

REGISTERED NUMBER: 09899731 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021
FOR
HARNHAM GROUP LIMITED**

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FOR THE YEAR ENDED 30 NOVEMBER 2021**

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HARNHAM GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2021**

DIRECTORS:

S J Clarke
D Farmer
S Lawrence
D Rees
R Satsangi

REGISTERED OFFICE:

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

REGISTERED NUMBER:

09899731 (England and Wales)

AUDITORS:

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

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

The directors present their strategic report of the company and the group for the year ended 30 November 2021.

REVIEW OF BUSINESS

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

Harnham Group is a provider of recruitment services through its subsidiaries which operate across the UK, European and US markets. They specialise in providing permanent and contract staffing solutions for the data and analytics sector. Additionally, through its subsidiary, Rockborne, it employs then trains and develops graduates in data and analytics before deploying to its clients.

Gross profit increased by 62% to £18,945,749 (2020 - £11,708,201). Profit before taxation was £2,847,091 a strong increase from 2020 (£970,737) following strong demand in the companies markets as economies recovered from the global pandemic in 2020.

Employees (excluding contractors) increased to an average of 223 headcount from 157 in 2020 with the Group looking to grow its capability to take advantage of the increased demand for its services.

Turnover increased by £13m to £33m. The majority of this growth was from the UK and US businesses where turnover increased by £7m and £5m respectively. Revenue from contract staffing solutions increased by 70% to £17m whereas permanent staffing solutions grew by 60% to £16m.

A strong market for the group's services was maintained in all regions in 2022 and alongside the investment in headcount growth this has enabled the growth trajectory to continue from 2021 into first half 2022.

Cash balances improved slightly to £3.5m at year end. This is despite the requirement for £1.6m additional working capital to fund the growth of the business, particularly in contract staffing. The board remain confident in the company's ability to take advantage of the growing demand for data and analytics professionals and continue to invest in growing this capability and market reach.

The company's operations have a minimal impact on the environment and local communities given it's mix between home-based and office-based employees. The board support initiatives to reduce any such impact and to benefit local communities.

Key performance indicators

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

	2021	2020
Gross profit	18,945,749	11,708,201
EBITDA	3,245,633	1,340,714
Total assets less current liabilities	5,953,331	4,414,189

The board considers:

i) Gross Profit as a measure of growth in the business. This year the business grew rapidly (62% gross profit improvement) across all its markets and service lines following a difficult previous year which was impacted by Covid 19.

ii) Earnings before interest, tax, depreciation, and amortisation (EBITDA) as a measure of the underlying profitability. The growth in EBITDA is driven by the recruitment subsidiaries. The group is investing in Rockborne which is growing rapidly.

iii) Total assets less current liabilities (TALCL) represents the underlying assets of the business excluding any longer-term funding. It increased by £1.5m driven by higher debtors impacted by sales growth particularly contract recruitment services in the UK.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

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

Business and Operational risk

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

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

Market risk

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

The directors are aware that the impact of Ukraine conflict as well as other factors is having inflationary pressures across its core markets. These could lead to a downturn in demand and the board will monitor and adjust growth strategies as required.

Credit risk

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

Financial risk

The Group is exposed to financial risks such as liquidity and currency fluctuations. Risk is mitigated through regular forecasting and continuous monitoring of performance against expectations. The Group looks to reduce its currency exposure by reducing non-Sterling balances and natural hedges of costs in the same currency.

Covid 19

The group, and the Data and Analytics sector has proved robust in its ability to weather the impact of the global pandemic caused by Covid 19. It has invested in its disaster recovery capability and its employees are now able to work effectively from home.

The board continues to focus on maintaining a safe environment for its employees and will maintain a flexible workforce.

FUTURE DEVELOPMENTS

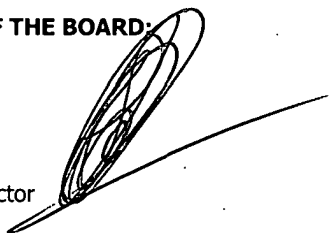
The board continue to see significant opportunities to grow within the data and analytics sector. It is looking to continue expansion in its core regions of the UK, USA, and Europe though expanding existing teams, adding further expertise to its management team, and opening new offices to extend its reach.

The Group has significantly extended its office in London, more than doubling the space available for the recruitment business and creating a leading training facility for Rockborne.

The Group has recently taken on an additional investor, The British Growth Fund, which will help accelerate growth. These investments will allow the company to further extend its reach and offering to satisfy the growing demand for data and analytics professionals.

ON BEHALF OF THE BOARD:

S J Clarke - Director



23 September 2022

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 November 2021.

PRINCIPAL ACTIVITY

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

DIVIDENDS

The aggregate dividends on the A Ordinary shares recognised during the financial year amount to £400,000 (2020 - £1,000,000). There were no proposed dividends awaiting approval at 30 November 2021 on the A Ordinary shares.

No dividends were paid on the B Ordinary shares during the financial year (2020 - £nil). The directors recommend that no final dividend be paid on these shares.

FUTURE DEVELOPMENTS

A review of future developments can be found in the Strategic Report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2020 to the date of this report.

S J Clarke
D Farmer
S Lawrence

Other changes in directors holding office are as follows:

D Rees and R Satsangi were appointed as directors after 30 November 2021 but prior to the date of this report.

P Linton ceased to be a director after 30 November 2021 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

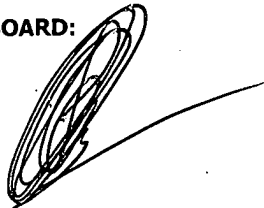
HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

S J Clarke - Director

23 September 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM GROUP LIMITED

Opinion

We have audited the financial statements of Harnham Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 November 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM GROUP LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM GROUP LIMITED

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

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

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

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

Our procedures to respond to risks identified included the following:

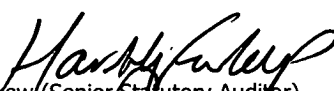
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provision of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;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

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

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

Use of our report

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


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

Date:13/07/22.....

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	3	33,051,175	20,026,838
Cost of sales		14,105,426	8,318,637
GROSS PROFIT		18,945,749	11,708,201
Administrative expenses		16,099,616	11,487,185
		2,846,133	221,016
Other operating income	4	-	749,721
OPERATING PROFIT	6	2,846,133	970,737
Interest receivable and similar income		958	1,743
PROFIT BEFORE TAXATION		2,847,091	972,480
Tax on profit	7	830,899	249,579
PROFIT FOR THE FINANCIAL YEAR		2,016,192	722,901
Profit attributable to:			
Owners of the parent		1,608,094	688,516
Non-controlling interests		408,098	34,385
		2,016,192	722,901

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		2,016,192	722,901
OTHER COMPREHENSIVE INCOME			
Translation differences on foreign subsidiaries		143,846	(20,182)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>143,846</u>	<u>(20,182)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,160,038</u>	<u>702,719</u>
Total comprehensive income attributable to:			
Owners of the parent		1,739,574	668,335
Non-controlling interests		<u>420,464</u>	<u>34,384</u>
		<u>2,160,038</u>	<u>702,719</u>

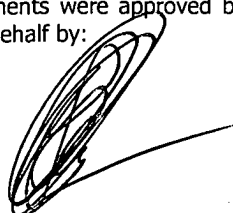
The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**CONSOLIDATED BALANCE SHEET
30 NOVEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	859,345	1,052,974
Tangible assets	11	460,939	308,555
Investments	12	-	-
		<u>1,320,284</u>	<u>1,361,529</u>
CURRENT ASSETS			
Debtors	13	8,486,684	2,831,436
Cash at bank and in hand		<u>3,455,962</u>	<u>3,118,769</u>
		11,942,646	5,950,205
CREDITORS			
Amounts falling due within one year	14	<u>7,080,114</u>	<u>2,897,545</u>
NET CURRENT ASSETS		<u>4,862,532</u>	<u>3,052,660</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,182,816</u>	<u>4,414,189</u>
CREDITORS			
Amounts falling due after more than one year	15	-	(5,758)
PROVISIONS FOR LIABILITIES	17	<u>(39,098)</u>	<u>(24,751)</u>
NET ASSETS		<u><u>6,143,718</u></u>	<u><u>4,383,680</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	12	12
Share premium		2,999,990	2,999,990
Capital redemption reserve		1	1
Retained earnings		<u>2,274,521</u>	<u>951,930</u>
SHAREHOLDERS' FUNDS		<u>5,274,524</u>	<u>3,951,933</u>
NON-CONTROLLING INTERESTS		<u>869,194</u>	<u>431,747</u>
TOTAL EQUITY		<u><u>6,143,718</u></u>	<u><u>4,383,680</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2022 and were signed on its behalf by:

S J Clarke - Director



The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

COMPANY BALANCE SHEET
30 NOVEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	-	-
Investments	12	3,527,651	3,519,877
		<u>3,527,651</u>	<u>3,519,877</u>
CURRENT ASSETS			
Debtors	13	-	2,704
Cash at bank		102	104
		<u>102</u>	<u>2,808</u>
CREDITORS			
Amounts falling due within one year	14	515,489	509,493
NET CURRENT LIABILITIES		<u>(515,387)</u>	<u>(506,685)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,012,264</u>	<u>3,013,192</u>
CAPITAL AND RESERVES			
Called up share capital	18	12	12
Share premium		2,999,990	2,999,990
Capital redemption reserve		1	1
Retained earnings		12,261	13,189
SHAREHOLDERS' FUNDS		<u>3,012,264</u>	<u>3,013,192</u>
Company's profit for the financial year		<u>399,072</u>	<u>1,006,180</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2022 and were signed on its behalf by:

S J Clarke - Director

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 December 2019	12	1,283,596	2,999,990
Changes in equity			
Total comprehensive income	-	668,334	-
Dividends	-	(1,000,000)	-
Balance at 30 November 2020	12	951,930	2,999,990
Changes in equity			
Total comprehensive income	-	1,739,574	-
Dividends	-	(400,000)	-
Change in shareholdings of subsidiary	-	(16,983)	-
Balance at 30 November 2021	12	2,274,521	2,999,990

	Capital redemption reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 December 2019	1	4,283,599	397,363	4,680,962
Changes in equity				
Total comprehensive income	-	668,334	34,384	702,718
Dividends	-	(1,000,000)	-	(1,000,000)
Balance at 30 November 2020	1	3,951,933	431,747	4,383,680
Changes in equity				
Total comprehensive income	-	1,739,574	420,464	2,160,038
Dividends	-	(400,000)	-	(400,000)
Change in shareholdings of subsidiary	-	(16,983)	16,983	-
Balance at 30 November 2021	1	5,274,524	869,194	6,143,718

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 December 2019	12	13,872	2,999,990
Changes in equity			
Total comprehensive income	-	1,006,180	-
Dividends	-	(1,000,000)	-
Impairment reversal	-	(6,863)	-
Balance at 30 November 2020	12	13,189	2,999,990
Changes in equity			
Total comprehensive income	-	399,072	-
Dividends	-	(400,000)	-
Balance at 30 November 2021	12	12,261	2,999,990
	Capital redemption reserve £	Fair value reserve £	Total equity £
Balance at 1 December 2019	1	(6,863)	3,007,012
Changes in equity			
Total comprehensive income	-	-	1,006,180
Dividends	-	-	(1,000,000)
Impairment reversal	-	6,863	-
Balance at 30 November 2020	1	-	3,013,192
Changes in equity			
Total comprehensive income	-	-	399,072
Dividends	-	-	(400,000)
Balance at 30 November 2021	1	-	3,012,264

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	1,197,467	1,213,078
Tax paid		(141,980)	(412,371)
Net cash from operating activities		<u>1,055,487</u>	<u>800,707</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(11,800)	(4,266)
Purchase of tangible fixed assets		(342,639)	(77,634)
Sale of tangible fixed assets		-	50
Interest received		958	1,743
Net cash from investing activities		<u>(353,481)</u>	<u>(80,107)</u>
Cash flows from financing activities			
Capital repayments in year		(88,584)	(80,303)
Government grants		-	746,634
Equity dividends paid		(400,000)	(1,000,000)
Net cash from financing activities		<u>(488,584)</u>	<u>(333,669)</u>
Increase in cash and cash equivalents		<u>213,422</u>	<u>386,931</u>
Cash and cash equivalents at beginning of year	2	3,118,769	2,751,712
Effect of foreign exchange rate changes		123,771	(19,874)
Cash and cash equivalents at end of year	2	<u><u>3,455,962</u></u>	<u><u>3,118,769</u></u>

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2021****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
Profit before taxation	2,847,091	972,480
Depreciation charges	394,399	358,585
Profit on disposal of fixed assets	-	(50)
Government grants	-	(746,634)
Finance income	(958)	(1,743)
	<u>3,240,532</u>	<u>582,638</u>
(Increase)/decrease in trade and other debtors	(5,598,601)	1,344,968
Increase/(decrease) in trade and other creditors	<u>3,555,536</u>	<u>(714,528)</u>
Cash generated from operations	<u><u>1,197,467</u></u>	<u><u>1,213,078</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 November 2021

	30/11/21 £	1/12/20 £
Cash and cash equivalents	<u>3,455,962</u>	<u>3,118,769</u>

Year ended 30 November 2020

	30/11/20 £	1/12/19 £
Cash and cash equivalents	<u>3,118,769</u>	<u>2,751,712</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/12/20 £	Cash flow £	At 30/11/21 £
Net cash			
Cash at bank and in hand	<u>3,118,769</u>	<u>337,193</u>	<u>3,455,962</u>
	<u>3,118,769</u>	<u>337,193</u>	<u>3,455,962</u>
Debt			
Finance leases	<u>(92,218)</u>	<u>88,584</u>	<u>(3,634)</u>
	<u>(92,218)</u>	<u>88,584</u>	<u>(3,634)</u>
Total	<u><u>3,026,551</u></u>	<u><u>425,777</u></u>	<u><u>3,452,328</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

1. STATUTORY INFORMATION

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

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

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

Going concern

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

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 November 2021. The accounts are adjusted, where appropriate, to conform to group accounting policies, intra-group sales and profit are eliminated fully on consolidation.

In respect of overseas operations, the results are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

In the parent company financial statements investments in subsidiaries are accounted for at cost less impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

a) Revenue recognition

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

b) Bad debt provisions

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

c) Depreciation and amortisation

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

Turnover

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

Revenue recognition

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

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

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

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 33% on cost
Computer equipment	- 33% on cost

Financial instruments

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

Financial assets and liabilities are only offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Impairment

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Hire purchase and leasing commitments

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

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

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

Share options

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

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

Share capital

Ordinary shares are classified as equity.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	20,082,782	13,238,751
Europe	2,309,837	1,500,643
United States of America	10,627,501	5,217,764
ROW	31,055	69,680
	<u>33,051,175</u>	<u>20,026,838</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

4. OTHER OPERATING INCOME

During the year the group received government grants of £nil (2020 - £255,369) under the Coronavirus Job Retention Scheme. There are no unfulfilled conditions or other contingencies related to the grants received.

During the year the group received forgiven loans of £nil (2020 - £491,262) under the Paycheck Protection Program. There are no unfulfilled conditions or other contingencies related to the loans received.

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	11,824,782	7,906,447
Social security costs	794,984	551,506
Other pension costs	129,593	117,944
	<u>12,749,359</u>	<u>8,575,897</u>

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

	2021	2020
Directors	4	4
Employees	222	141
	<u>226</u>	<u>145</u>

	2021	2020
	£	£
Directors' remuneration	586,950	481,950
Directors' pension contributions to money purchase schemes	<u>19,278</u>	<u>19,278</u>

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

	2021	2020
Money purchase schemes	<u>3</u>	<u>3</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	195,650	160,650
Pension contributions to money purchase schemes	<u>6,426</u>	<u>6,426</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021****6. OPERATING PROFIT**

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

	2021	2020
	£	£
Other operating leases	634,217	621,071
Depreciation - owned assets	125,854	81,003
Depreciation - assets on finance leases	63,201	63,200
Profit on disposal of fixed assets	-	(50)
Goodwill amortisation	195,467	195,467
Computer software amortisation	9,877	18,930
Auditors' remuneration	11,310	5,445
Taxation compliance services	7,370	22,281
Other non- audit services	13,085	3,355
Foreign exchange differences	89,715	9,922

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

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	193,308	259,601
UK tax adjustment - prior year	-	(7,847)
Foreign tax	623,244	-
Total current tax	816,552	251,754
Deferred tax	14,347	(2,175)
Tax on profit	830,899	249,579

UK corporation tax has been charged at 19%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Profit before tax	<u>2,847,091</u>	<u>972,480</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	540,947	184,771
Effects of:		
Expenses not deductible for tax purposes	10,605	12,444
Capital allowances in excess of depreciation	(3,786)	-
Depreciation in excess of capital allowances	-	12,001
Adjustments to tax charge in respect of previous periods	-	(7,847)
Loss/(Profit) of foreign subsidiary	86,068	21,324
Foreign tax rate	145,579	-
Amortisation of goodwill on consolidation	37,139	37,139
Other tax adjustments	-	(8,078)
Deferred tax movement	<u>14,347</u>	<u>(2,175)</u>
Total tax charge	<u>830,899</u>	<u>249,579</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2021 Tax £	Net £
Translation differences on foreign subsidiaries	143,846	-	143,846
	<u>143,846</u>	<u>-</u>	<u>143,846</u>
	Gross £	2020 Tax £	Net £
Translation differences on foreign subsidiaries	(20,182)	-	(20,182)
	<u>(20,182)</u>	<u>-</u>	<u>(20,182)</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2021 £	2020 £
Ordinary A shares of £0.001 each		
Interim	<u>400,000</u>	<u>1,000,000</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

10. INTANGIBLE FIXED ASSETS

Group			
	Goodwill £	Computer software £	Totals £
COST			
At 1 December 2020	1,954,672	70,021	2,024,693
Additions	-	11,800	11,800
Exchange differences	-	146	146
At 30 November 2021	1,954,672	81,967	2,036,639
AMORTISATION			
At 1 December 2020	912,180	59,539	971,719
Amortisation for year	195,467	9,877	205,344
Exchange differences	-	231	231
At 30 November 2021	1,107,647	69,647	1,177,294
NET BOOK VALUE			
At 30 November 2021	847,025	12,320	859,345
At 30 November 2020	1,042,492	10,482	1,052,974

Intangible assets consist of goodwill acquired during the year ended 30 November 2016 arising on the acquisition of Harnham Search and Selection Limited and Harnham Inc. The goodwill is amortised evenly over the directors' estimate of its useful life of 10 years.

11. TANGIBLE FIXED ASSETS

Group			
	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 December 2020	197,715	5,700	224,752
Additions	-	1,299	45,334
Disposals	-	-	-
Exchange differences	-	-	98
At 30 November 2021	197,715	6,999	270,184
DEPRECIATION			
At 1 December 2020	93,366	5,380	123,474
Charge for year	32,952	1,402	52,887
Eliminated on disposal	-	-	-
Exchange differences	-	-	215
At 30 November 2021	126,318	6,782	176,576
NET BOOK VALUE			
At 30 November 2021	71,397	217	93,608
At 30 November 2020	104,349	320	101,278

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

11. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 December 2020	-	291,197	719,364
Additions	68,000	228,006	342,639
Disposals	-	(2,672)	(2,672)
Exchange differences	-	287	385
At 30 November 2021	68,000	516,818	1,059,716
DEPRECIATION			
At 1 December 2020	-	188,589	410,809
Charge for year	7,777	94,037	189,055
Eliminated on disposal	-	(2,672)	(2,672)
Exchange differences	-	1,370	1,585
At 30 November 2021	7,777	281,324	598,777
NET BOOK VALUE			
At 30 November 2021	60,223	235,494	460,939
At 30 November 2020	-	102,608	308,555

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

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 December 2020 and 30 November 2021	197,715	47,943	73,051	318,709
DEPRECIATION				
At 1 December 2020	93,366	33,959	51,744	179,069
Charge for year	32,952	11,986	18,263	63,201
At 30 November 2021	126,318	45,945	70,007	242,270
NET BOOK VALUE				
At 30 November 2021	71,397	1,998	3,044	76,439
At 30 November 2020	104,349	13,984	21,307	139,640

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 December 2020	3,519,877
Additions	8,000
Disposals	(226)
	<u>3,527,651</u>
At 30 November 2021	3,527,651
NET BOOK VALUE	
At 30 November 2021	<u>3,527,651</u>
At 30 November 2020	<u>3,519,877</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Harnham Search and Selection Limited, a company incorporated in the United Kingdom.

Harnham Europe Limited, a company incorporated in the United Kingdom.

Harnham Inc., a company incorporated in the USA.

Harnham GmbH, a company incorporated in Germany.

Rockborne Limited, a company incorporated in the United Kingdom.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	7,653,333	2,372,913	-	-
Amounts owed by group undertakings	-	-	-	2,704
Other debtors	172,324	200,114	-	-
Accrued income	383,153	117,406	-	-
Prepayments	277,874	141,003	-	-
	<u>8,486,684</u>	<u>2,831,436</u>	<u>-</u>	<u>2,704</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Finance leases (see note 16)	3,634	86,460	-	-
Trade creditors	1,443,273	972,822	-	-
Amounts owed to group undertakings	-	-	510,445	505,054
Tax	815,354	140,782	-	-
Social security and other taxes	555,015	186,658	-	-
VAT	891,929	583,158	-	-
Other creditors	119,198	40,574	-	-
Deferred income	255,196	83,078	-	-
Accrued expenses	2,996,515	804,013	5,044	4,439
	<u>7,080,114</u>	<u>2,897,545</u>	<u>515,489</u>	<u>509,493</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2021	2020
	£	£
Finance leases (see note 16)	-	5,758
	<u>-</u>	<u>5,758</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2021	2020
	£	£
Gross obligations repayable:		
Within one year	3,705	90,867
Between one and five years	-	5,830
	<u>3,705</u>	<u>96,697</u>
Finance charges repayable:		
Within one year	71	4,407
Between one and five years	-	72
	<u>71</u>	<u>4,479</u>
Net obligations repayable:		
Within one year	3,634	86,460
Between one and five years	-	5,758
	<u>3,634</u>	<u>92,218</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

16. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	653,163	296,586
Between one and five years	1,171,607	632,282
	<u>1,824,770</u>	<u>928,868</u>

17. PROVISIONS FOR LIABILITIES

Group

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	<u>39,098</u>	<u>24,751</u>

Group

	Deferred tax
	£
Balance at 1 December 2020	24,751
Provided during year	<u>14,347</u>
Balance at 30 November 2021	<u>39,098</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
10,000	Ordinary A	£0.001	10	10
2,185	Ordinary-B	£0.001	<u>2</u>	<u>2</u>
			<u>12</u>	<u>12</u>

A Ordinary shares have voting rights with entitlement to dividend distributions.

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

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021****19. RELATED PARTY DISCLOSURES**

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

Amounts recharged to group companies were:

	2021	2020
	£	£
Harnham Europe Limited	571,977	610,531
Harnham Inc	659,189	545,900
Harnham GmbH	172,693	98,944
Rockborne Limited	176,921	-

At the balance sheet date Harnham Search and Selection Limited was owed by the following entities:

	2021	2020
	£	£
Harnham Group Limited	487,869	505,052
Harnham Europe Limited	1,257,629	622,570
Harnham Inc	(402,319)	968,435
Harnham GmbH	381,452	144,866
Rockborne Limited	1,331,431	-

Key management includes all directors and certain senior employees who have authority and responsibility for planning and controlling the activities of the group.

	2021	2020
	£	£
Salaries and other short-term employee benefits	586,950	481,950
Post-employment benefits	19,278	19,278
	<u>606,678</u>	<u>501,228</u>

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is S J Clarke.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

21. SHARE-BASED PAYMENT TRANSACTIONS

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

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

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

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

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

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