

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2021

HALIAN LIMITED

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## HALIAN LIMITED

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### COMPANY INFORMATION

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

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## HALIAN LIMITED

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## HALIAN LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

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#### Introduction

Halian is an international technology services and staffing company, with a strong overseas presence in Europe and The Middle East. Our purpose is to help businesses and people fulfil their potential in the digital age.

#### Business review

Over the last year our business in the UK has consolidated significantly. The number of fee generating staff and consultants was on average 27 through the year, a drop of 32% on the previous year (FY20: 40). This was due to the impact of losing a major service to overseas outsourcing and the continued disruption to services because of the coronavirus pandemic.

We made a pre-tax loss of £69k compared to a £58k profit last year due to reduced levels of business. Gross profit margins remained steady at 21.5% (FY20: 22.0%). Net assets reduced to £522k (FY20: £615k). Due to a fall in demand for our services in Ireland we deregistered in the region at the end of the financial year.

#### Business Strategy

In the UK, Halian will continue to operate with key customers and look to take advantage of our international relations and capabilities to deliver high value technology expertise. Our UK team continues to be a centre of excellence providing company wide shared support and advisory services.

#### Principal risks and uncertainties

At the time of writing, the Covid 19 virus is a reducing threat to our business in the UK although higher costs through labour shortages, and pressure of salaries due to inflation is unwelcome. We expect to see continued uncertainty, potentially resulting in longer sales cycles. 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.

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Contribution by office and region and operating profit percentage are also considered.

Debtor days are monitored as is the amount of uninvoiced income we carry. Debtor days at the year end were 51 (2020: 66).

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.

Finally, I would like to take this opportunity to thank our staff in the UK for their hard work, stoicism and professional attitude in the face of adversity.

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

**L M Antonian**  
Director

Date: 15 June 2022

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## HALIAN LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

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The Directors present their report and the financial statements for the year ended 31 October 2021.

#### 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 loss for the year, after taxation, amounted to £93,284 (2020 - profit £34,693).

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 branch in Belgium.

#### 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 focused on IT development changes to its Application Migration Manager software, particularly developing the data attributing and secure access controls of shared data. Furthermore during the year, Halian undertook an internal system and process audit this led to a case for creating a more efficient self-service candidate journey and more management process for the organisations recruitment staff. The result was a design, development and integration of a corporate website, job board and application tracking system to create a seamless and efficient candidate and employer digital journey.

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## HALIAN LIMITED

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

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#### **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 Company since the year end other than those already acknowledged in the Strategic Report.

#### **Auditor**

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

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

**D O'Malley**  
Director

Date: 15 June 2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALIAN LIMITED

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**Opinion**

We have audited the financial statements of Halian Limited (the 'Company') for the year ended 31 October 2021, 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Other information**

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



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We have nothing to report in this regard.

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

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**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 2, 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.

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

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**Auditor's responsibilities for the audit of the financial statements**

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

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:

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant:

- The Companies Act 2006;
- Financial Reporting Standard 102;
- UK employment legislation;
- UK health and safety legislation;
- General Data Protection Regulations; and
- UK tax legislation

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the measures management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- The application of inappropriate judgements or estimation to manipulate the financial position in the calculation of the year end provisions.
- Posting of unusual journals and complex transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website

[www.datalog.co.uk](http://www.datalog.co.uk)

at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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

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**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

15 June 2022

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## HALIAN LIMITED

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### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2021

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|  | Note | 2021<br>£        | 2020<br>£       |
|--|------|------------------|-----------------|
| Turnover                               | 3    | 2,010,495        | 4,249,784       |
| Cost of sales                          |      | (1,578,722)      | (3,313,904)     |
| <b>Gross profit</b>                    |      | <b>431,773</b>   | <b>935,880</b>  |
| Administrative expenses                |      | (1,042,397)      | (1,225,566)     |
| Other operating income                 | 4    | 548,107          | 438,730         |
| Other operating charges                |      | (107,463)        | (173,235)       |
| <b>Operating loss</b>                  | 5    | <b>(169,980)</b> | <b>(24,191)</b> |
| Interest receivable and similar income | 9    | 279,452          | 242,153         |
| Interest payable and similar expenses  | 10   | (178,075)        | (159,963)       |
| <b>(Loss)/profit before tax</b>        |      | <b>(68,603)</b>  | <b>57,999</b>   |
| Tax on (loss)/profit                   | 11   | (24,681)         | (23,306)        |
| <b>(Loss)/profit for the year</b>      |      | <b>(93,284)</b>  | <b>34,693</b>   |

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

The notes on pages 11 to 22 form part of these financial statements.

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**HALIAN LIMITED**  
REGISTERED NUMBER:3207072

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STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2021

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|  | Note | 2021<br>£                    | 2020<br>£             |
|--|------|------------------------------|-----------------------|
| <b>Fixed assets</b>                            |      |                              |                       |
| Tangible assets                                | 12   | <u>28,540</u>                | <u>36,910</u>         |
|  |      | <b>28,540</b>                | <b>36,910</b>         |
| <b>Current assets</b>                          |      |                              |                       |
| Debtors: amounts falling due within one year   | 13   | <b>6,837,754</b>             | 6,474,863             |
| Bank and cash balances                         |      | <u>71,286</u>                | <u>139,531</u>        |
|  |      | <b>6,909,040</b>             | 6,614,394             |
| Creditors: amounts falling due within one year | 14   | <u>(6,415,674)</u>           | <u>(6,036,114)</u>    |
| <b>Net current assets</b>                      |      | <u><b>493,366</b></u>        | <u>578,280</u>        |
| <b>Total assets less current liabilities</b>   |      | <u><b>521,906</b></u>        | <u>615,190</u>        |
| <b>Net assets</b>                              |      | <u><u><b>521,906</b></u></u> | <u><u>615,190</u></u> |
| <b>Capital and reserves</b>                    |      |                              |                       |
| Called up share capital                        | 16   | <b>1,300</b>                 | 1,300                 |
| Share premium account                          | 17   | <b>55,003</b>                | 55,003                |
| Profit and loss account                        | 17   | <u><b>465,603</b></u>        | <u>558,887</u>        |
|  |      | <u><u><b>521,906</b></u></u> | <u><u>615,190</u></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: 15 June 2022

The notes on pages 11 to 22 form part of these financial statements.

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## HALIAN LIMITED

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2021

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|  | Called up share<br>capital<br>£ | Share premium<br>account<br>£ | Profit and loss<br>account<br>£ | Total equity<br>£ |
|--|---------------------------------|-------------------------------|---------------------------------|-------------------|
| <b>At 1 November 2019</b>                | <b>1,300</b>                    | <b>55,003</b>                 | <b>524,194</b>                  | <b>580,497</b>    |
| <b>Comprehensive income for the year</b> |                                 |                               |                                 |                   |
| Profit for the year                      | -                               | -                             | 34,693                          | 34,693            |
| <b>At 1 November 2020</b>                | <b>1,300</b>                    | <b>55,003</b>                 | <b>558,887</b>                  | <b>615,190</b>    |
| <b>Comprehensive income for the year</b> |                                 |                               |                                 |                   |
| Loss for the year                        | -                               | -                             | (93,284)                        | (93,284)          |
| <b>At 31 October 2021</b>                | <b>1,300</b>                    | <b>55,003</b>                 | <b>465,603</b>                  | <b>521,906</b>    |

The notes on pages 11 to 22 form part of these financial statements.

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 1. General information

Halian Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The Company has a branch in Belgium.  
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. The Directors do not consider there to be any critical accounting estimates nor any significant judgements.

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 2021 and these financial statements may be obtained from Companies House.

2.3 ~~Apache~~ going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has the financial support from its fellow group companies should this be required for the Company to settle its debts as they fall due. The directors therefore believe it is appropriate for the accounts to be prepared on a going concern basis.

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 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, 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 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.

##### 2.7 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 and loans to related parties.

##### 2.8 Creditors

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

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 2. Accounting policies (continued)

##### 2.9 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.

##### 2.10 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.

##### 2.11 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.

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 2. Accounting policies (continued)

##### 2.12 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 reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; 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.

##### 2.13 Research and development

Research and development expenditure is written off in the period in which it is incurred.

#### 3. 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:

|                | 2021<br>£        | 2020<br>£        |
|----------------|------------------|------------------|
| United Kingdom | 1,349,075        | 3,323,104        |
| Rest of Europe | 661,420          | 926,680          |
|                | <u>2,010,495</u> | <u>4,249,784</u> |

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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**4. Other operating income**

|                               | 2021           | 2020           |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| Management charges receivable | 548,107        | 438,730        |
|                               | <u>548,107</u> | <u>438,730</u> |

**5. Operating loss**

The operating loss is stated after charging:

|  | 2021          | 2020           |
|--|---------------|----------------|
|  | £             | £              |
| Research & development charged as an expense | 94,805        | 154,819        |
| Exchange differences                         | (103,605)     | 46,864         |
| Other operating lease rentals                | <u>77,628</u> | <u>118,039</u> |

**6. Auditor's remuneration**

|  | 2021          | 2020          |
|--|---------------|---------------|
|  | £             | £             |
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | <u>18,440</u> | <u>17,560</u> |

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 7. Employees

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

|                                     | 2021<br>£        | 2020<br>£        |
|-------------------------------------|------------------|------------------|
| Wages and salaries                  | 1,143,715        | 1,777,700        |
| Social security costs               | 111,994          | 192,568          |
| Cost of defined contribution scheme | 114,794          | 169,714          |
|                                     | <u>1,370,503</u> | <u>2,139,982</u> |

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

|                      | 2021<br>No. | 2020<br>No. |
|----------------------|-------------|-------------|
| Administrative Staff | 11          | 13          |
| Management Staff     | 1           | 1           |
| Technical Staff      | 27          | 40          |
|                      | <u>39</u>   | <u>54</u>   |

#### 8. Directors' remuneration

|   | 2021<br>£     | 2020<br>£     |
|---|---------------|---------------|
| Directors' emoluments   | 18,286        | 18,528        |
| Company contributions to defined contribution pension schemes | 560           | 560           |
|   | <u>18,846</u> | <u>19,088</u> |

During the year retirement benefits were accruing to 1 Director (2020 - 1) in respect of defined contribution pension schemes.

#### 9. Interest receivable

| 2021<br>£ | 2020<br>£ |
|-----------|-----------|
|-----------|-----------|



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Interest receivable from group companies

|                |                |
|----------------|----------------|
| <u>279,452</u> | <u>242,153</u> |
| <u>279,452</u> | <u>242,153</u> |

## HALIAN LIMITED

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

## 10. Interest payable and similar expenses

|                                     | 2021           | 2020           |
|-------------------------------------|----------------|----------------|
|                                     | £              | £              |
| Bank interest payable               | 476            | 1,780          |
| Interest payable to group companies | 177,599        | 158,183        |
|                                     | <u>178,075</u> | <u>159,963</u> |

## 11. Taxation

|  | 2021            | 2020            |
|--|-----------------|-----------------|
|  | £               | £               |
| <b>Corporation tax</b>                           |                 |                 |
| Current tax on profits for the year              | (25,493)        | (25,641)        |
| Adjustments in respect of previous periods       | 414             | (35)            |
|  | <u>(25,079)</u> | <u>(25,676)</u> |
| <b>Foreign tax</b>                               |                 |                 |
| Foreign tax on income for the year               | 50,691          | 31,785          |
| Foreign tax in respect of prior periods          | -               | 14,331          |
|  | <u>50,691</u>   | <u>46,116</u>   |
| <b>Total current tax</b>                         | <u>25,612</u>   | <u>20,440</u>   |
| <b>Deferred tax</b>                              |                 |                 |
| Origination and reversal of timing differences   | (931)           | 2,866           |
| <b>Total deferred tax</b>                        | <u>(931)</u>    | <u>2,866</u>    |
| <b>Taxation on profit on ordinary activities</b> | <u>24,681</u>   | <u>23,306</u>   |

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**HALIAN LIMITED**

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

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**11. Taxation (continued)****Factors affecting tax charge for the year**

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

|   | 2021<br>£            | 2020<br>£     |
|---|----------------------|---------------|
| (Loss)/profit on ordinary activities before tax   | <u>(68,603)</u>      | <u>57,999</u> |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | <b>(13,035)</b>      | 11,020        |
| <b>Effects of:</b>  |                      |               |
| Expenses not deductible for tax purposes  | <b>105</b>           | -             |
| Capital allowances for year in excess of depreciation   | <b>(1,168)</b>       | 6,202         |
| Foreign tax suffered  | <b>41,893</b>        | 44,916        |
| Adjustments to tax charge in respect of prior periods   | <b>414</b>           | (35)          |
| Non-taxable income  | -                    | (228)         |
| Changes in the tax rate on deferred tax   | -                    | (853)         |
| Deduction taken for foreign tax expensed  | <b>(9,631)</b>       | (8,415)       |
| Withholding tax   | <b>8,798</b>         | 1,200         |
| Research & development claim  | <b>(15,506)</b>      | (30,283)      |
| Other differences leading to an increase (decrease) in the tax charge   | -                    | (218)         |
| Group relief  | <b>12,811</b>        | -             |
| <b>Total tax charge for the year</b>  | <u><b>24,681</b></u> | <u>23,306</u> |

**Factors that may affect future tax charges**

In the budget of 3 March 2021, the Chancellor of the Exchequer announced that corporation tax rates will increase to 25% from April 2023. This has an impact on the future rate of tax that the deferred tax liability will be charged at.

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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12. **Tangible fixed assets**

|                                     | Fixtures and<br>fittings | Computer<br>equipment | Total          |
|-------------------------------------|--------------------------|-----------------------|----------------|
|                                     | £                        | £                     | £              |
| <b>Cost or valuation</b>            |                          |                       |                |
| At 1 November 2020                  | 4,044                    | 230,102               | 234,146        |
| Additions                           | 1,100                    | 23,871                | 24,971         |
| At 31 October 2021                  | <u>5,144</u>             | <u>253,973</u>        | <u>259,117</u> |
| <b>Depreciation</b>                 |                          |                       |                |
| At 1 November 2020                  | 3,391                    | 193,845               | 197,236        |
| Charge for the year on owned assets | 1,142                    | 32,199                | 33,341         |
| At 31 October 2021                  | <u>4,533</u>             | <u>226,044</u>        | <u>230,577</u> |
| <b>Net book value</b>               |                          |                       |                |
| At 31 October 2021                  | <u>611</u>               | <u>27,929</u>         | <u>28,540</u>  |
| <b>At 31 October 2020</b>           | <u>653</u>               | <u>36,257</u>         | <u>36,910</u>  |

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 13. Debtors

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 281,638          | 763,552          |
| Amounts owed by group undertakings | 6,401,836        | 5,345,450        |
| Other debtors                      | 4,571            | 25,916           |
| Prepayments and accrued income     | 93,669           | 305,581          |
| Tax recoverable                    | 50,713           | 29,968           |
| Deferred taxation                  | 5,327            | 4,396            |
|                                    | <u>6,837,754</u> | <u>6,474,863</u> |

#### 14. Creditors: Amounts falling due within one year

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Invoice financing                  | 59,961           | 23,439           |
| Trade creditors                    | 60,643           | 113,703          |
| Amounts owed to group undertakings | 6,025,104        | 5,392,004        |
| Corporation tax                    | 24,116           | 6,824            |
| Other taxation and social security | 113,654          | 278,544          |
| Other creditors                    | 27,827           | 35,069           |
| Accruals and deferred income       | 104,369          | 186,531          |
|                                    | <u>6,415,674</u> | <u>6,036,114</u> |

The above amounts for Invoice financing 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.

#### 15. Deferred taxation

2021  
£

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|                           |                     |
|---------------------------|---------------------|
| At beginning of year      | 4,396               |
| Charged to profit or loss | 931                 |
| <b>At end of year</b>     | <b><u>5,327</u></b> |

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 15. Deferred taxation (continued)

The deferred tax asset is made up as follows:

|                                     | 2021<br>£    | 2020<br>£    |
|-------------------------------------|--------------|--------------|
| Accelerated capital allowances      | (3,168)      | (4,099)      |
| Tax losses carried forward          | 8,115        | 8,115        |
| Other short term timing differences | 380          | 380          |
|                                     | <u>5,327</u> | <u>4,396</u> |

#### 16. Share capital

|   | 2021<br>£    | 2020<br>£    |
|---|--------------|--------------|
| <b>Allotted, called up and fully paid</b>                   |              |              |
| 1,299,871 (2020 - 1,299,871) Ordinary shares of £0.001 each | <u>1,300</u> | <u>1,300</u> |

#### 17. 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.

#### 18. 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 (2020: £2,000) were payable to the fund at the reporting date and are included in creditors.

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## HALIAN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

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#### 19. Commitments under operating leases

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

|  | 2021<br>£     | 2020<br>£     |
|--|---------------|---------------|
| Not later than 1 year                        | 37,650        | 47,546        |
| Later than 1 year and not later than 5 years | -             | 37,650        |
|  | <u>37,650</u> | <u>85,196</u> |

#### 20. 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 £nil (2020: the company owed £2,845) from directors of the company.

#### 21. Financial commitments

The company has a invoice financing 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 £606,581 (2020: £307,872).

#### 22. 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.



