Registered number: 04527016

SAVANNAH GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

SAVANNAH GROUP LIMITED

COMPANY INFORMATION

Directors	J H G Ellis (resigned 3 February 2022) E J Llewellyn-Lloyd M L Kacary R Draper (appointed 21 October 2021, resigned 1 June 2022) K J Cheverton S Gough C M Donkin A M G Martin
Registered number	04527016
Registered office	7th Floor 8 Old Jewry London EC2R 8DN
Independent auditors	Ryecroft Glenton Chartered Accountants & Statutory Auditors 32 Portland Terrace Jesmond Newcastle upon Tyne NE2 1QP

SAVANNAH GROUP LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The principal activity of the Company continued to be that of executive recruitment consulting.

Business review

Savannah Group had a successful 2021. Performance was ahead of budget in all areas. The recruitment market, following the easing of most Covid restrictions, was generally strong, and we benefited from this strong demand, supported by our particular strength in technology roles. Our reputation for placing 'Women in Tech' remains a key success factor. In the year net fee income (gross profit) was 34% ahead of 2020, with a 39% increase in operating profit. As for most businesses 2020 is a difficult comparator, however, for Savannah 2020 was very strong in most areas, so we are very pleased to report strong growth in turnover and profit. Our revenue was largely driven from Executive Search, but we are seeing significant growth in other service lines, particularly Interim Management.
Attracting and retaining the best team is critical to our success, we are delighted that we have been able to do this in a very challenging market. Although in early 2021, three of the founding partners took planned retirements, our succession plans were well established and have proven to be very successful, as demonstrated by the financial results.

Principal risks and uncertainties

The macroeconomic environment presents risk and uncertainty to most businesses. Given the level at which we operate we see most demand being cyclical and also driven by business transformation requirements. In developing additional complementary service lines our intention is to provide resilience should there be an economic downturn.
Competitive Risk: The company operates in a competitive market but being a boutique operator providing high-quality specialist services this risk is minimised

Market Risk: The market is prone to fluctuations linked to the economic conditions that affect demand. The company manages this risk by regularly reviewing:

a) The market offerings: Introducing new services diversifying our overall service offering and opening new revenue streams.
b) The cost base: Ensuring costs are reviewed regularly and are in proportion to the needs of the business; supporting expansion, diversification and growth where required

Credit Risk: The company offers standard 30-day payment terms to all its customers but mitigates any credit risk by ensuring robust credit control procedures. This is evident as there have been no bad debts recorded in 2021.

Liquidity Risk: The company runs regular cash flow forecasts to ensure it can meet its financial obligations as and when they fall due. In 2021 the company maintained a healthy cash balance throughout the year and did not require any overdraft or loan facilities to run its operations.

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

Financial key performance indicators

The company's key financial indicators for the year are as follows:

	2021(£)	2020(£)
Turnover:	17,936,705	14,007,255
Profit before tax:	875,089	650,070
Net Assets:	984,829	1,840,805
Current asset ratio:	1.22	1.51

Turnover in 2021 was higher than in 2020 resulting in a significant increase in profit before tax. All budget expectations were exceeded.

The company's administrative expenses remained static and within forecast. Key investments were made within the backend functions to ensure increased growth is efficiently managed and appropriate controls are in place.

The Management Team held weekly meeting to consider financial performance, the focus being on fees and the future pipeline of work. Cost ratios and cash flow is reviewed monthly by the Board.

This report was approved by the board on 13 September 2022 and signed on its behalf.

K J Cheverton
Director

SAVANNAH GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activity

The principal activity of the company continued to be that of executive recruitment consulting.

Directors

The directors who served during the year were:

J H G Ellis (resigned 3 February 2022)
E J Llewellyn-Lloyd
M L Kacary
R Draper (appointed 21 October 2021, resigned 1 June 2022)
K J Cheverton
S Gough
C M Donkin
A M G Martin

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The profit for the year, after taxation, amounted to £809,819 *(2020 - £598,646)*.

The directors recommended the payment of a dividend of £0.3372 per C Ordinary share payable to shareholders in June 2022 (2020 - £0.318 per A & C share).

Future developments

In 2022 we continue to build out new service lines which will be launched in Autumn 2022. This diversification supports our core business, whilst providing additional financial security and significant growth potential. Early investment in these propositions is included in the 2021 accounts.

Disclosure of information to auditors

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

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

Post balance sheet events

Following the year end the company entered into a contract to repurchase some shares. Further details of this can be found in note 26 to the accounts.

Auditors

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

This report was approved by the board on 13 September 2022 and signed on its behalf.

K J Cheverton
Director

SAVANNAH GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAVANNAH GROUP LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAVANNAH GROUP LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

SAVANNAH GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAVANNAH GROUP LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships and;
- tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims and;
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAVANNAH GROUP LIMITED (CONTINUED)

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

Use of our report

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

Grahame Maughan (Senior Statutory Auditor)

for and on behalf of
Ryecroft Glenton

Chartered Accountants
Statutory Auditors

32 Portland Terrace
Jesmond
Newcastle upon Tyne
NE2 1QP

13 September 2022

SAVANNAH GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	17,936,705	14,007,255
Cost of sales		(6,819,760)	(5,731,101)
Gross profit		11,116,945	8,276,154
Administrative expenses		(10,242,014)	(7,626,241)
Operating profit	5	874,931	649,913
Interest receivable and similar income	9	158	249
Interest payable and similar expenses	10	-	(92)
Profit before tax		875,089	650,070
Tax on profit	11	(65,270)	(51,424)
Profit for the financial year		809,819	598,646

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

The notes on pages 15 to 30 form part of these financial statements.

SAVANNAH GROUP LIMITED
REGISTERED NUMBER: 04527016

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		*2020 £*
Fixed assets					
Intangible assets	13		**260,192**		*-*
Tangible assets	14		**190,196**		*228,243*
			450,388		*228,243*
Current assets					
Debtors	15	**3,797,461**		*2,079,546*	
Cash at bank and in hand	16	**3,104,436**		*2,778,965*	
		6,901,897		*4,858,511*	
Creditors: amounts falling due within one year	17	**(5,659,173)**		*(3,220,093)*	
Net current assets			**1,242,724**		*1,638,418*
Total assets less current liabilities			**1,693,112**		*1,866,661*
Creditors: amounts falling due after more than one year	18		**(650,000)**		*-*
Provisions for liabilities					
Deferred tax	20	**(58,283)**		*(25,856)*	
			(58,283)		*(25,856)*
Net assets			**984,829**		*1,840,805*
Capital and reserves					
Called up share capital	21		**2,103**		*2,421*
Share premium account	22		**471,279**		*471,279*
Capital redemption reserve	22		**784**		*466*
Other reserves	22		**(975,000)**		*-*
Profit and loss account	22		**1,485,663**		*1,366,639*

SAVANNAH GROUP LIMITED
REGISTERED NUMBER: 04527016

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2022.

K J Cheverton
Director

The notes on pages 15 to 30 form part of these financial statements.

SAVANNAH GROUP LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2020	1,333	407,063	466	-	1,025,826	1,434,688
Profit for the year	-	-	-	-	598,646	598,646
Dividends: Equity capital	-	-	-	-	(257,833)	(257,833)
Shares issued during the year	1,088	64,216	-	-	-	65,304
At 1 January 2021	2,421	471,279	466	-	1,366,639	1,840,805
Profit for the year	-	-	-	-	809,819	809,819
Future share repurchases	-	-	-	(975,000)	-	(975,000)
Dividends: Equity capital	-	-	-	-	(365,795)	(365,795)

Shares cancelled during the year	(318)	-	-	-	-	(318)
At 31 December 2021	**2,103**	**471,279**	**784**	**(975,000)**	**1,485,663**	**984,829**

The notes on pages 15 to 30 form part of these financial statements.

SAVANNAH GROUP LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	809,819	598,646
Adjustments for:		
Depreciation of tangible assets	75,325	73,667
Loss on disposal of tangible assets	(29)	-
Interest paid	-	92
Interest received	(158)	(249)
Taxation charge	65,270	51,424
(Increase)/decrease in debtors	(1,717,915)	1,138,306
Increase/(decrease) in creditors	3,077,761	(184,199)
Movement in creditors relating to other reserves	(975,000)	-
Corporation tax (paid)	(21,524)	(95,458)
Net cash generated from operating activities	1,313,549	1,582,229
Cash flows from investing activities		
Purchase of intangible fixed assets	(260,192)	-
Purchase of tangible fixed assets	(38,545)	(59,653)
Sale of tangible fixed assets	1,296	-
Interest received	158	249
Net cash from investing activities	(297,283)	(59,404)
Cash flows from financing activities		
Issue of ordinary shares	-	65,304
Purchase of ordinary shares	(325,000)	-
Dividends paid	(365,795)	(257,833)
Interest paid	-	(92)
Net cash used in financing activities	(690,795)	(192,621)
Net increase in cash and cash equivalents	325,471	1,330,204
Cash and cash equivalents at beginning of year	2,778,965	1,448,761
Cash and cash equivalents at the end of year	3,104,436	2,778,965

Cash at bank and in hand	**3,104,436**	*2,778,965*
	3,104,436	*2,778,965*

SAVANNAH GROUP LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	2,778,965	325,471	3,104,436
	2,778,965	325,471	3,104,436

The notes on pages 15 to 30 form part of these financial statements.

SAVANNAH GROUP LIMITED

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

1. General information

Savannah Group Limited is a private company limited by shares incorporated in England and Wales, company number 04527016. The address of the registered office is 7th Floor, 8 Old Jewry, London, EC2R 8DN. The principal activity of the company is executive recruitment consulting.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

At the balance sheet date the Company had net assets of £984,829 and cash resources of £3,104,436 with no secured debt and no requirement for external funding.
The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. Accordingly the directors have no reason to believe that a material uncertainty exists that may cast significant doubt on the company's ability to continue in operational existence. Therefore the directors continue to adopt the going concern basis of accounting in preparing

2.3 Revenue

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

Rendering of services

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

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

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

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

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

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.6 Government grants

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

2.7 Finance costs

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

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

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

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

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.10 Intangible assets

Intangible assets are initially recognised at cost. The intangible asset in the business remains under development at the year end and therefore no amortisation has been charged in these accounts. Amortisation will begin when the asset is available for use.

2. Accounting policies (continued)

2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Short-term leasehold property	- straight line over the term of the lease
Office equipment	- 20% straight line
Computer equipment	- 33% straight line

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

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

2.12 Debtors

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

2.13 Cash and cash equivalents

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

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

2.14 Creditors

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

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.
Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.
When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Dividends

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

2.17 Financial instruments

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

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

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

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

Fixed Assets
Tangible fixed assets are depreciated over their useful lives taking into account residual value where appropriate. The actual lives of the assets and residual value are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation & product life cycles are taking into account. Residual value consider matters such as future market conditions and the remaining estimated life of the asset to caclulate their net present values.

4. Turnover

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

	2021 £	2020 £
Fees - Executive search	**7,800,161**	*5,340,214*
Fees - Interim placements	**9,869,518**	*8,251,895*
Expenses recharged	**267,026**	*415,146*
	17,936,705	*14,007,255*

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	**17,936,705**	*14,007,255*
	17,936,705	*14,007,255*

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	**17,639**	*6,522*
Other operating lease rentals	**189,428**	*360,733*

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**13,975**	*13,000*

7. Employees

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

	2021 £	*2020 £*
Wages and salaries	**7,677,623**	*5,610,024*
Social security costs	**537,222**	*466,336*
Cost of defined contribution scheme	**192,762**	*169,445*
	8,407,607	*6,245,805*

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

	2021 No.	*2020 No.*
Recruitment consultants and support staff	**57**	*51*

8. Directors' remuneration

	2021 £	*2020 £*
Directors' emoluments	**1,488,635**	*1,462,243*
Company contributions to defined contribution pension schemes	**25,938**	*16,500*
	1,514,573	*1,478,743*

During the year retirement benefits were accruing to 5 directors *(2020 - 3)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £472,475 *(2020 - £471,969)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,625 *(2020 - £NIL)*.

9. Interest receivable

	2021 £	*2020 £*
Other interest receivable	**158**	*249*
	158	*249*

10. Interest payable and similar expenses

	2021 £	*2020 £*
Other interest payable	-	*92*
	-	*92*

11. Taxation

	2021 £	*2020 £*
Corporation tax		
Current tax on profits for the year	61,923	*50,604*
Adjustments in respect of previous periods	(29,080)	*-*
Total current tax	32,843	*50,604*
Deferred tax		
Origination and reversal of timing differences	32,427	*820*
Total deferred tax	32,427	*820*
Taxation on profit on ordinary activities	65,270	*51,424*

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NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)

Factors affecting tax charge for the year

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

	2021 £	*2020 £*
Profit on ordinary activities before tax	**875,089**	*650,070*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**166,267**	*123,513*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**4,360**	*2,179*
Capital allowances for year in excess of depreciation	**4,497**	*2,283*
Adjustments to tax charge in respect of prior periods	**(29,080)**	*-*
Short-term timing difference leading to an increase (decrease) in taxation	**6,865**	*4,302*
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(91,594)**	*-*
Tax deduction arising from exercise of employee options	**-**	*(81,673)*
Other differences leading to an increase/(decrease) in the tax charge	**3,955**	*820*
Total tax charge for the year	**65,270**	*51,424*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2021 £	*2020 £*

Dividends paid on Ordinary A shares	**106,156**	*127,225*
Dividends paid on Ordinary C shares	**259,639**	*130,608*
	365,795	*257,833*

13. Intangible assets

	Computer software
	£
Cost	
Additions	**260,192**
At 31 December 2021	**260,192**
Net book value	
At 31 December 2021	**260,192**
At 31 December 2020	-

14. Tangible fixed assets

	Short-term leasehold property	Office equipment	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	324,742	69,826	303,098	697,666
Additions	-	-	38,545	38,545
Disposals	-	-	(73,781)	(73,781)
At 31 December 2021	324,742	69,826	267,862	662,430
Depreciation				
At 1 January 2021	186,727	55,051	227,645	469,423
Charge for the year on owned assets	32,474	2,556	40,295	75,325
Disposals	-	-	(72,514)	(72,514)
At 31 December 2021	219,201	57,607	195,426	472,234
Net book value				
At 31 December 2021	105,541	12,219	72,436	190,196
At 31 December 2020	*138,015*	*14,775*	*75,453*	*228,243*

15. Debtors

	2021 £	*2020* *£*
Due after more than one year		
Other debtors	**181,636**	*181,636*
	181,636	*181,636*
Due within one year		
Trade debtors	**3,254,974**	*1,640,187*
Other debtors	**176,957**	*17,648*
Prepayments and accrued income	**154,814**	*240,075*
Tax recoverable	**29,080**	*-*
	3,797,461	*2,079,546*

16. Cash and cash equivalents

	2021 £	*2020* *£*
Cash at bank and in hand	**3,104,436**	*2,778,965*
	3,104,436	*2,778,965*

17. Creditors: Amounts falling due within one year

	2021 £	*2020* *£*
Trade creditors	**1,151,758**	*379,250*
Corporation tax	**60,945**	*49,626*
Other taxation and social security	**685,538**	*870,955*
Other creditors	**68,901**	*23,341*
Accruals and deferred income	**3,692,031**	*1,896,921*
	5,659,173	*3,220,093*

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

	2021 £	*2020 £*
Accruals and deferred income	**650,000**	-
	650,000	-

19. Financial instruments

	2021 £	*2020 £*
Financial assets		
Financial assets measured at fair value through profit or loss	**3,104,436**	*2,778,965*
Financial assets that are debt instruments measured at amortised cost	**3,613,567**	*1,839,471*
	6,718,003	*4,618,436*
Financial liabilities		
Financial liabilities measured at amortised cost	**5,562,690**	*2,299,512*

Financial assets measured at fair value through profit or loss comprise cash at bank in hand.

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

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

20. Deferred taxation

	2021 £
At beginning of year	**(25,856)**
Charged to profit or loss	**(32,427)**
At end of year	**(58,283)**

20. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2021 £	*2020* *£*
Accelerated capital allowances	**(76,436)**	*(32,788)*
Other timing differences	**18,153**	*6,932*
	(58,283)	*(25,856)*

21. Share capital

	2021 £	*2020* *£*
Allotted, called up and fully paid		
878,489 *(2020 - 1,060,208)* A Ordinary shares of £0.001 each	**878**	*1,060*
204,843 *(2020 - 273,125)* B Ordinary shares of £0.001 each	**205**	*273*
1,020,120 *(2020 - 1,088,402)* C Ordinary shares of £0.001 each	**1,020**	*1,088*
	2,103	*2,421*

On 20 November 2016 share options were granted in relation to an EMI scheme. Options of 733,333 B Ordinary shares of £0.001 each were granted at an exercise price of £0.0074 per share. At the year end 333,333 share options remained unexercised, with 400,000 options having lapsed in earlier periods.
On 20 December 2019 share options were granted in relation to an EMI scheme. Options of 1,569,791 C Ordinary shares of £0.001 each were granted at an exercies price of £0.06 per share to be settled in cash. The options can only be excercised at the directors' discretion or on the occurence of an exit event, such as a sale of the company. 1,088,402 options were exercised in the prior year and 100,000 options lapsed in the prior year. Options of 306,389 were exercised after the current year end in June 2022.
During the year 318,283 shares were repurchased by the company. 181,719 A shares were repurchased, 68,282 B shares were repurchased and 68,282 C shares were repurchased.

22. Reserves

Share premium account

This reserve records the difference between the proceeds recevied from share issues and the nominal value of shares issued.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Other reserves

This reserve records the value of the shares the company is committed to repurchasing at a future date, where the repurchase had not occured by the balance sheet date. The share repurchases are contracted to take place in stages with the final stage buyback expected in 2024.

Profit and loss account

This reserve includes all current and prior period profits and losses.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £192,762 (2020 - £169,445). Contributions totalling £32,612 (2020 - £28,986) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

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

	2021	*2020*
	£	*£*
Within 1 year	**302,727**	*302,727*
Later than 1 year and not later than 5 years	**681,136**	*983,863*
	983,863	*1,286,590*

25. Related party transactions

Transactions with directors
The company participates in the Cycle to Work Scheme initiative. During the year, a company director joined the scheme. At the year end, the company is owed £388 from the director.
In the prior year, the company was owed £1,500 from a director regarding EMI share options. This was repaid in the year.
Key management personnel
All directors are considered to key management personnel. Total remuneration in respect of these individuals is £1,514,573 (2020 - £1,478,743).

26. Post balance sheet events

After the balance sheet date the company agreed to repurchase 333,334 A Ordinary shares of £0.001 each. The repurchase of the shares will occur in two stages with the final stage of this buyback expected to complete in 2023. Once repurchased the shares will be immediately cancelled.
As a result of the above transaction, the company has now agreed to repurchase all of the A Ordinary shares that were in issue. The Ordinary A shares were redesignated as A Deferred shares after the year end, together with 204,843 B Ordinary shares and 204,843 C Ordinary shares which the company had previously agreed to buyback.

27. Controlling party

In the opinion of the directors no individual has outright control of the company.

[illegible]