

REGISTERED NUMBER: 05723485 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024
FOR
HARNHAM SEARCH AND SELECTION LIMITED**

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FOR THE YEAR ENDED 30 NOVEMBER 2024**

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HARNHAM SEARCH AND SELECTION LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 30 NOVEMBER 2024

DIRECTORS:

S J Clarke
D Farmer
S Lawrence

REGISTERED OFFICE:

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

REGISTERED NUMBER:

05723485 (England and Wales)

AUDITORS:

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2024**

The directors present their strategic report for the year ended 30 November 2024.

REVIEW OF BUSINESS

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

Harnham Search & Selection is a provider of recruitment services and operates in the UK market. They specialise in providing permanent and contract staffing solutions for the data and AI sector.

Gross profit declined to £7,590,989 (2023 - £9,952,694) as the company continued to be impacted by a weak market for recruitment services particularly in the IT sector. The company reported a loss before taxation of £877,809, a decline on 2023 (£100,580 profit).

Turnover was 15% lower than prior year at £19.4m (2023 £23.0m). Permanent staffing showed the largest decline with turnover from this service line reducing to £4.8m (2023 £7.3m).

Employee numbers reduced to an average of 103 for the year, down 9% from prior year (2023 112).

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

Key performance indicators

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

	2024	2023
Gross Profit	7,590,989	9,952,694
EBITDA	(441,374)	632,356
Total assets less current liabilities	5,082,765	7,445,396

The board considers:

i) Gross Profit as a measure of growth in the business. This year gross profit declined by 24% with reduced demand for its permanent staffing service, which declined 34% year on year. Contract declined by 7%.

ii) Earnings before interest, tax, depreciation, and amortisation (EBITDA) as a measure of the underlying profitability.

The £1.1m decrease in EBITDA reflects the reduction in gross profit offset by cost reductions from reduced employee numbers and overheads.

iii) Total assets less current liabilities (TALCL) represent the underlying assets of the business excluding any longer-term funding. It reduced by £2.4m with reduced cash and increased asset backed borrowing in the UK and the US.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2024**

PRINCIPAL RISKS AND UNCERTAINTIES

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

Business and Operational risk

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

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

Market risk

The Company is exposed to economic downturns generally and more specifically to the markets it trades in. This is mitigated by international diversification and the extension of the contract and Rockborne service lines, which are less impacted than permanent due to longer client commitments.

The Directors are aware of the significant growth of artificial intelligence (AI) and that this could be a risk as well as an opportunity, however given the group operates in this sector it is well placed to react appropriately.

Credit risk

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

Financial risk

The Company is exposed to financial risks such as liquidity and currency fluctuations. Risk is mitigated through regular forecasting and continuous monitoring of performance against expectations. The group has an ability to borrow up to £4m through its invoice discounting facilities in the UK and is further able to factor its debtors in the US to raise further finance. The Company looks to reduce its currency exposure by reducing non-Sterling balances and natural hedges of costs in the same currency.

SECTION 172(1) STATEMENT

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

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

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

Our outlook

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

Our clients

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

Our people

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2024**

FUTURE DEVELOPMENTS

Harnham Search & Selection has seen the difficult trading conditions for permanent staffing extend into the first half of 2025. The directors are focused on ensuring the business remains profitable and cash generative whilst maintaining its infrastructure to sustain capability for growth.

The directors believe the data and AI sector will continue to expand and the Company is well positioned to take advantage of this growth in delivering its data and AI resourcing solutions to the UK market.

ON BEHALF OF THE BOARD:

S J Clarke - Director

15 August 2025

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2024**

The directors present their report with the financial statements of the company for the year ended 30 November 2024.

PRINCIPAL ACTIVITY

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

DIVIDENDS

The total distribution of dividends for the year ended 30 November 2024 will be £ 960,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2023 to the date of this report.

S J Clarke
D Farmer
S Lawrence

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

S J Clarke - Director

15 August 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM SEARCH AND SELECTION LIMITED

Opinion

We have audited the financial statements of Harnham Search And Selection Limited (the 'company') for the year ended 30 November 2024 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2024 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 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM SEARCH AND SELECTION LIMITED

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 Report of the Directors.

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

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARNHAM SEARCH AND SELECTION LIMITED

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory framework that the company operates in. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

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

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

Our procedures to respond to risks identified included the following:

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

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

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

Use of our report

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

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

15 August 2025

HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2024**

	Notes	2024 £	2023 £
TURNOVER	3	19,438,129	22,981,864
Cost of sales		<u>11,847,140</u>	<u>13,029,170</u>
GROSS PROFIT		7,590,989	9,952,694
Administrative expenses		<u>10,147,747</u> (2,556,758)	<u>11,808,108</u> (1,855,414)
Other operating income	4	<u>1,752,071</u>	<u>2,071,795</u>
OPERATING (LOSS)/PROFIT	6	(804,687)	216,381
Interest receivable and similar income		<u>570</u> (804,117)	<u>11,413</u> 227,794
Interest payable and similar expenses	7	<u>73,692</u> (877,809)	<u>127,213</u> 100,581
(LOSS)/PROFIT BEFORE TAXATION			
Tax on (loss)/profit	8	<u>(83,088)</u>	<u>(92,000)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(794,721)</u>	<u>192,581</u>

The notes form part of these financial statements

HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2024**

	Notes	2024 £	2023 £
(LOSS)/PROFIT FOR THE YEAR		(794,721)	192,581
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(794,721)</u>	<u>192,581</u>

The notes form part of these financial statements

HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**BALANCE SHEET
30 NOVEMBER 2024**

	Notes	2024 £	£	2023 £	£
FIXED ASSETS					
Intangible assets	10		10,253		22,912
Tangible assets	11		<u>465,682</u>		<u>804,784</u>
			475,935		827,696
CURRENT ASSETS					
Debtors	12	13,131,632		13,022,871	
Cash at bank and in hand		<u>176,002</u>		<u>285,390</u>	
		13,307,634		13,308,261	
CREDITORS					
Amounts falling due within one year	13	<u>8,700,804</u>		<u>6,690,561</u>	
NET CURRENT ASSETS			<u>4,606,830</u>		<u>6,617,700</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,082,765		7,445,396
CREDITORS					
Amounts falling due after more than one year	14		-		(524,822)
PROVISIONS FOR LIABILITIES	18		<u>(108,735)</u>		<u>(191,823)</u>
NET ASSETS			<u>4,974,030</u>		<u>6,728,751</u>
CAPITAL AND RESERVES					
Called up share capital	19		13		13
Share premium			19,884		19,884
Retained earnings			<u>4,954,133</u>		<u>6,708,854</u>
SHAREHOLDERS' FUNDS			<u>4,974,030</u>		<u>6,728,751</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 August 2025 and were signed on its behalf by:

S J Clarke - Director

HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2024**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 December 2022	13	6,616,273	19,884	6,636,170
Changes in equity				
Total comprehensive income	-	192,581	-	192,581
Dividends	-	(100,000)	-	(100,000)
Balance at 30 November 2023	<u>13</u>	<u>6,708,854</u>	<u>19,884</u>	<u>6,728,751</u>
Changes in equity				
Total comprehensive income	-	(794,721)	-	(794,721)
Dividends	-	(960,000)	-	(960,000)
Balance at 30 November 2024	<u>13</u>	<u>4,954,133</u>	<u>19,884</u>	<u>4,974,030</u>

The notes form part of these financial statements

HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2024**

		2024	2023
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	1,593,320	2,292,019
Interest paid		(73,692)	(127,213)
Tax paid		10,000	333,123
Net cash from operating activities		<u>1,529,628</u>	<u>2,497,929</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(11,552)	(24,809)
Interest received		570	11,413
Net cash from investing activities		<u>(10,982)</u>	<u>(13,396)</u>
Cash flows from financing activities			
Loan repayments in year		(858,996)	(791,043)
Intercompany loan movements		190,962	(2,085,336)
Equity dividends paid		(960,000)	-
Net cash from financing activities		<u>(1,628,034)</u>	<u>(2,876,379)</u>
Decrease in cash and cash equivalents		<u>(109,388)</u>	<u>(391,846)</u>
Cash and cash equivalents at beginning of year	2	285,390	677,236
Cash and cash equivalents at end of year	2	<u>176,002</u>	<u>285,390</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2024**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2024	2023
	£	£
(Loss)/profit before taxation	(877,809)	100,581
Depreciation charges	363,313	415,975
Finance costs	73,692	127,213
Finance income	<u>(570)</u>	<u>(11,413)</u>
	(441,374)	632,356
Decrease in trade and other debtors	801,297	1,965,369
Increase/(decrease) in trade and other creditors	<u>1,233,397</u>	<u>(305,706)</u>
Cash generated from operations	<u><u>1,593,320</u></u>	<u><u>2,292,019</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 30 November 2024

	30/11/24	1/12/23
	£	£
Cash and cash equivalents	<u>176,002</u>	<u>285,390</u>

Year ended 30 November 2023

	30/11/23	1/12/22
	£	£
Cash and cash equivalents	<u>285,390</u>	<u>677,236</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/12/23	Cash flow	At 30/11/24
	£	£	£
Net cash			
Cash at bank and in hand	<u>285,390</u>	<u>(109,388)</u>	<u>176,002</u>
	<u>285,390</u>	<u>(109,388)</u>	<u>176,002</u>
Debt			
Debts falling due within 1 year	(854,667)	334,174	(520,493)
Debts falling due after 1 year	<u>(524,822)</u>	<u>524,822</u>	<u>-</u>
	<u>(1,379,489)</u>	<u>858,996</u>	<u>(520,493)</u>
Total	<u><u>(1,094,099)</u></u>	<u><u>749,608</u></u>	<u><u>(344,491)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024**

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Compliance with accounting standards

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

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

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

Going concern

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

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

a) Revenue recognition

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

b) Bad debt provisions

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

c) Depreciation and amortisation

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024**

2. ACCOUNTING POLICIES - continued

Turnover

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

Revenue recognition

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

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

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

Intangible assets

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

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- over the lease term
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 33% on cost
Computer equipment	- 33% on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024**

2. ACCOUNTING POLICIES - continued

Financial instruments

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

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

Basic financial assets

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

Impairment

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024**

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing commitments

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

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Pension costs and other post-retirement benefits

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

Share options

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

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024**

3. TURNOVER

The turnover and loss (2023 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2024	2023
	£	£
United Kingdom	18,864,232	21,747,657
Europe	397,070	899,236
United States of America	152,977	334,971
ROW	23,850	-
	<u>19,438,129</u>	<u>22,981,864</u>

4. OTHER OPERATING INCOME

	2024	2023
	£	£
Management recharge	<u>1,752,071</u>	<u>2,071,795</u>

5. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	6,309,088	7,052,295
Social security costs	724,684	802,984
Other pension costs	<u>183,818</u>	<u>192,390</u>
	<u>7,217,590</u>	<u>8,047,669</u>

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

	2024	2023
Directors	3	3
Employees	<u>100</u>	<u>119</u>
	<u>103</u>	<u>122</u>

	2024	2023
	£	£
Directors' remuneration	513,889	591,125
Directors' pension contributions to money purchase schemes	<u>24,000</u>	<u>20,000</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2024	2023
	£	£
Emoluments etc	200,000	175,000
Pension contributions to money purchase schemes	<u>8,000</u>	<u>7,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024**

6. OPERATING (LOSS)/PROFIT

The operating loss (2023 - operating profit) is stated after charging/(crediting):

	2024	2023
	£	£
Hire of plant and machinery	13,719	-
Other operating leases	506,876	565,369
Depreciation - owned assets	350,654	401,040
Computer software amortisation	12,659	14,937
Auditors' remuneration	12,000	12,000
Taxation compliance services	1,250	1,250
Other non- audit services	1,750	13,437
Foreign exchange differences	<u>30,086</u>	<u>(101,588)</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024	2023
	£	£
Bank loan interest	<u>73,692</u>	<u>127,213</u>

8. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2024	2023
	£	£
Deferred tax	<u>(83,088)</u>	<u>(92,000)</u>
Tax on (loss)/profit	<u>(83,088)</u>	<u>(92,000)</u>

Reconciliation of total tax credit included in profit and loss

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

	2024	2023
	£	£
(Loss)/profit before tax	<u>(877,809)</u>	<u>100,581</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 25%)	(219,452)	25,145
Effects of:		
Expenses not deductible for tax purposes	8,135	214,845
Depreciation in excess of capital allowances	83,511	92,475
Utilisation of tax losses	143	-
Group relief	-	(332,465)
Current year losses before deferred tax adjustments	127,663	-
Deferred tax movement	<u>(83,088)</u>	<u>(92,000)</u>
Total tax credit	<u>(83,088)</u>	<u>(92,000)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024**

9.	DIVIDENDS	2024 £	2023 £
	A Ordinary shares of 0.1p each Interim	<u>960,000</u>	<u>100,000</u>
10.	INTANGIBLE FIXED ASSETS		Computer software £
	COST		
	At 1 December 2023 and 30 November 2024		<u>91,037</u>
	AMORTISATION		
	At 1 December 2023		68,125
	Amortisation for year		<u>12,659</u>
	At 30 November 2024		<u>80,784</u>
	NET BOOK VALUE		
	At 30 November 2024		<u>10,253</u>
	At 30 November 2023		<u>22,912</u>

Amortisation of intangible assets is included within administrative expenses in the income statement.

11.	TANGIBLE FIXED ASSETS		Short leasehold £	Improvements to property £	Plant and machinery £
	COST				
	At 1 December 2023	108,388	197,715	6,999	
	Additions	-	-	1,931	
	Disposals	-	-	(6,999)	
	At 30 November 2024	<u>108,388</u>	<u>197,715</u>	<u>1,931</u>	
	DEPRECIATION				
	At 1 December 2023	19,877	192,223	6,999	
	Charge for year	9,933	5,492	596	
	Eliminated on disposal	-	-	(6,999)	
	At 30 November 2024	<u>29,810</u>	<u>197,715</u>	<u>596</u>	
	NET BOOK VALUE				
	At 30 November 2024	<u>78,578</u>	-	<u>1,335</u>	
	At 30 November 2023	<u>88,511</u>	<u>5,492</u>	-	

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024**

11. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 December 2023	1,180,518	68,000	461,482	2,023,102
Additions	3,660	-	5,961	11,552
Disposals	-	-	-	(6,999)
At 30 November 2024	<u>1,184,178</u>	<u>68,000</u>	<u>467,443</u>	<u>2,027,655</u>
DEPRECIATION				
At 1 December 2023	609,718	26,442	363,059	1,218,318
Charge for year	246,826	9,333	78,474	350,654
Eliminated on disposal	-	-	-	(6,999)
At 30 November 2024	<u>856,544</u>	<u>35,775</u>	<u>441,533</u>	<u>1,561,973</u>
NET BOOK VALUE				
At 30 November 2024	<u>327,634</u>	<u>32,225</u>	<u>25,910</u>	<u>465,682</u>
At 30 November 2023	<u>570,800</u>	<u>41,558</u>	<u>98,423</u>	<u>804,784</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	3,847,938	4,573,546
Amounts owed by group undertakings	9,012,029	8,101,971
Accrued income	87,525	93,416
Prepayments	184,140	253,938
	<u>13,131,632</u>	<u>13,022,871</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Bank loans and overdrafts (see note 15)	520,493	854,667
Trade creditors	1,439,105	1,467,239
Amounts owed to group undertakings	2,896,936	1,795,916
Tax	1	(9,999)
Social security and other taxes	233,050	301,337
VAT	641,269	183,353
Other creditors	1,897,476	998,762
Deferred income	563	16,057
Accrued expenses	<u>1,071,911</u>	<u>1,083,229</u>
	<u>8,700,804</u>	<u>6,690,561</u>

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

	2024 £	2023 £
Bank loans (see note 15)	<u>-</u>	<u>524,822</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024**

15. LOANS

An analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year or on demand:		
Bank loans	<u>520,493</u>	<u>854,667</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>524,822</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024 £	2023 £
Within one year	684,250	686,670
Between one and five years	2,698,274	2,705,093
In more than five years	<u>1,460,281</u>	<u>2,134,257</u>
	<u>4,842,805</u>	<u>5,526,020</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2024 £	2023 £
Bank loans	520,493	1,379,489
Invoice Discounting	<u>1,880,205</u>	<u>984,000</u>
	<u>2,400,698</u>	<u>2,363,489</u>

Debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 29 October 2012

Unlimited Multilateral Guarantee dated 17 June 2022 given by Harnham Group Limited, Rockborne Limited, Harnham Search and Selection Limited, Harnham Europe Limited

Contract Monies charge dated 03 August 2022

18. PROVISIONS FOR LIABILITIES

	2024 £	2023 £
Deferred tax		
Accelerated capital allowances	<u>108,735</u>	<u>191,823</u>

HARNHAM SEARCH AND SELECTION LIMITED (REGISTERED NUMBER: 05723485)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2024****18. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax
	£
Balance at 1 December 2023	191,823
Provided during year	<u>(83,088)</u>
Balance at 30 November 2024	<u>108,735</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2024	2023
			£	£
11,900	A Ordinary	0.1p	12	12
1,488	B Ordinary	0.1p	<u>1</u>	<u>1</u>
			<u>13</u>	<u>13</u>

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

20. RELATED PARTY DISCLOSURES

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

	Movement 30 November 2024	Balance 30 November 2024	Movement 30 November 2023	Balance 30 November 2023
	£	£	£	£
Harnham Group Limited	161,197	(395,741)	(798,803)	403,062
Harnham Europe Limited	213,913	438,742	(642,887)	224,829
Harnham Inc	(705,279)	(2,501,195)	794,085	(1,795,916)
Harnham GmbH	-	-	(575,213)	-
Rockborne Limited	822,426	8,127,507	2,340,355	7,305,081
Harnham BV	276,781	445,780	168,999	168,999

21. ULTIMATE PARENT COMPANY

Harnham Group Limited is regarded by the directors as being the company's ultimate parent company. Registered office and principal place of business: 3rd Floor Melbury House, 51 Wimbledon Hill Road, London, SW19

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.