

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2020

HALIAN LIMITED

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HALIAN LIMITED

COMPANY INFORMATION

Directors	L M Antonian S Fry D O'Malley
Company secretary	D O'Malley
Registered number	3207072
Registered office	FAB Office 54-56 Victoria Street St Albans Hertfordshire AL1 3HZ
Independent auditor	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

HALIAN LIMITED

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HALIAN LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

Introduction

Halian is an international technology services and staffing company, and our purpose is to help businesses and people fulfil their potential in the digital age.

The last 12 months has been unprecedented, not only in terms of the Covid-19 pandemic but also because of the acceleration in two key long-term trends at the heart of our business strategy – digital transformation and the future of work.

Whilst the health crisis and its immediate economic damage to business activity will eventually pass, it has highlighted the need for almost all organisations to undertake or hasten their digital transformations to remain relevant in an ever-changing world. In parallel, organisations need look at the way scarce resources can be used effectively, collaboratively, and simultaneously build an agile and motivated workforce for the coming decades.

Halian is no different to any other organisation in this respect and in the last year we have started to implement our own ambitious programme of renewal based on artificial intelligence, data analytics and flexible staffing models to take advantage of the world changing opportunities ahead.

Business review

The Executive team has worked hard to act in the long-term interests of all stakeholders, balancing complex and sometimes conflicting interests and priorities. We implemented several cost management initiatives which were required during the year to combat the uncertainty of trading conditions under Covid-19. The number of fee generating staff and consultants was on average 67 through the year, a drop of 27% on the previous year (FY19: 85).

Pre-tax profits were down £142k from the prior year due to reduced levels of business. Net assets increased to £615k (FY19: £580k).

Business Strategy

Our purpose is to help businesses and people fulfil their potential in the digital age. We find 'tech talent' for our clients and deliver 'smart services' that are solving complex world challenges. We do this at scale and speed, with a high degree of collaboration and agility.

Given our position at the heart of two secular trends – digital transformation and the future of work - we are confident that we are well placed to benefit from these trends in the coming decade. We see the world's 'winning' organisations embracing digital transformation skills and services to pull ahead and simultaneously, embracing a distributed workforce to widen their talent pools. In the long term, companies transitioning towards flexible working systems are likely to create a more diverse, more collaborative, and happier workforce.

We are building the infrastructure to support our ambitions and drive our growth. We are committed to the use of analytics, investing in the right tools and technology, continued learning and IP development to become a company that is data rich. We will focus on high growth sectors and will continue to invest in our people, data, technology, and our go-to-market approach, leveraging the power of our new platform to reduce the cost of customer and candidate acquisition.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

Principal risks and uncertainties

At the time of writing, the Covid-19 virus is an unprecedented and yet to be determined threat to our business environment and the wider world. We still face a health crisis, and while governments across the globe continue to grapple with the resulting economic and social impacts, we expect to see continued uncertainty, potentially resulting in longer sales cycles.

Halian has the benefit of being able to deliver services remotely and is not exposed to sectors which have been hit the hardest. We have no dependency on supply chains from China and the demand for our core services will continue to grow as we build a "new normal". Demand in our key focus sectors of fintech, healthcare, government institutions, telecoms and cybersecurity are all likely to benefit from the upturn of the global economy, whenever that arrives.

With a branch in Belgium with local and autonomous operational management, we do not see any significant impact from Brexit beyond the lack of frictionless trade and the free movement of technology resources from the UK to the EU. This is viewed as an unwelcomed risk factor. The relative slow pace of vaccination rollout in Europe will be likely to lead to a slower bounce back.

The Company deals in a multitude of different currencies but predominately Sterling and Euros and are mindful of the effect of exchange rate fluctuations. Hedging is always considered at regular intervals.

Key performance indicators

The Company imposes strict budgetary control and has many Key Performance Indicators including performance against budget and versus previous years. Billing headcount, gross profit value and gross profit percentage are considered as well as profitability by service line and region. Contribution by office and region and operating profit percentage are also considered.

Debtor days are strictly monitored as is the amount of uninvoiced income we carry.

Non-financial Key Performance Indicators we monitor include customer satisfaction, website analytics, brand awareness and staff turnover. We conduct regular exit interviews in our quest for continual improvement.

This exceptional year has been tough on all of us, and I would like to take this opportunity to thank our staff around the world at Halian, not only for their hard work, but also for their, courage fortitude and endurance in such challenging times.

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

L M Antonian
Director

Date: 1 July 2021

HALIAN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

The Directors present their report and the financial statements for the year ended 31 October 2020.

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 judgements 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.

Results and dividends

The profit for the year, after taxation, amounted to £34,693 (2019: £139,730).

Particulars of dividends paid are detailed in the Statement of Changes in Equity.

Directors

The Directors who served during the year were:

L M Antonian
S Fry
D O'Malley

Future developments

The company aims to continue to trade within the United Kingdom and through its branches in Belgium and Ireland.

Research and development activities

Halian have written Application Migration Manager software which, as the name suggests, manages applications, used on customer sites. The R&D activity in the year included tracking network demand for applications, suitability for migration to Cloud environment, security vulnerability risks of application and an overall migration assessment of the impact of migrating the systems under management.

HALIAN LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

Matters covered in the strategic report

The Group has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Group's Strategic Report and the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

Disclosure of information to auditor

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

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

Post balance sheet events

There have been no significant events affecting the Group since the year end other than those already acknowledged in the Strategic Report.

Auditor

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

D O'Malley
Director

Date: 1 July 2021

HALIAN LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALIAN LIMITED

Opinion

We have audited the financial statements of Halian Limited (the 'Company') for the year ended 31 October 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALIAN LIMITED
(CONTINUED)

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.

Auditor's responsibilities for the audit of the financial statements

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

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

HALIAN LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALIAN LIMITED
(CONTINUED)

Use of our report

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

Sarah Hallam FCCA (Senior Statutory Auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

2 July 2021

HALIAN LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	2020 £	2019 £
Turnover	4	4,249,784	5,525,492
Cost of sales		(3,313,904)	(4,228,869)
Gross profit		935,880	1,296,623
Administrative expenses		(1,225,566)	(1,404,767)
Other operating income	5	438,730	452,137
Other operating charges		(173,235)	(233,377)
Operating (loss)/profit	6	(24,191)	110,616
Interest receivable and similar income	10	242,153	227,469
Interest payable and expenses	11	(159,963)	(137,655)
Profit before tax		57,999	200,430
Tax on profit	12	(23,306)	(60,700)
Profit for the year		34,693	139,730

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 11 to 21 form part of these financial statements.

HALIAN LIMITED
REGISTERED NUMBER:3207072

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	<u>36,910</u>	<u>51,152</u>
		36,910	51,152
Current assets			
Debtors: amounts falling due within one year	14	6,474,863	5,866,586
Bank and cash balances		<u>139,531</u>	<u>1,347,901</u>
		6,614,394	7,214,487
Creditors: amounts falling due within one year	15	(6,036,114)	(6,685,142)
Net current assets		<u>578,280</u>	<u>529,345</u>
Total assets less current liabilities		<u>615,190</u>	<u>580,497</u>
Net assets		<u><u>615,190</u></u>	<u><u>580,497</u></u>
Capital and reserves			
Called up share capital	17	1,300	1,300
Share premium account	18	55,003	55,003
Profit and loss account	18	<u>558,887</u>	<u>524,194</u>
		<u>615,190</u>	<u>580,497</u>

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

L M Antonian
Director
Date: 1 July 2021

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The notes on pages 11 to 21 form part of these financial statements.

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HALIAN LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 November 2018	1,300	55,003	384,464	440,767
Comprehensive income for the year				
Profit for the year	-	-	139,730	139,730
At 1 November 2019	1,300	55,003	524,194	580,497
Comprehensive income for the year				
Profit for the year	-	-	34,693	34,693
At 31 October 2020	<u>1,300</u>	<u>55,003</u>	<u>558,887</u>	<u>615,190</u>

The notes on pages 11 to 21 form part of these financial statements.

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

1. General information

Halian Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is located on the Company Information page. This is also the principal place of business. The principal activity of the company during the year was that of specialist provider of IT services to corporate customers.

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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Halian Holdings Limited as at 31 October 2020 and these financial statements may be obtained from Companies House.

2.3 Going concern

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HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.4 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

In respect of contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of contracts for on-going services is recognised by reference to stage of completion.

2.5 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:

Fixtures and fittings	- 3-5 years
Computer equipment	- 2 years

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.

2.6 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.

2.7 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.

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.8 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.

2.9 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 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 reporting 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 Statement of Financial Position 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 reporting date.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The Directors do not consider there to be any critical accounting estimates nor any significant judgements.

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

4. Turnover

The whole of the turnover is attributable to the provision of services for the entities principal activity.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	3,323,104	4,670,060
Rest of Europe	926,680	855,432
	<u>4,249,784</u>	<u>5,525,492</u>

5. Other operating income

	2020 £	2019 £
Management charges receivable	438,730	452,137
	<u>438,730</u>	<u>452,137</u>

6. Operating (loss)/profit

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

	2020 £	2019 £
Research & development charged as an expense	154,819	159,789
Exchange differences	46,864	(18,956)
Other operating lease rentals	<u>118,039</u>	<u>135,434</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>17,560</u>	<u>17,050</u>

HALIAN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

8. Employees

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

	2020	2019
	£	£
Wages and salaries	1,777,700	1,891,529
Social security costs	192,568	191,774
Cost of defined contribution scheme	169,714	150,860
	<u>2,139,982</u>	<u>2,234,163</u>

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

	2020	2019
	No.	No.
Administrative Staff	13	13
Management Staff	1	1
Technical Staff	40	42
	<u>54</u>	<u>56</u>

9. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	18,528	18,900
Company contributions to defined contribution pension schemes	560	502
	<u>19,088</u>	<u>19,402</u>

During the year retirement benefits were accruing to 1 Director (2019 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2020	2019
	£	£
Interest receivable from group companies	242,153	227,469
	<u>242,153</u>	<u>227,469</u>

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

11. Interest payable and similar expenses

	2020	2019
	£	£
Bank interest payable	1,780	12,963
Interest to group undertakings	158,183	124,692
	<u>159,963</u>	<u>137,655</u>

12. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the year	(25,641)	-
Adjustments in respect of previous periods	(35)	(34,911)
	<u>(25,676)</u>	<u>(34,911)</u>
Foreign tax		
Foreign tax on income for the year	31,785	25,588
Foreign tax in respect of prior periods	14,331	-
	<u>46,116</u>	<u>25,588</u>
Total current tax	<u>20,440</u>	<u>(9,323)</u>
Deferred tax		
Origination and reversal of timing differences	2,866	70,023
Total deferred tax	<u>2,866</u>	<u>70,023</u>
Taxation on profit on ordinary activities	<u>23,306</u>	<u>60,700</u>

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>57,999</u>	<u>200,430</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	11,020	38,082
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	2,451
Capital allowances for year in excess of depreciation	6,202	7,562
Reversal of tax losses utilised	-	70,023
Foreign tax suffered	44,916	25,588
Adjustments to tax charge in respect of prior periods	(35)	(34,911)
Non-taxable income	(228)	-
Changes in the tax rate on deferred tax	(853)	-
Deduction taken for foreign tax expensed	(8,415)	(4,554)
Withholding tax	1,200	-
Research & development claim	(30,283)	(39,468)
Group relief	-	(4,073)
Other items impacting the tax charge	(218)	-
Total tax charge for the year	<u><u>23,306</u></u>	<u><u>60,700</u></u>

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

13. Tangible fixed assets

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost or valuation			
At 1 November 2019	4,044	197,009	201,053
Additions	-	33,093	33,093
At 31 October 2020	<u>4,044</u>	<u>230,102</u>	<u>234,146</u>
Depreciation			
At 1 November 2019	1,693	148,208	149,901
Charge for the year on owned assets	1,698	45,637	47,335
At 31 October 2020	<u>3,391</u>	<u>193,845</u>	<u>197,236</u>
Net book value			
At 31 October 2020	<u>653</u>	<u>36,257</u>	<u>36,910</u>
At 31 October 2019	<u>2,351</u>	<u>48,801</u>	<u>51,152</u>

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

14. Debtors

	2020	2019
	£	£
Trade debtors	763,552	471,866
Amounts owed by group undertakings	5,345,450	4,746,248
Other debtors	25,916	49,618
Prepayments and accrued income	305,581	591,592
Tax recoverable	29,968	-
Deferred taxation	4,396	7,262
	<u>6,474,863</u>	<u>5,866,586</u>

15. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Bank overdrafts	23,439	-
Trade creditors	113,703	96,038
Amounts owed to group undertakings	5,392,004	5,919,720
Corporation tax	6,824	25,588
Other taxation and social security	278,544	217,701
Other creditors	35,069	63,441
Accruals and deferred income	186,531	362,654
	<u>6,036,114</u>	<u>6,685,142</u>

Included in overdrafts are advances on trade debtors of £23,439 (2019: £Nil) and are secured over the company's trade debtors. The company's bankers also hold a debenture over the assets of the company and a guarantee from its parent undertaking.

16. Deferred taxation

2020
£

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At beginning of year	7,262
Charged to profit or loss	<u>(2,866)</u>
At end of year	<u><u>4,396</u></u>

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

16. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	(4,100)	-
Tax losses carried forward	8,116	7,262
Other short term timing differences	380	-
	<u>4,396</u>	<u>7,262</u>

17. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
1,299,871 (2019 - 1,299,871) Ordinary shares of £0.001 each	<u>1,300</u>	<u>1,300</u>

18. Reserves

Share premium account

This reserve records the amount paid for shares in excess of their nominal value.

Profit and loss account

This reserve records retained earnings and accumulated profits/losses.

19. 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. Contributions totalling £2,000 (2019: £2,000) were payable to the fund at the reporting date and are included in creditors.

20. Commitments under operating leases

At 31 October 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£	£
Not later than 1 year	47,546	104,264
Later than 1 year and not later than 5 years	37,650	8,713
	<u>85,196</u>	<u>112,977</u>

HALIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

21. Related party transactions

As the company is a wholly owned subsidiary, it has taken advantage of the exemption to disclose transactions with its parent company and other wholly owned subsidiaries of the group.

At the year end, the company was owed £2,845 (2019: the company owed £2,250) from directors of the company.

22. Financial commitments

The company has a debt factoring arrangement under which a fellow subsidiary can secure financing from contractual obligations entered into with its customers. The net liabilities of the fellow subsidiary under this agreement are secured over the assets of the company. At the year-end the net liability was £307,872 (2019: net asset of £1,176,057).

23. Controlling party

The ultimate controlling party is L M Antonian by virtue of his majority shareholding.

The immediate and ultimate parent company is Halian Holdings Limited, whose registered office is FAB Office, 54-56 Victoria Street, St Albans, Herts, AL1 3HZ. Consolidated accounts incorporating Halian Limited can be found at Companies House.

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