REGISTERED NUMBER: 03643681 (England and Wales)

Group Strategic Report, Report of the Director and

Consolidated Financial Statements for the Year Ended 31 December 2021

for

CHARMWISH LIMITED

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for the year ended 31 December 2021

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Company Information
for the year ended 31 December 2021

DIRECTOR:	R J Gratton
REGISTERED OFFICE:	7-11 Stukeley Street London WC2B 5LB
REGISTERED NUMBER:	03643681 (England and Wales)
AUDITORS:	Thorne Lancaster Parker Chartered Accountants & Statutory Auditors 4th Floor Venture House 27-29 Glasshouse Street London W1B 5DF

Group Strategic Report
for the year ended 31 December 2021

The director presents his strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS
The key financial highlights of the business are as follows:

	2021	2020 As Restated	2019
Turnover	£23,422,975	£18,554,125	£25,518,558
Gross Profit Margin (%)	31	24	28
EBITDA	£1,063,507	(£423,936)	£403,455

Earnings before Interest, Tax, Depreciation and Amorisation (EBITDA) has been calculated as follows:

	2021	2020 As Restated	2019
Profit/(Loss) before Tax	£484,760	(£790,811)	£276,312
Add:			
Interest	£23,332	£27,306	£36,259
Depreciation	£260,011	£191,867	£90,884
Amortisation	-	£147,702	-
Impairment	£295,404	-	-
EBITDA	£1,063,507	(£423,936)	£403,455

The financial year to December 2021 proved to be a year of two halves with the market still unstable and the country opening after Q1 and the pandemic. Market conditions picked up rapidly from mid Spring with our market leading brand attracting significant business and helping produce some of the Group's best Gross Profit and EBITDA numbers in Group's history in the second half of the year.

As the markets continued to strengthen, Major Players faced the challenges of building back its sales consultant workforce in the face of the well documented nationwide staff shortages, whilst balancing the need to generate profits and keep our existing workforce engaged, motivated and productive. I am pleased to say the excellent management team in the business navigated these challenges skill fully, by implementing changes to the sales team's structure and culture with more focus on Working Smarter through the greater use of new technology, improvements in our sales co-ordination and embracing flexible working for everyone in the company. The direct impact was felt immediately with productivity per head across the business increasing month on month, finishing the year at just over 35% up on the pre-pandemic levels and delivering an EBITDA in excess of £1m in the last nine months of the year.

The Board are extremely pleased with the profit performance of the Group, given the challenges faced by all businesses at the beginning of the year

As part of the re-engineering of the sales focus and team structures within the business the Board took the decision to accelerate the impairment of the goodwill in Gemini, the business acquired in February 2020. We have also been able to sustain the increased GP per head number without affecting our ability to grow quickly as market performance returns and our aim for the next financial year is to gain significant market share through our investment in new services, technology led processes and continued investment in the already significant capabilities of our staff.
A key aspect of the boards strategy through the pandemic was to retain and invest in all key staff and re-engineer the management structure of the Group to be more efficient, agile and solutions orientated and equip the

.

PRINCIPAL RISKS AND UNCERTAINTIES

Due to the nature of the group's business and the assets and liabilities contained within the group's balance sheet the directors consider, alongside the financial and liquidity risks detailed above under Financial Instruments, the Directors have identified the additional risks as the most relevant

Economic and market risks

The recruitment industry is largely driven by the economic cycle and business confidence. As a significant element of the group's gross profit is generated by fees contingent on successful placement of candidates the risk associated with this is that in times of economic downturn the ability to forecast activity is diminished. To mitigate these risks the group has ensured that its offering is not concentrated on one client or discipline but spread across a broad range of disciplines within the sector in which it operates and is aligned with a focus on the quality of the service it offers.

Competitive risk

The UK market is well developed, highly competitive and fragmented which in turn increases competition for clients and candidates as well as increasing pricing pressure. To mitigate this the Directors have identified that it is essential to maintain the relationship with their clients and candidates and confidence in their ability to service their clients that will determine their success.

Employee Retention Risk

The Directors acknowledge that one of the main intangible resources the group has is its staff. It is their understanding of the technology used, their customers' needs and the dynamics of the markets in which the group operates that will enable it to maintain its leadership and enviable reputation. This is compounded by an organic growth strategy. It is for these reasons that the group commits to its HR policies of ongoing training and development identified through regular appraisals linked to performance and career progression as well as competitive pay packages, family-friendly policies, its unique employee benefits initiative and equal opportunities policy.

Operational risk

The group is significantly reliant on the technologies it uses to deliver IT services to its clients and candidates. The maintenance of network quality, integrity and availability is a major risk that would impact dramatically its ability to deliver these services. As a consequence this is monitored on a constant basis, upgraded for advances and tested and subject to full off-site back-up and contingency recovery planning. An ongoing training program ensures that all users are fully conversant with IT operation and features so as to maximise system usage efficiencies and deliver competitive advantage.

PERFORMANCE AND FINANCIAL POSITION

The company's turnover has increased by 26% to £23.4m, gross profit has increased by 61% to £7.3m and the gross margin has increased from 24% to 31% after emerging from the pandemic.

Our business mix between permanent and freelance/contract gross profit remaining relatively steady at 45% permanent placements and 16% freelance/contract.

The operating profit was £505,519 in 2021 against a restated operating loss of £764,897 in 2020.

HSBC have provided the company with an invoice discounting facility of £3.5m and a CBIL loan facility of £250,000.

EQUAL OPPORTUNITY

The group endorses and supports the principles of equal employment opportunities. It is the policy of the group to provide equal employment opportunities to all qualified individuals, and to ensure that all employment decisions are made, subject to legal obligations, on a non-discriminatory basis.

ENVIRONMENT

The group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. Initiatives designed to minimise the group's impact on the environment include improving our energy use efficiency, paper use and recycling.

GOING CONCERN

The Group has responded well to the challenges associated with the Covid-19 pandemic, which did have a significant impact on the business; in particular during the initial lockdown in the end part of the year to 31 December 2020. The directors have prepared and reviewed forecasts and cashflows to 31 December 2023 and see no financial issues arising. Therefore the directors believe the company has sufficient resources to continue as a going concern for the foreseeable future and as such consider the going concern basis for the preparation of the financial statements to be appropriate.

The company has made use of the Furlough grants offered by the government and the Coronavirus Business Interruption Loan (CBIL) in the year.

ON BEHALF OF THE BOARD:

R J Gratton - Director

15 September 2022

Report of the Director
for the year ended 31 December 2021

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of recruitment consultancy

DIVIDENDS
The total distribution of dividends for the year ended 31 December 2021 will be £ 155,000 .

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR
R J Gratton held office during the whole of the period from 1 January 2021 to the date of this report.

FINANCIAL INSTRUMENTS
The group's principal financial instrument comprises of bank balances, bank overdrafts, trade creditors, and trade debtors. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's operations.

Due to the nature of the financial instruments used by the group, there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

R J Gratton - Director

15 September 2022

Opinion

We have audited the financial statements of Charmwish Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

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

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is 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 director determines 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 director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including UK employment laws, health and safety, and GDPR.
- We understood how Charmwish Limited is complying with those frameworks by making enquires with management and those charged with governance to understand how the Company maintains and communicates policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities of fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatements including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Through these procedures we determined there to be a risk of management override associated with revenue and a fraud risk around transactions at the year end. We have performed tests of detail, including understanding of the nature of the transactions, verifying that the margin is appropriate, and verifying the clerical accuracy of the revenue recognised. In relation to management override, we selected a sample from the entire population of journals, including manual journals, identifying specific transactions which did not meet our expectations, in order to investigate, understand and agree to source documentation. We selected a sample of revenue transactions recorded before the year end and obtained documentation to verify that revenue adjustments had been recorded in the appropriate period.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations were covered through our inquiry with no indication of non-compliance identified.

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.

Neil Usher (Senior Statutory Auditor)
for and on behalf of Thorne Lancaster Parker
Chartered Accountants &
Statutory Auditors
4th Floor
Venture House
27-29 Glasshouse Street
London
W1B 5DF

22 September 2022

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2021

	Notes	2021 £	2020 as restated £
REVENUE		23,422,975	18,554,125
Cost of sales		16,165,605	14,037,099
GROSS PROFIT		7,257,370	4,517,026
Administrative expenses		6,789,269	6,177,181
		468,101	(1,660,155)
Other operating income		37,418	895,258
OPERATING PROFIT/(LOSS)		505,519	(764,897)
Interest receivable and similar income		2,573	1,392
		508,092	(763,505)
Interest payable and similar expenses	4	23,332	27,306
PROFIT/(LOSS) BEFORE TAXATION	5	484,760	(790,811)
Tax on profit/(loss)	6	150,121	(74,616)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		334,639	(716,195)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			(716,195)
Prior year adjustment	9	(130,162)	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		204,477	
Profit/(loss) attributable to:			
Owners of the parent		334,639	(716,195)
Total comprehensive income attributable to:			
Owners of the parent		204,477	(716,195)

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 December 2021

		2021		2020 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		295,404
Property, plant and equipment	11		373,346		484,237
Investments	12		-		-
			373,346		779,641
CURRENT ASSETS					
Debtors	13	3,615,257		2,874,557	
Cash at bank and in hand		18,676		73,596	
		3,633,933		2,948,153	
CREDITORS					
Amounts falling due within one year	14	4,451,263		4,527,081	
NET CURRENT LIABILITIES			(817,330)		(1,578,928)
TOTAL ASSETS LESS CURRENT LIABILITIES			(443,984)		(799,287)
CREDITORS					
Amounts falling due after more than one year	15		(192,708)		-
PROVISIONS FOR LIABILITIES	19		(59,349)		(76,393)
NET LIABILITIES			(696,041)		(875,680)
CAPITAL AND RESERVES					
Called up share capital	20		6		6
Share premium	21		99,999		99,999
Capital redemption reserve	21		(1,519,994)		(1,519,994)
Retained earnings	21		723,948		544,309
SHAREHOLDERS' FUNDS			(696,041)		(875,680)

The financial statements were approved by the director and authorised for issue on 15 September 2022 and were signed by:

R J Gratton - Director

Company Statement of Financial Position
31 December 2021

	Notes	2021 £	2021 £	2020 as restated £	2020 as restated £
FIXED ASSETS					
Intangible assets	10		-		-
Property, plant and equipment	11		-		-
Investments	12		22,092		22,092
			22,092		22,092
CURRENT ASSETS					
Debtors	13	100,008		100,008	
Cash at bank		2		2	
		100,010		100,010	
CREDITORS					
Amounts falling due within one year	14	1,514,455		1,514,455	
NET CURRENT LIABILITIES			(1,414,445)		(1,414,445)
TOTAL ASSETS LESS CURRENT LIABILITIES			(1,392,353)		(1,392,353)
CAPITAL AND RESERVES					
Called up share capital	20		6		6
Share premium	21		99,999		99,999
Capital redemption reserve	21		(1,519,994)		(1,519,994)
Retained earnings	21		27,636		27,636
SHAREHOLDERS' FUNDS			(1,392,353)		(1,392,353)
Company's profit for the financial year			155,000		30,000

The financial statements were approved by the director and authorised for issue on 15 September 2022 and were signed by:

R J Gratton - Director

Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2020	6	1,290,504	99,999	(1,519,994)	(129,485)
Changes in equity					
Dividends	-	(30,000)	-	-	(30,000)
Total comprehensive income	-	(586,033)	-	-	(586,033)
Balance at 31 December 2020	6	674,471	99,999	(1,519,994)	(745,518)
Prior year adjustment	-	(130,162)	-	-	(130,162)
As restated	6	544,309	99,999	(1,519,994)	(875,680)
Changes in equity					
Dividends	-	(155,000)	-	-	(155,000)
Total comprehensive income	-	334,639	-	-	334,639
Balance at 31 December 2021	6	723,948	99,999	(1,519,994)	(696,041)

Company Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2020	6	27,636	99,999	(1,519,994)	(1,392,353)
Changes in equity					
Dividends	-	(30,000)	-	-	(30,000)
Total comprehensive income	-	30,000	-	-	30,000
Balance at 31 December 2020	6	27,636	99,999	(1,519,994)	(1,392,353)
Changes in equity					
Dividends	-	(155,000)	-	-	(155,000)
Total comprehensive income	-	155,000	-	-	155,000
Balance at 31 December 2021	6	27,636	99,999	(1,519,994)	(1,392,353)

The notes form part of these financial statements

Consolidated Statement of Cash Flows
for the year ended 31 December 2021

	Notes	2021 £	2020 as restated £
Cash flows from operating activities			
Cash generated from operations	1	(156,115)	2,787,339
Interest paid		(23,332)	(27,306)
Tax paid		(38,372)	-
Net cash from operating activities		(217,819)	2,760,033
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(443,106)
Purchase of tangible fixed assets		(149,120)	(476,295)
Interest received		2,573	1,392
Net cash from investing activities		(146,547)	(918,009)
Cash flows from financing activities			
New loans in year		250,000	-
Loan repayments in year		(450,390)	(252,937)
Amount introduced by directors		85,506	30,000
Amount withdrawn by directors		(87,983)	(3,037)
Equity dividends paid		(155,000)	(30,000)
Net cash from financing activities		(357,867)	(255,974)
(Decrease)/increase in cash and cash equivalents		(722,233)	1,586,050
Cash and cash equivalents at beginning of year	2	(1,207,188)	(2,793,238)
Cash and cash equivalents at end of year	2	(1,929,421)	(1,207,188)

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the year ended 31 December 2021

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

	2021	2020 as restated
	£	£
Profit/(loss) before taxation	484,760	(790,811)
Depreciation charges	260,011	339,569
Loss on disposal of fixed assets	-	9,359
Impairment of goodwill	295,404	-
Finance costs	23,332	27,306
Finance income	(2,573)	(1,392)
	1,060,934	(415,969)
(Increase)/decrease in trade and other debtors	(764,520)	1,884,000
(Decrease)/increase in trade and other creditors	(452,529)	1,319,308
Cash generated from operations	(156,115)	2,787,339

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	18,676	73,596
Bank overdrafts	(1,948,097)	(1,280,784)
	(1,929,421)	(1,207,188)

Year ended 31 December 2020

	31.12.20 as restated	1.1.20
	£	£
Cash and cash equivalents	73,596	178
Bank overdrafts	(1,280,784)	(2,793,416)
	(1,207,188)	(2,793,238)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	73,596	(54,920)	18,676
Bank overdrafts	(1,280,784)	(667,313)	(1,948,097)
	(1,207,188)	(722,233)	(1,929,421)
Debt			
Debts falling due within 1 year	(615,678)	393,099	(222,579)
Debts falling due after 1 year	-	(192,708)	(192,708)
	(615,678)	200,391	(415,287)
Total	(1,822,866)	(521,842)	(2,344,708)

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

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

Basis of consolidation
The group accounts include those of the company and its subsidiaries. Intercompany transactions and balances are eliminated fully on consolidation. Subsidiaries are fully consolidated from the date on which power to control is transferred to the group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. On acquisition the identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. The excess of the cost of acquisition over the fair value fo the group's share of the identifiable net assets acquired is recorded as goodwill.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue
Revenue from temporary placements is recognised when the service is provided. Revenue from permanent placements is recognised when the candidate commences employment. Revenue excludes value added tax and provisions are made for refunds that may be due on this revenue.

Goodwill
Intangible assets are amortised over their estimated useful life of 3 years.

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

Tangible fixed assets
Property, plant and equipment are initially measured at cost (or deemed cost) and are subsequently measured at cost or valuation, net of depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration initially recorded at cost.

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

Improvements to property	Over the term of the lease
Plant and machinery	At varying rates on cost
Fixtures and fittings	20% on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

a) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

b) Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme, where the amounts charged to profit or loss are the contributions payable in the year. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments
The company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments as it has only basic financial instruments.

a) Basic financial assets

Trade and other debtors, loans to fellow group companies, loans to related companies, other debtors and bank balances, which are due within one year are initially recognised at transaction price and subsequently carried at amortised cost being the transaction price less any amounts settled and any impairment losses.

At the end of each reporting period basic financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to seel the asset in its entirety to an unrelated third party.

b) Basic financial liabilities and equity

Financial liabilities are classified as liabilities and equity instruments according to the substance of the contractual arrangements 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.

Trade creditors, other creditors and loans from fellow group and related companies are initially recognised at transaction price and subsequently carried at amortised cost, being transaction price less any amounts settled.

Other loans are initially recognised at the transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Basic financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expired.

c) Equity instruments

The ordinary share capital of the company is classified as equity and recorded at fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

continued...

2. ACCOUNTING POLICIES - continued

Going concern
The Group has responded well to the challenges associated with the Covid-19 pandemic, which did have a significant impact on the business; in particular during the initial lockdown in the end part of the year to 31 December 2020. The directors have prepared and reviewed forecasts and cashflows to 31 December 2022 and consider the likelihood of a breach of financial covenants to be low. Taking into account trading in the current year, in particular since the end of the most recent restrictions the directors believe the company has sufficient resources to continue as a going concern for the foreseeable future and as such consider the going concern basis for the preparation of the financial statements to be appropriate.

The Group breached its bank loan covenants during the year and post year end. The bank has confirmed no action will be taken at present, however they are not waiving their rights under the facility letter. To reflect this, the amount owed has been transferred to current liabilities.

3. EMPLOYEES AND DIRECTORS

	2021	2020 as restated
	£	£
Wages and salaries	4,263,462	4,105,335
Social security costs	493,239	426,891
Other pension costs	76,753	70,644
	4,833,454	4,602,870

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

	2021	2020 as restated
Sales	50	79
Administration	21	25
	71	104

	2021	2020 as restated
	£	£
Director's remuneration	288,950	208,867

Information regarding the highest paid director is as follows:

	2021	2020 as restated
	£	£
Emoluments etc	120,000	101,417

continued...

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020 as restated
	£	£
Other interest	21	245
Loan	23,311	27,061
	23,332	27,306

5. PROFIT/(LOSS) BEFORE TAXATION

The profit (2020 - loss) is stated after charging:

	2021	2020 as restated
	£	£
Depreciation - owned assets	260,011	191,867
Loss on disposal of fixed assets	-	9,359
Intangible fixed asset amortisation	-	147,702
Auditors' remuneration	29,000	37,500
Foreign exchange differences	52	-

6. TAXATION

Analysis of the tax charge/(credit)
The tax charge/(credit) on the profit for the year was as follows:

	2021	2020 as restated
	£	£
Current tax:		
UK corporation tax	167,222	(150,185)
Adjustments in respect of previous periods	(57)	19,090
Total current tax	167,165	(131,095)
Origination & reversal of timing differences	(17,044)	56,479
Tax on profit/(loss)	150,121	(74,616)

continued...

6. TAXATION - continued

Reconciliation of total tax charge/(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:

	2021	2020 as restated
	£	£
Profit/(loss) before tax	484,760	(790,811)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	92,104	(150,254)
Effects of:		
Expenses not deductible for tax purposes	59,627	1,637
Capital allowances in excess of depreciation	-	(1,568)
Depreciation in excess of capital allowances	15,491	-
Adjustments to tax charge in respect of previous periods	(57)	19,090
Deferred Tax adjustment	(17,044)	56,479
Total tax charge/(credit)	150,121	(74,616)

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	2021	2020 as restated
	£	£
Ordinary A shares of 0.01p each		
Final	80,000	30,000
Interim	75,000	-
	155,000	30,000

9. PRIOR YEAR ADJUSTMENT

The accounts for Major Players Limited have been restated to incorporate the impact of a rent free accrual being introduced for another lease on the rental property, utility costs being now charged on the rental property and an adjustment to the company's payroll liability. The change has resulted in profits available for distribution at 31 December 2020 reducing after tax by £130,162:

Summary of the prior year accounting impact	£
Increase in creditors - Accruals (Rent free accrual)	(78,369)
Increase in creditors - Accruals (Utility costs accrual)	(23,861)
Increase in creditors - PAYE	(27,020)
Decrease in debtors - Corporation tax	(912)
	(£130,162)

continued...

10. INTANGIBLE FIXED ASSETS

Group

	Intangible fixed asset £
COST	
At 1 January 2021	443,106
Impairments	(295,404)
At 31 December 2021	147,702
AMORTISATION	
At 1 January 2021 and 31 December 2021	147,702
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	295,404

In February 2020 the company acquired the net assets of a competitor. The details of the purchase are explained below:

	£
Business information	1
Book debts	63,000
Business IPRs	1
Benefit of contracts	1
IT equipment	5,996
Work-in-progress	175,000
Records	1
Other liabilities	187,106
Fair value of consideration	(500,000)
Goodwill	443,106

During the year the goodwill was fully impaired.

continued...

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Improvements to property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST					
At 1 January 2021	344,332	487,105	115,165	83,050	1,029,652
Additions	57,874	80,009	11,237	-	149,120
At 31 December 2021	402,206	567,114	126,402	83,050	1,178,772
DEPRECIATION					
At 1 January 2021	89,029	340,571	89,516	26,299	545,415
Charge for year	127,435	95,847	20,119	16,610	260,011
At 31 December 2021	216,464	436,418	109,635	42,909	805,426
NET BOOK VALUE					
At 31 December 2021	185,742	130,696	16,767	40,141	373,346
At 31 December 2020	255,303	146,534	25,649	56,751	484,237

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings
	£
COST	
At 1 January 2021 and 31 December 2021	22,092
NET BOOK VALUE	
At 31 December 2021	22,092
At 31 December 2020	22,092

continued...

12. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary

Major Players Limited
Registered office:
Nature of business: Recruitment

Class of shares:	% holding
Ordinary	100.00

	2021	2020
	£	£
Aggregate capital and reserves	718,406	538,767
Profit/(loss) for the year	334,639	(716,195)

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020 as restated	2021	2020 as restated
	£	£	£	£
Trade debtors	2,910,948	2,219,784	-	-
Other debtors	172,883	203,172	100,008	100,008
Directors' current accounts	30,791	30,052	-	-
Tax	125,627	150,185	-	-
Prepayments and accrued income	375,008	271,364	-	-
	3,615,257	2,874,557	100,008	100,008

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020 as restated	2021	2020 as restated
	£	£	£	£
Bank loans and overdrafts (see note 16)	2,170,676	1,896,462	-	-
Trade creditors	118,378	70,858	-	-
Amounts owed to group undertakings	-	-	1,514,455	1,514,455
Corporation tax	142,664	38,429	-	-
Social security and other taxes	645,872	1,430,422	-	-
Other creditors	137,474	138,437	-	-
Directors' current accounts	1,192	2,930	-	-
Accruals and deferred income	1,235,007	949,543	-	-
	4,451,263	4,527,081	1,514,455	1,514,455

continued...

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

	Group	
	2021	2020 as restated
	£	£
Bank loans (see note 16)	192,708	-

16. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2021	2020 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	1,948,097	1,280,784
Bank loans	222,579	615,678
	2,170,676	1,896,462
Amounts falling due between one and two years:		
Bank loans - 1-2 years	62,500	-
Amounts falling due between two and five years:		
Bank loans - 2-5 years	130,208	-

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Company

	Non-cancellable operating leases	
	2021	2020 as restated
	£	£
Within one year	290,073	137,403
Between one and five years	1,465,632	1,389,297
In more than five years	213,738	580,149
	1,969,443	2,106,849

continued...

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2021	2020 as restated
	£	£
Bank overdrafts	1,948,097	1,280,784
Bank loans	415,287	615,678
	2,363,384	1,896,462

The invoice discounting facility is secured by an all assets debenture incorporating a fixed and floating charge over all the assets, present and future, of the group.

Bank loans include a new HSBC loan taken out by Major Players Limited in January 2021 to be repayable over 28 months with interest charged at 3.99% per annum over the Bank of England base rate.

A Coronavirus Business Interruption Loan (CBIL) was taken out by Major Players Limited in January 2021 with an initial repayment free period of 12 months and a repayment period of 47 months thereafter. Interest is charged at 3.99% per annum over the Bank of England base rate.

19. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020 as restated
	£	£
Deferred tax		
Accelerated capital allowances	59,349	76,393

Group

	Deferred tax
	£
Balance at 1 January 2021	76,393
Credit to Statement of Comprehensive Income during year	(17,044)
Balance at 31 December 2021	59,349

continued...

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 as restated £
40,290	Ordinary A	0.01p	4	4

Allotted and issued:

Number:	Class:	Nominal value:	2021 £	2020 as restated £
22,160	Ordinary E	0.01p	2	2

21. RESERVES

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2021	674,471	99,999	(1,519,994)	(745,524)
Prior year adjustment	(130,162)			(130,162)
	544,309			(875,686)
Profit for the year	334,639			334,639
Dividends	(155,000)			(155,000)
At 31 December 2021	723,948	99,999	(1,519,994)	(696,047)

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2021	27,636	99,999	(1,519,994)	(1,392,359)
Profit for the year	155,000			155,000
Dividends	(155,000)			(155,000)
At 31 December 2021	27,636	99,999	(1,519,994)	(1,392,359)

continued...

22. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2021 and 31 December 2020:

	2021	2020 as restated
	£	£
R J Gratton		
Balance outstanding at start of year	(2,931)	24,766
Amounts advanced	162,234	2,303
Amounts repaid	(160,496)	(30,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	(1,193)	(2,931)

Interest on overdrawn directors loan accounts is charged at 2.5%.

23. RELATED PARTY DISCLOSURES

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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

24. POST BALANCE SHEET EVENTS

No material post balance sheet events have been identified.

25. ULTIMATE CONTROLLING PARTY

At the balance sheet date the ultimate controlling party was R J Gratton.