

REGISTERED NUMBER: 09899731 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
AUDITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022
FOR
HARNHAM GROUP LIMITED**

THURSDAY



AC8564JF

A12

20/07/2023

#168

COMPANIES HOUSE

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Consolidated Income Statement	10
Consolidated Other Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Cash Flow Statement	16
Notes to the Consolidated Cash Flow Statement	17
Notes to the Consolidated Financial Statements	18

HARNHAM GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their strategic report of the company and the group for the year ended 30 November 2022.

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 AI 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 60% to £30,320,600 (2021 - £18,945,749). Profit before taxation was £3,293,157 a strong increase from 2021 (£2,847,091) with particularly strong demand in the first half year as the requirement for data professionals grew and there was high levels of movement between jobs in the data sector.

Employees increased to an average of 272 headcount from 226 in 2021 as the Group acted to expand in reaction to the increased demand. A large part of the increase, Rockborne grew from an average of 15, starting mid-2021, to 71 in 2022 as it built its capability and trained new consultants.

Turnover increased by £18m to £51m. Much of this growth was from the UK and US businesses where turnover increased by £10m and £4m respectively. Revenue from contract staffing solutions increased by 47% to £25m; permanent staffing solutions grew by 54% to £25m; Rockborne generated £1.5m from deploying consultants (zero in prior year).

The global impact of inflation, exacerbated by the conflict in the Ukraine impacted the groups markets from the last quarter of 2022. This has led to a reduction in trading through the first half of 2023 and the group has taken action to reduce costs in line. Particularly affected were the US markets and the permanent placements.

Cash balances declined £1.0m to £2.4m at year end. Over the year the group invested in developing its headquarters in Wimbledon (£1.8m) and acquired shares from a departing shareholder (£1.5m). To spread the cash impact, the group took a £2.5m 3 year term loan from HSBC.

The company's operations have a minimal impact on the environment and local communities given it is a services business with a mix of home-based and office-based employees. The group companies support and take part in initiatives to reduce any such impact and take an active role in the local communities.

Key performance indicators

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

	2022	2021
Gross profit	30,320,600	18,945,749
EBITDA	4,050,039	3,245,633
Total assets less current liabilities	8,444,660	6,182,816

The board considers:

i) Gross Profit as a measure of growth in the business. This year the business grew rapidly (60% gross profit improvement) building on the growth in the second half of the prior year. The group grew strongly, particularly in the first half year, across all its markets and products.

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 despite investing in growth in its sales teams and supporting infrastructure. The group is investing significantly in Rockborne which is growing its customer base and capability.

iii) Total assets less current liabilities (TALCL) represents the underlying assets of the business excluding any longer-term funding. It increased by £2.3m through the investment in the expanded Wimbledon office and an increase in working capital due to revenue growth.

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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 note that the global downturn driven by inflation is impacting the business and that this may extend. They also are aware of the significant growth of artificial intelligence (AI) and that this could be a risk as well as an opportunity, however given the group operated in this sector it is well placed to react appropriately.

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 has an ability to borrow up to £4m through its invoice discounting facilities with HSBC. 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. The company no longer sees any impact from Covid 19. It has a robust and tested disaster recovery plan with all employees being able to work from home and the group intends to maintain this capability to ensure business continuity and the safety of its employees.

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

SECTION 172(1) STATEMENT

The Board acknowledges Section 172(1) of the UK Companies Act 2006, and its duty to promote the success of the Group.

A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so has regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- fostering business relationships with suppliers, customers and others
- the impact on the community and environment
- the reputation for high standards of business conduct
- the need to act fairly between members of the company

Our outlook

The Directors understand the business and the evolving environment in which we operate. The strategy set by the Board is based on these key priorities - expand reach in core markets, achieve better outcomes for our clients, and nurture and grow our people.

Our clients

Our clients and the work we do for them is the bedrock of our business and the reason we can attract and retain our people. The relationships and trust our teams build with our clients, combined with the knowledge of our client's businesses, culture and skill requirements guarantees we have a high success rate on our placements.

Our people

Our people and their development are intrinsically linked to the success of our clients and achieving our strategic goals. We engage with our people regularly throughout the year and through a variety of means. We feel that it is important to bring our people together in person and have frequent events. It is important for the business that our people are listened to, their views are responded to, and everyone's achievements are celebrated.

FUTURE DEVELOPMENTS

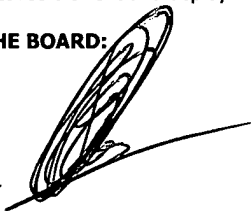
The Group, due to market conditions, has restricted its growth and downsized in several territories in the first half of 2023. The board are focused on preserving the group's reserves and maintaining the ability to grow again when the market improves.

At the same time the group has extended into Holland and has opened an office in Amsterdam through its new subsidiary Harnham BV.

The board are confident of the groups abilities to exploit the opportunities within the data and AI sector. Focusing on its core markets of the UK, Europe and the USA it will look to extend the reach of its three core products, permanent recruitment, contract recruitment and deployment of Rockborne trained consultants.

ON BEHALF OF THE BOARD:

S J Clarke - Director



26 June 2023

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

The directors present their report with the financial statements of the company and the group for the year ended 30 November 2022.

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 £100,000 (2021 - £400,000). There were no proposed dividends awaiting approval at 30 November 2022 on the A Ordinary shares.

No dividends were paid on the B Ordinary shares during the financial year (2021 - £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 2021 to the date of this report.

S J Clarke
D Farmer
S Lawrence

Other changes in directors holding office are as follows:

P Linton - resigned 29 April 2022
D Rees - appointed 29 April 2022
R Satsangi - appointed 29 April 2022

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 ought to have taken as a director in order to make himself 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)

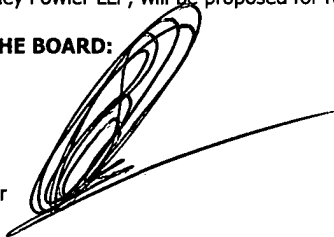
**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

AUDITORS

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

ON BEHALF OF THE BOARD:

S J Clarke - Director

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

26 June 2023

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 2022 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 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 five, 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 Askeew (Senior Statutory Auditor)
for and on behalf of Hartley Fowler LLP
Statutory Auditors
Chartered Accountants
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

26 June 2023

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
TURNOVER	3	51,271,804	33,051,175
Cost of sales		20,951,204	14,105,426
GROSS PROFIT		30,320,600	18,945,749
Administrative expenses		26,991,473	16,099,616
OPERATING PROFIT	5	3,329,127	2,846,133
Interest receivable and similar income		199	958
		3,329,326	2,847,091
Interest payable and similar expenses	6	36,169	-
PROFIT BEFORE TAXATION		3,293,157	2,847,091
Tax on profit	7	1,063,321	830,899
PROFIT FOR THE FINANCIAL YEAR		2,229,836	2,016,192
Profit attributable to:			
Owners of the parent		1,915,709	1,608,094
Non-controlling interests		314,127	408,098
		2,229,836	2,016,192

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		2,229,836	2,016,192
OTHER COMPREHENSIVE INCOME			
Translation differences on foreign subsidiaries		368,577	143,846
Purchase of own shares		(1,500,000)	-
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(1,131,423)</u>	<u>143,846</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,098,413</u></u>	<u><u>2,160,038</u></u>
Total comprehensive income attributable to:			
Owners of the parent		738,747	1,739,574
Non-controlling interests		359,666	420,464
		<u><u>1,098,413</u></u>	<u><u>2,160,038</u></u>

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**CONSOLIDATED BALANCE SHEET
30 NOVEMBER 2022**

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		692,523		859,345
Tangible assets	11		1,781,614		460,939
Investments	12		-		-
			<u>2,474,137</u>		<u>1,320,284</u>
CURRENT ASSETS					
Debtors	13	10,258,019		8,486,684	
Cash at bank and in hand		<u>2,421,197</u>		<u>3,455,962</u>	
		12,679,216		11,942,646	
CREDITORS					
Amounts falling due within one year	14	<u>6,708,693</u>		<u>7,080,114</u>	
NET CURRENT ASSETS			<u>5,970,523</u>		<u>4,862,532</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,444,660		6,182,816
CREDITORS					
Amounts falling due after more than one year	15		(1,351,882)		-
PROVISIONS FOR LIABILITIES	18		<u>(393,294)</u>		<u>(39,098)</u>
NET ASSETS			<u><u>6,699,484</u></u>		<u><u>6,143,718</u></u>
CAPITAL AND RESERVES					
Called up share capital	19		12		12
Share premium			3,015,214		2,999,990
Capital redemption reserve			1		1
Retained earnings			<u>2,774,538</u>		<u>2,274,521</u>
SHAREHOLDERS' FUNDS			<u>5,789,765</u>		<u>5,274,524</u>
NON-CONTROLLING INTERESTS			<u>909,719</u>		<u>869,194</u>
TOTAL EQUITY			<u><u>6,699,484</u></u>		<u><u>6,143,718</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2023 and were signed on its behalf by:

S J Clarke - Director

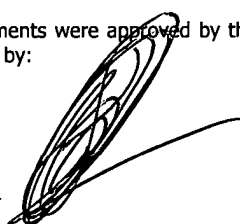
The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**COMPANY BALANCE SHEET
30 NOVEMBER 2022**

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		3,985,522		3,527,651
			<u>3,985,522</u>		<u>3,527,651</u>
CURRENT ASSETS					
Debtors	13	2		-	
Cash at bank		4,973		102	
		<u>4,975</u>		<u>102</u>	
CREDITORS					
Amounts falling due within one year	14	513,162		515,489	
NET CURRENT LIABILITIES			<u>(508,187)</u>		<u>(515,387)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,477,335</u>		<u>3,012,264</u>
CAPITAL AND RESERVES					
Called up share capital	19		12		12
Share premium			3,015,214		2,999,990
Capital redemption reserve			1		1
Retained earnings			462,108		12,261
SHAREHOLDERS' FUNDS			<u>3,477,335</u>		<u>3,012,264</u>
Company's profit for the financial year			<u>2,049,847</u>		<u>399,072</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2023 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 2022**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 December 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
Changes in equity			
Issue of share capital	-	-	15,224
Total comprehensive income	-	738,747	-
Dividends	-	(100,000)	-
Change in shareholdings of subsidiary	-	(138,730)	-
Balance at 30 November 2022	12	2,774,538	3,015,214

	Capital redemption reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 December 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
Changes in equity				
Issue of share capital	-	15,224	-	15,224
Total comprehensive income	-	738,747	359,666	1,098,413
Dividends	-	(100,000)	-	(100,000)
Change in shareholdings of subsidiary	-	(138,730)	(319,141)	(457,871)
Balance at 30 November 2022	1	5,789,765	909,719	6,699,484

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 2022**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 December 2020	12	13,189	2,999,990	1	3,013,192
Changes in equity					
Total comprehensive income	-	399,072	-	-	399,072
Dividends	-	(400,000)	-	-	(400,000)
Balance at 30 November 2021	12	12,261	2,999,990	1	3,012,264
Changes in equity					
Issue of share capital	-	-	15,224	-	15,224
Total comprehensive income	-	549,847	-	-	549,847
Dividends	-	(100,000)	-	-	(100,000)
Balance at 30 November 2022	12	462,108	3,015,214	1	3,477,335

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	2,146,206	1,197,467
Interest paid		(36,169)	-
Tax paid		(1,837,309)	(141,980)
Net cash from operating activities		<u>272,728</u>	<u>1,055,487</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(41,435)	(11,800)
Purchase of tangible fixed assets		(1,800,011)	(342,639)
Purchase of fixed asset investments		(457,871)	-
Interest received		199	958
Net cash from investing activities		<u>(2,299,118)</u>	<u>(353,481)</u>
Cash flows from financing activities			
New loans in year		2,500,000	-
Loan repayments in year		(329,468)	-
Capital repayments in year		-	(88,584)
Share issue		15,224	-
Share buyback		(1,500,000)	-
Equity dividends paid		(100,000)	(400,000)
Net cash from financing activities		<u>585,756</u>	<u>(488,584)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,440,634)</u>	<u>213,422</u>
Cash and cash equivalents at beginning of year	2	3,455,962	3,118,769
Effect of foreign exchange rate changes		405,869	123,771
Cash and cash equivalents at end of year	2	<u><u>2,421,197</u></u>	<u><u>3,455,962</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 2022****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit before taxation	3,293,157	2,847,091
Depreciation charges	703,393	394,399
Finance costs	36,169	-
Finance income	(199)	(958)
	<u>4,032,520</u>	<u>3,240,532</u>
Increase in trade and other debtors	(1,771,335)	(5,598,601)
(Decrease)/increase in trade and other creditors	(114,979)	3,555,536
Cash generated from operations	<u>2,146,206</u>	<u>1,197,467</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 2022

	30/11/22	1/12/21
	£	£
Cash and cash equivalents	<u>2,421,197</u>	<u>3,455,962</u>

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>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/12/21	Cash flow	At 30/11/22
	£	£	£
Net cash			
Cash at bank and in hand	<u>3,455,962</u>	<u>(1,034,765)</u>	<u>2,421,197</u>
	<u>3,455,962</u>	<u>(1,034,765)</u>	<u>2,421,197</u>
Debt			
Finance leases	(3,634)	3,634	-
Debts falling due within 1 year	-	(818,650)	(818,650)
Debts falling due after 1 year	-	(1,351,882)	(1,351,882)
	<u>(3,634)</u>	<u>(2,166,898)</u>	<u>(2,170,532)</u>
Total	<u>3,452,328</u>	<u>(3,201,663)</u>	<u>250,665</u>

The notes form part of these financial statements

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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.

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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.

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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.

Short leasehold	- over the lease term
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.

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022

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 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:

	2022	2021
	£	£
United Kingdom	31,249,939	20,082,782
Europe	4,353,568	2,309,837
United States of America	15,455,717	10,627,501
ROW	212,580	31,055
	<u>51,271,804</u>	<u>33,051,175</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****4. EMPLOYEES AND DIRECTORS**

	2022 £	2021 £
Wages and salaries	18,677,193	11,824,782
Social security costs	1,215,831	794,984
Other pension costs	204,120	129,593
	<u>20,097,144</u>	<u>12,749,359</u>

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

	2022	2021
Directors	4	4
Employees	<u>268</u>	<u>222</u>
	<u>272</u>	<u>226</u>

	2022 £	2021 £
Directors' remuneration	697,747	586,950
Directors' pension contributions to money purchase schemes	<u>24,000</u>	<u>19,278</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2022 £	2021 £
Emoluments etc	215,000	195,650
Pension contributions to money purchase schemes	<u>8,000</u>	<u>6,426</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022 £	2021 £
Other operating leases	1,434,664	634,217
Depreciation - owned assets	487,386	125,854
Depreciation - assets on finance leases	5,423	63,201
Goodwill amortisation	195,467	195,467
Computer software amortisation	12,790	9,877
Auditors' remuneration	11,963	11,310
Taxation compliance services	6,150	7,370
Other non- audit services	22,176	13,085
Foreign exchange differences	<u>107,367</u>	<u>89,715</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Bank loan interest	<u>36,169</u>	<u>-</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****7. TAXATION****Analysis of the tax charge**

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

	2022 £	2021 £
Current tax:		
UK corporation tax	709,125	193,308
Foreign tax	-	623,244
Total current tax	709,125	816,552
Deferred tax	354,196	14,347
Tax on profit	<u>1,063,321</u>	<u>830,899</u>

UK corporation tax was charged at 19% in 2021.

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:

	2022 £	2021 £
Profit before tax	<u>3,293,157</u>	<u>2,847,091</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	625,700	540,947
Effects of:		
Expenses not deductible for tax purposes	153,280	10,605
Capital allowances in excess of depreciation	(166,923)	(3,786)
Loss/(Profit) of foreign subsidiary	-	86,068
Foreign tax rate	227,207	145,579
Amortisation of goodwill on consolidation	37,139	37,139
Other tax adjustments	(167,278)	-
Deferred tax movement	354,196	14,347
Total tax charge	<u>1,063,321</u>	<u>830,899</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2022 Tax £	Net £
Translation differences on foreign subsidiaries	368,577	-	368,577
Purchase of own shares	(1,500,000)	-	(1,500,000)
	<u>(1,131,423)</u>	<u>-</u>	<u>(1,131,423)</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****7. TAXATION - continued**

	Gross £	2021 Tax £	Net £
Translation differences on foreign subsidiaries	143,846	-	143,846
	<u>143,846</u>	<u>-</u>	<u>143,846</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

	2022 £	2021 £
Ordinary A shares of £0.001 each Interim	<u>100,000</u>	<u>400,000</u>

10. INTANGIBLE FIXED ASSETS**Group**

	Goodwill £	Computer software £	Totals £
COST			
At 1 December 2021	1,954,672	81,967	2,036,639
Additions	-	41,435	41,435
Exchange differences	-	2,221	2,221
At 30 November 2022	<u>1,954,672</u>	<u>125,623</u>	<u>2,080,295</u>
AMORTISATION			
At 1 December 2021	1,107,647	69,647	1,177,294
Amortisation for year	195,467	12,790	208,257
Exchange differences	-	2,221	2,221
At 30 November 2022	<u>1,303,114</u>	<u>84,658</u>	<u>1,387,772</u>
NET BOOK VALUE			
At 30 November 2022	<u>651,558</u>	<u>40,965</u>	<u>692,523</u>
At 30 November 2021	<u>847,025</u>	<u>12,320</u>	<u>859,345</u>

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.

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022

11. TANGIBLE FIXED ASSETS

Group

	Short leasehold £	Improvements to property £	Plant and machinery £
COST			
At 1 December 2021	-	197,715	6,999
Additions	108,388	-	-
Exchange differences	-	-	-
At 30 November 2022	108,388	197,715	6,999
DEPRECIATION			
At 1 December 2021	-	126,318	6,782
Charge for year	9,038	32,953	217
Exchange differences	-	-	-
At 30 November 2022	9,038	159,271	6,999
NET BOOK VALUE			
At 30 November 2022	99,350	38,444	-
At 30 November 2021	-	71,397	217

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 December 2021	270,184	68,000	516,818	1,059,716
Additions	1,391,841	-	299,782	1,800,011
Exchange differences	4,084	-	22,657	26,741
At 30 November 2022	1,666,109	68,000	839,257	2,886,468
DEPRECIATION				
At 1 December 2021	176,576	7,777	281,324	598,777
Charge for year	276,022	9,332	165,247	492,809
Exchange differences	1,973	-	11,295	13,268
At 30 November 2022	454,571	17,109	457,866	1,104,854
NET BOOK VALUE				
At 30 November 2022	1,211,538	50,891	381,391	1,781,614
At 30 November 2021	93,608	60,223	235,494	460,939

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****11. TANGIBLE FIXED ASSETS - continued****Group**

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 2021	197,715	47,943	73,051	318,709
Transfer to ownership	(197,715)	(47,943)	(73,051)	(318,709)
At 30 November 2022	-	-	-	-
DEPRECIATION				
At 1 December 2021	126,318	45,945	70,007	242,270
Charge for year	1,431	1,998	1,994	5,423
Transfer to ownership	(127,749)	(47,943)	(72,001)	(247,693)
At 30 November 2022	-	-	-	-
NET BOOK VALUE				
At 30 November 2022	-	-	-	-
At 30 November 2021	71,397	1,998	3,044	76,439

12. FIXED ASSET INVESTMENTS**Company**

	Shares in group undertaking £
COST	
At 1 December 2021	3,527,651
Additions	457,871
At 30 November 2022	3,985,522
NET BOOK VALUE	
At 30 November 2022	3,985,522
At 30 November 2021	3,527,651

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.

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****12. FIXED ASSET INVESTMENTS - continued****13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	8,262,653	7,653,333	-	-
Amounts owed by group undertakings	-	-	2	-
Other debtors	693,391	172,324	-	-
Accrued income	881,935	383,153	-	-
Prepayments	420,040	277,874	-	-
	<u>10,258,019</u>	<u>8,486,684</u>	<u>2</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 16)	818,650	-	-	-
Finance leases (see note 17)	-	3,634	-	-
Trade creditors	1,234,701	1,443,273	-	-
Amounts owed to group undertakings	-	-	503,073	510,445
Tax	(312,830)	815,354	-	-
Social security and other taxes	502,174	555,015	-	-
VAT	984,113	891,929	-	-
Other creditors	107,001	119,198	-	-
Deferred income	63,830	255,196	-	-
Accrued expenses	3,311,054	2,996,515	10,089	5,044
	<u>6,708,693</u>	<u>7,080,114</u>	<u>513,162</u>	<u>515,489</u>

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

	Group	
	2022	2021
	£	£
Bank loans (see note 16)	<u>1,351,882</u>	<u>-</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****16. LOANS**

An analysis of the maturity of loans is given below:

	Group	
	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>818,650</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>843,550</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>508,332</u>	<u>-</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2022	2021
	£	£
Gross obligations repayable:		
Within one year	<u>-</u>	<u>3,705</u>
Finance charges repayable:		
Within one year	<u>-</u>	<u>71</u>
Net obligations repayable:		
Within one year	<u>-</u>	<u>3,634</u>

Group

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	-	653,163
Between one and five years	-	1,171,607
	<u>-</u>	<u>1,824,770</u>

18. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>393,294</u>	<u>39,098</u>

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022****18. PROVISIONS FOR LIABILITIES - continued****Group**

	Deferred tax £
Balance at 1 December 2021	39,098
Provided during year	354,196
Balance at 30 November 2022	<u>393,294</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022 £	2021 £
Number:	Class:			
3,065	Ordinary A	£0.001	3	10
8,828	Ordinary B	£0.001	9	2
60	Ordinary C	£0.001	-	-
			<u>12</u>	<u>12</u>

60 Ordinary C shares of £0.001 each were allotted and fully paid for cash at par during the year.

During the year, the following transactions took place:

- 14 April 2022 a purchase of own shares resulted in the cancellation of 415 B shares
- 29 April 2022 122 new B shares were issued
- 29 April 2022 558 B shares were reclassified as 498 A shares and 60 C shares
- 29 April 2022 7,433 A shares were reclassified as 7,433 B shares

A Ordinary shares have voting rights with entitlement to fixed cumulative preferential dividend until November 2026.

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

C Ordinary shares have 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 2022****20. 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:

	2022	2021
	£	£
Harnham Europe Limited	527,906	571,977
Harnham Inc	1,046,650	659,189
Harnham GmbH	157,591	172,693
Rockborne Limited	546,567	176,921

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

	2022	2021
	£	£
Harnham Group Limited	503,065	487,869
Harnham Europe Limited	867,716	1,257,629
Harnham Inc	(2,590,001)	(402,319)
Harnham GmbH	575,213	381,452
Rockborne Limited	4,964,726	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>

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is S J Clarke.

HARNHAM GROUP LIMITED (REGISTERED NUMBER: 09899731)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022

22. 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