JEMHAFIN LIMITED**

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Our audit procedures in relation to fraud through revenue cut-off included but were not limited to:

- Assessing management's revenue recognition policy;
- Performing a walkthrough on the revenue process and understanding the controls linked to revenue recognition;
- Agreed a sample of revenue transactions pre and post year end, to ensure they have been recognised in the appropriate period; and
- Performing analytical reviews.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit 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.



Yuan Deena (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
30 Old Bailey  
London  
EC4M 7AU

Date: 05-Dec-2022

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**JEMHAFIN LIMITED**

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

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	Note	2021 £	2020 £000
Turnover	4	22,340	24,990
Cost of sales		(17,200)	(19,369)
<b>Gross profit</b>		<b>5,140</b>	<b>5,621</b>
Administrative expenses		(5,254)	(3,967)
Other operating income	5	-	43
<b>Operating (loss)/profit</b>	6	<b>(114)</b>	<b>1,697</b>
Interest receivable and similar income		17	6
Interest payable and expenses		(34)	(35)
<b>(Loss)/profit before taxation</b>		<b>(131)</b>	<b>1,668</b>
Tax on (loss)/profit	11	(36)	(313)
<b>(Loss)/profit for the year</b>		<b>(167)</b>	<b>1,355</b>
Owners of the parent company		(167)	1,355

There were no recognised gains and losses for 2021 or 2020 other than those included in the Consolidated Statement of Comprehensive Income.

There was no other comprehensive income for 2021 (2020 :£NIL).

The Consolidated Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 16 to 31 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible fixed assets	13	709	964
Tangible fixed assets	14	117	78
		<u>826</u>	<u>1,042</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	4,377	2,903
Cash and cash equivalents	18	4,542	5,123
		<u>8,919</u>	<u>8,026</u>
Creditors: amounts falling due within one year	19	(4,323)	(3,493)
<b>Net current assets</b>		<u>4,596</u>	<u>4,533</u>
<b>Total assets less current liabilities</b>		<u>5,422</u>	<u>5,575</u>
<b>Provisions for liabilities</b>			
Deferred taxation	17	(24)	(10)
		<u>(24)</u>	<u>(10)</u>
<b>Net assets</b>		<u><u>5,398</u></u>	<u><u>5,565</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	-	-
Profit and loss account	22	5,398	5,565
<b>Equity attributable to owners of the parent Company</b>		<u><u>5,398</u></u>	<u><u>5,565</u></u>

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

29-Nov-2022

*mj murphy*  
mjmurphy (Nov 29, 2022 16:55 GMT)

**M J Murphy**  
Director

The notes on pages 16 to 31 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	15	14,656	14,656
		<u>14,656</u>	<u>14,656</u>
Creditors: amounts falling due within one year	19	(14,968)	(14,968)
<b>Net current liabilities</b>		<u>(14,968)</u>	<u>(14,968)</u>
<b>Total assets less current liabilities</b>		<u>(312)</u>	<u>(312)</u>
<b>Net liabilities</b>		<u>(312)</u>	<u>(312)</u>
<b>Capital and reserves</b>			
Profit and loss account brought forward		(312)	(312)
Profit and loss account carried forward		<u>(312)</u>	<u>(312)</u>
		<u>(312)</u>	<u>(312)</u>

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

mj murphy  
mj murphy (Nov 29, 2022 16:55 GMT)

29-Nov-2022

**M J Murphy**  
Director

The notes on pages 16 to 31 form part of these financial statements.

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**JEMHAFIN LIMITED**

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

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2021	-	5,565	5,565
<b>Comprehensive income for the year</b>			
Loss for the year	-	(167)	(167)
<b>Total comprehensive income for the year</b>	-	(167)	(167)
<b>At 31 December 2021</b>	-	5,398	5,398

The notes on pages 16 to 31 form part of these financial statements.

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

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2020	-	4,210	4,210
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,355	1,355
<b>Total comprehensive income for the year</b>	-	1,355	1,355
<b>At 31 December 2020</b>	-	5,565	5,565

The notes on pages 16 to 31 form part of these financial statements.



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**JEMHAFIN LIMITED**

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

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2021	-	(312)	(312)
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>	-	(312)	(312)
	<hr/>	<hr/>	<hr/>

The notes on pages 16 to 31 form part of these financial statements.

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

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2020	-	(312)	(312)
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2020</b>	-	(312)	(312)
	<hr/>	<hr/>	<hr/>

The notes on pages 16 to 31 form part of these financial statements.

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**JEMHAFIN LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	<b>2021 £000</b>	<b>2020 £000</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(167)	1,355
<b>Adjustments for:</b>		
Amortisation of intangible assets	255	255
Depreciation of tangible assets	60	46
Interest paid	34	35
Interest received	(17)	(6)
Taxation charge	36	313
(Increase)/decrease in debtors	(1,474)	675
Increase in creditors	708	537
Increase/(decrease) in provisions	-	(155)
Corporation tax received/(paid)	87	(100)
<b>Net cash generated from operating activities</b>	<b>(478)</b>	<b>2,955</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(99)	(32)
Interest received	17	6
<b>Net cash from investing activities</b>	<b>(82)</b>	<b>(26)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(34)	(35)
<b>Net cash used in financing activities</b>	<b>(34)</b>	<b>(35)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(594)</b>	<b>2,894</b>
Cash and cash equivalents at beginning of year	5,093	2,199
<b>Cash and cash equivalents at the end of year</b>	<b>4,499</b>	<b>5,093</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,542	5,123
Bank overdrafts	(43)	(30)
	<b>4,499</b>	<b>5,093</b>

The notes on pages 16 to 31 form part of these financial statements.

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

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**1. General information**

Jemhafin Limited ('the Company') is a private company (09212464) limited by shares incorporated in England and Wales.

As at 31 December 2020 the registered office of the Company is Pilgrims Lodge, 1A Holywell Hill, St. Albans, Hertfordshire, AL1 1ER. From 6 September 2021 the registered office has changed to Levy Professionals, Clerkenwell Workshops C5.112 27/31, Clerkenwell Close, Farringdon, London, EC1E 0AT.

The Company's principal activity is that of a holding company. The Group's principal is that of recruitment and resource delivery consultancy.

These financial statements have been prepared to the nearest Pounds Sterling as this is the currency of the primary economic environment in which the Group operates. Monetary amounts in these financial statements are rounded to the nearest £1,000.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**2.3 Going concern**

The financial statements have been prepared on the going concern basis which assumes that the Group and Company will continue in operational existence for the foreseeable future.

Please refer to the Group Strategic Report for further commentary.

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

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**2. Accounting policies (continued)**

**2.4 Revenue**

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

**Rendering of services**

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

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

**2.5 Government grants**

Government grants relating to the Coronavirus Job Retention Scheme (CJRS) have been received during the year in respect of employee costs incurred for furloughed staff. Grants are accounted under the accruals model as permitted by FRS 102.

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

**2.6 Intangible assets**

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

The goodwill is being amortised over a useful life of 10 years.

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

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the below methods.

Depreciation is provided on the following basis:

Long term leasehold property	-	33% straight line
Office equipment	-	20% - 33% straight line

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.

Depreciation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.9 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

**2.10 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.

**2.11 Cash and cash equivalents**

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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

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**2. Accounting policies (continued)**

**2.12 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.

**2.13 Financial instruments**

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

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

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**2. Accounting policies (continued)**

**2.14 Foreign currency translation**

**Functional and presentation currency**

The Group's functional and presentational currency is Pounds Sterling.

**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.

**2.15 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

**2.16 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**2.17 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

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

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**2. Accounting policies (continued)**

**2.18 Provisions for liabilities**

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of Financial Position.

**2.19 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



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

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the accounting policies, the Directors have made critical accounting judgements, estimates and assumptions about the carrying amount of the assets and liabilities. These estimates and assumptions are based on historical experience and are reviewed on a continual basis.

The critical accounting judgements, estimates and assumptions that have a material effect on the amounts recognised in the financial statements for both the current and next financial years are discussed below.

(i) Determining residual values and useful economic lives of intangible assets

The Group amortises goodwill over its estimated useful life, which is assessed as being 10 years. The estimation of the useful life is based on historic performance as well as future forecasts.

(ii) Impairment of investments

Investments in subsidiaries are measured at cost less accumulated impairment. The Directors assess for indicators of impairment annually and have not identified any indicators of impairment at the current year end.

**4. Turnover**

The whole of the turnover is attributable to the Group's principal activity of recruitment and resource delivery consultancy.

Analysis of turnover by country of destination:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	2,187	2,453
Rest of Europe	20,153	22,537
	<u>22,340</u>	<u>24,990</u>

**5. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Income from furlough scheme	<u>-</u>	<u>43</u>

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**JEMHAFIN LIMITED**

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

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**6. Operating (loss)/profit**

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Amortisation of goodwill	255	255
Depreciation of tangible fixed assets	60	46
Exchange differences	341	(249)
Operating lease payments	156	113
	<u>          </u>	<u>          </u>

**7. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	22	19
	<u>          </u>	<u>          </u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
All other services	32	36
	<u>          </u>	<u>          </u>

The audit and non-audit fees in relation to the Company are borne by the subsidiary, Levy Associates Limited.

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

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**8. Employees**

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

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Wages and salaries	2,889	2,550	-	-
Social security costs	274	240	-	-
Cost of defined contribution scheme	93	97	-	-
	<u>3,256</u>	<u>2,887</u>	<u>-</u>	<u>-</u>

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

	<b>2021 No.</b>	<b>2020 No.</b>
Administration	11	7
Directors	3	2
Sales	35	28
	<u>49</u>	<u>37</u>

**9. Directors' remuneration**

There was no Directors' remuneration paid by the Company during the year (2020 - £NIL). M J Murphy is paid by the subsidiary company, Levy Associates Limited.

**10. Key management personnel**

There are 3 employees (2020 - 3) of the Group who are considered to be key management personnel. The total remuneration for the key management personnel was £522k (2020 - £518k).

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


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**11. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	21	289
<b>Total current tax</b>	<u>21</u>	<u>289</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	15	24
<b>Total deferred tax</b>	<u>15</u>	<u>24</u>
<b>Taxation on profit on ordinary activities</b>	<u>36</u>	<u>313</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
(Loss)/profit on ordinary activities before tax	(131)	1,668
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(25)	317
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	49	49
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12	13
Prior year unrecognised deferred tax asset and change in tax rates	-	(5)
Adjustments to tax charge in respect of prior periods	-	(61)
<b>Total tax charge for the year</b>	<u>36</u>	<u>313</u>

**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

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**JEMHAFIN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £Nil (2020 - £NIL).

**13. Intangible assets****Group**

	<b>Goodwill £000</b>
<b>Cost</b>	
At 1 January 2021	2,550
At 31 December 2021	<u>2,550</u>
<b>Amortisation</b>	
At 1 January 2021	1,586
Charge for the year on owned assets	255
At 31 December 2021	<u>1,841</u>
<b>Net book value</b>	
At 31 December 2021	<u>709</u>
At 31 December 2020	<u>964</u>

The amortisation charge of £255k (2020 - £255k) has been included in administrative expenses. Goodwill is being amortised over 10 years. No other intangibles were acquired on acquisition.

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**JEMHAFIN LIMITED**

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

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**14. Tangible fixed assets****Group**

	Long term leasehold property £000	Office equipment £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2021	78	480	558
Additions	8	91	99
At 31 December 2021	86	571	657
<b>Depreciation</b>			
At 1 January 2021	76	404	480
Charge for the year on owned assets	5	55	60
At 31 December 2021	81	459	540
<b>Net book value</b>			
At 31 December 2021	5	112	117
At 31 December 2020	3	76	79

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**JEMHAFIN LIMITED**

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

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**15. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 January 2021	14,656
At 31 December 2021	<u>14,656</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Levy Associates Limited	Pilgrims Lodge, 1A Holywell Hill, St. Albans, Hertfordshire, AL1 1ER	Recruitment and resource delivery consultancy	Ordinary	100%

**16. Debtors**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
Trade debtors	2,292	2,143
Other debtors	1,341	400
Prepayments and accrued income	350	264
Tax recoverable	394	96
	<u>4,377</u>	<u>2,903</u>

Company debtors were £Nil (2020 - £Nil).

Included within other debtors is Director loan accounts of £1,121k (2020 - £301k) - refer to note 27.

Tax recoverable relates to Section 455 tax on the Director's loan.

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**JEMHAFIN LIMITED**

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

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**17. Deferred taxation****Group**

	<b>2021 £000</b>
At beginning of year	(9)
Charged to the Consolidated Statement of Comprehensive Income	(15)
<b>At end of year</b>	<b>(24)</b>

The provision for deferred taxation is made up as follows:

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
Timing differences	(24)	(10)

**18. Cash and cash equivalents**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
Cash at bank and in hand	1,004	1,956
Invoice financing	3,538	3,167
Less: bank overdrafts (note 19)	(43)	(30)
	<b>4,499</b>	<b>5,093</b>

**19. Creditors: Amounts falling due within one year**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Bank overdrafts	43	30	-	-
Trade creditors	1,814	1,504	-	-
Amounts owed to group undertakings	-	-	14,968	14,968
Corporation tax	318	209	-	-
Other taxation and social security	1,331	1,327	-	-
Accruals and deferred income	817	423	-	-
	<b>4,323</b>	<b>3,493</b>	<b>14,968</b>	<b>14,968</b>



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**JEMHAFIN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. Financial instruments**

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	4,542	5,123	-	-
Financial assets that debt instruments measured at amortised cost	3,634	2,544	-	-
	<u>8,176</u>	<u>7,667</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
Financial assets that are debt instruments measured at amortised cost	(2,571)	(1,834)	(14,968)	(14,968)

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

Financial assets measure at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of bank overdraft, trade creditors, amounts owed to group undertakings, other creditors and accruals.

**21. Share capital**

	2021 £000	2020 £000
<b>Allotted, called up and fully paid</b>		
100 (2020 - 100) Ordinary shares of £1.00 each	-	-

The ordinary shares have a par value of £1 per share and are fully paid.

These shares carry no right to fixed income or have any preference or restrictions attached to them.

**22. Reserves****Profit and loss account**

The profit and loss account represents cumulative profits and losses of the Group and the Company.

**23. Contingent liabilities**

Levy Associates Limited, the trading subsidiary, has facilities secured by a charge over the debtor book and a debenture creating a fixed and floating charge over the assets of the Company.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £93k (2020 - £97k). At the balance sheet date, £NIL (2020 - £NIL) were payable to the fund.

**25. Commitments under operating leases**

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

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>
Not later than 1 year	65	65
Later than 1 year and not later than 5 years	165	230
	<u>230</u>	<u>295</u>

**26. Related party transactions**

The Company and Group has taken advantage of the exemption available according with 'Section 33 'Related party disclosures' not to disclose transactions entered into between two or more members of a group that are wholly owned.

The Director M J Murphy has a Director's loan account with the Company. The balance at 31 December 2020 was £301k (2019 - £194k). During the year ended 31 December 2021 there was an increase to the loan account of £911k (2020 - £101k) and interest charged of £18k (2020 - £6k). at the Revenue Official Rate of Interest. The balance at 31 December 2021 was £1,229k (2020 - £301k).

**27. Post balance sheet events**

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Post year end, on 23 February 2022 and 24 February 2022 respectively, Levy Search Limited and Levy Professionals Limited have been incorporated as 100% subsidiaries of Jemhafin Limited. These entities have remained dormant to the date of approval of these financial statements.

**28. Controlling party**

The ultimate controlling party of the Group is M J Murphy by way of his majority shareholding.