

Company registration number 06264908 (England and Wales)

THE BARTON PARTNERSHIP LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE BARTON PARTNERSHIP LTD

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THE BARTON PARTNERSHIP LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The financial year ending 31 December 2021 was a period of exceptional financial performance delivered off the back of COVID restrictions easing in most geographies we operate. The niche sector in which the business trades showed a real appetite for investment and markets experienced strong recovery. Protective measures taken during the prior financial year to insulate the business from the COVID impact whilst investing in sales and delivery capabilities during that period, allowed the business to take advantage of the more buoyant market conditions in the 2021 financial year.

The second half of the 2021 financial year yielded particularly strong results and gave management confidence to invest in the delivery capabilities and support functions to further enhance client experience, with the goal of capturing market share. The business experienced several months of record results in 2021, with further record performance into early 2022. In addition to growing headcount across all business lines, functions and geographies, there is also strong evidence of streamlined activity and increased productivity brought about by prior year investment in a new CRM system.

Investment in foreign geographies showed particularly strong returns during the year 2021, with strong revenue growth in all foreign jurisdictions bringing excellent returns despite the slow easing of COVID restrictions in some of these markets. The client focused strategy has proved fruitful over multiple sectors in helping the business gain market share with our award-winning proposition.

The trading results for the year ended 31 December 2021, and the group's financial position at the end of the year are shown in the attached audited financial statements. Turnover has increased by £10.6mil compared to the prior year, up to £30,070,360 (2020: £19,390,499). This resulted in an accompanying increase in gross margin to 42.1% (2020: 36.4%) reflecting efficiencies in support costs to convert profits on higher turnover. The results for the year show an operating profit before tax and interest of £2,295,743 (2020: £382,677), and a profit before tax of £2,132,581 (2020: £219,783).

Investment in the business continued to strengthen delivery capability to drive growth, which along with an increase in business related expenditure resulting from a return to pre-pandemic working practices resulted in a 50% increase in administrative expenditure. Because of this investment in business processes and the maturity of our industry leading team, we have been able to capitalize on the additional workload that has come about because of improved market conditions.

Principal risks and uncertainties

Changes to working practices post-COVID resulted in a different way of engaging the clients and candidates. Remote working is now more prevalent than pre-pandemic and there are more automated and outsourced client processes to navigate with respect to credit control. Systems investment and process automation has brought about a modernisation of our own infrastructure and processes to adapt with these changes and has allowed for a seamless experience for all stakeholders.

Some market uncertainty remained during the year as some geographies were slow to ease COVID restrictions. An example of this is that the key growth markets in the APAC region did not ease COVID restrictions until early 2022, although the client engagement in the region showed a strong improvement. Our key focus was on maintaining our strong client relationships and streamlining internal processes across all our functions to deliver strong results in the face of these uncertainties. Initiatives such as internal cross-selling developed new client relationships in new geographies to propel our growth.

Key performance indicators

The key performance indicators used by the directors to monitor performance of the business include turnover, operating profit margin, contractor cost, individual sales profitability, EBTIDA and cash flow. The Directors constantly review the different income streams, systems and processes, and training given to our teams to ensure we continue to deliver the best possible service. During 2021 we also developed reporting capabilities from our CRM system to allow for improved tracking of input KPI's.

THE BARTON PARTNERSHIP LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board

N J Barton
Director

15 September 2022

THE BARTON PARTNERSHIP LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

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

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £864,211 (2020 - £306,122). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N J Barton
N M Adlam
S Barton
T Rodwell
M Fagan
R Sanders
J Zafar
O Phoenix
J A Truter

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business. Cash flow management is a key priority of the senior management team and regular reviews of the cash position ensures stability.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. This risk is mitigated by overseas transactions largely being through the foreign subsidiaries which report in their respective functional currencies.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Future developments

Early results in 2021 are strong and confirm the strategy followed throughout the COVID-led downturn, paired with continued investment in business capabilities, to be the right path for the group. Investment into 2021 will continue to be focused on the ability to grow and capture market share post the Covid pandemic.

THE BARTON PARTNERSHIP LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor

Jeffreys Henry LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

N J Barton

Director

15 September 2022

THE BARTON PARTNERSHIP LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BARTON PARTNERSHIP LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE BARTON PARTNERSHIP LTD

Opinion

We have audited the financial statements of The Barton Partnership Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 the parent company's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included, as part of our risk assessment, review of the nature of the business of the company, its business model and related risks including, where relevant, the impact of the COVID-19 pandemic and Brexit, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

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

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

Other information

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

We have nothing to report in this regard.

THE BARTON PARTNERSHIP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE BARTON PARTNERSHIP LTD

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

THE BARTON PARTNERSHIP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE BARTON PARTNERSHIP LTD

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the recruitment industry.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of factual, suspected and alleged fraud;
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

THE BARTON PARTNERSHIP LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE BARTON PARTNERSHIP LTD

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

Performed analytical procedures to identify any unusual or unexpected relationships

Tested journal entries to identify unusual transactions

Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 of the financial statements were indicative of potential bias

Investigated the rationale behind significant or unusual transactions.

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Jonathan Isaacs (Senior Statutory Auditor)
For and on behalf of Jeffreys Henry LLP

15 September 2022

Chartered Accountants
Statutory Auditor

Finsgate
5 - 7 Cranwood Street
London
EC1V 9EE

THE BARTON PARTNERSHIP LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	30,070,360	19,390,499
Cost of sales		(17,399,210)	(12,337,538)
Gross profit		12,671,150	7,052,961
Administrative expenses		(10,386,970)	(6,874,206)
Other operating income		11,563	203,922
Operating profit	4	2,295,743	382,677
Interest receivable and similar income	9	-	170
Interest payable and similar expenses	8	(163,162)	(163,064)
Profit before taxation		2,132,581	219,783
Tax on profit	10	(423,147)	69,018
Profit for the financial year	24	1,709,434	288,801
Other comprehensive income			
Currency translation differences		43,184	250
Total comprehensive income for the year		1,752,618	289,051

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

THE BARTON PARTNERSHIP LTD

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	13		47,019		62,692
Other intangible assets	13		291,599		279,258
Total intangible assets			338,618		341,950
Tangible assets	12		42,705		41,359
			381,323		383,309
Current assets					
Debtors	17	8,615,331		3,738,188	
Cash at bank and in hand		3,654,904		1,889,364	
			12,270,235		5,627,552
Creditors: amounts falling due within one year	18	(10,712,464)		(4,400,386)	
Net current assets			1,557,771		1,227,166
Total assets less current liabilities			1,939,094		1,610,475
Creditors: amounts falling due after more than one year	19		(1,440,846)		(2,002,104)
Provisions for liabilities					
Deferred tax liability	21	7,892		6,422	
			(7,892)		(6,422)
Net assets/(liabilities)			490,356		(398,051)
Capital and reserves					
Called up share capital	23		765		765
Capital redemption reserve	24		237		237
Profit and loss reserves	24		489,354		(399,053)
Total equity			490,356		(398,051)

The financial statements were approved by the board of directors and authorised for issue on 15 September 2022 and are signed on its behalf by:

N J Barton
Director

THE BARTON PARTNERSHIP LTD

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	13	291,599		279,258	
Tangible assets	12	41,534		41,359	
Investments	14	100,087		100,087	
			433,220		420,704
Current assets					
Debtors	17	8,732,983		4,398,251	
Cash at bank and in hand		2,357,326		1,538,020	
			11,090,309		5,936,271
Creditors: amounts falling due within one year	18	(9,571,494)		(4,100,506)	
Net current assets			1,518,815		1,835,765
Total assets less current liabilities			1,952,035		2,256,469
Creditors: amounts falling due after more than one year	19	(1,440,846)		(2,002,104)	
Provisions for liabilities					
Deferred tax liability	21	7,892		6,422	
			(7,892)		(6,422)
Net assets			503,297		247,943
Capital and reserves					
Called up share capital	23	765		765	
Capital redemption reserve	24	237		237	
Profit and loss reserves	24	502,295		246,941	
Total equity			503,297		247,943

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,119,564 (2020 - £251,918 profit).

The financial statements were approved by the board of directors and authorised for issue on 15 September 2022 and are signed on its behalf by:

N J Barton
Director

Company Registration No. 06264908

THE BARTON PARTNERSHIP LTD

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020		1,002	-	346,495	347,497
Year ended 31 December 2020:					
Profit for the year		-	-	288,801	288,801
Other comprehensive income:					
Currency translation differences		-	-	250	250
Total comprehensive income for the year		-	-	289,051	289,051
Dividends	11	-	-	(306,122)	(306,122)
Own shares acquired		-	-	(728,477)	(728,477)
Redemption of shares	23	(237)	237	-	-
Balance at 31 December 2020		765	237	(399,053)	(398,051)
Year ended 31 December 2021:					
Profit for the year		-	-	1,709,434	1,709,434
Other comprehensive income:					
Currency translation differences		-	-	43,184	43,184
Total comprehensive income for the year		-	-	1,752,618	1,752,618
Dividends	11	-	-	(864,211)	(864,211)
Balance at 31 December 2021		765	237	489,354	490,356

THE BARTON PARTNERSHIP LTD

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020		1,002	-	1,029,622	1,030,624
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	251,918	251,918
Dividends	11	-	-	(306,122)	(306,122)
Own shares acquired		-	-	(728,477)	(728,477)
Redemption of shares	23	(237)	237	-	-
Balance at 31 December 2020		765	237	246,941	247,943
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	1,119,565	1,119,565
Dividends	11	-	-	(864,211)	(864,211)
Balance at 31 December 2021		765	237	502,295	503,297

THE BARTON PARTNERSHIP LTD

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29		2,337,088		(21,154)
Interest paid			(163,162)		(163,064)
Income taxes refunded/(paid)			76,645		(173,396)
Net cash inflow/(outflow) from operating activities			2,250,571		(357,614)
Investing activities					
Purchase of intangible assets		(85,241)		(279,258)	
Purchase of tangible fixed assets		(32,026)		(60,551)	
Proceeds on disposal of subsidiaries		-		(50,000)	
Receipts arising from loans made		(31,975)		45,459	
Interest received		-		170	
Net cash used in investing activities			(149,242)		(344,180)
Financing activities					
Purchase of own shares		-		(728,477)	
New loans taken/(repayment of loans)		(417,812)		2,446,485	
Dividends paid to equity shareholders		(864,211)		(306,122)	
Net cash (used in)/generated from financing activities			(1,282,023)		1,411,886
Net increase in cash and cash equivalents			819,306		710,092
Cash and cash equivalents at beginning of year			1,538,020		827,928
Cash and cash equivalents at end of year			2,357,326		1,538,020

THE BARTON PARTNERSHIP LTD

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	28	3,244,617		21,010	
Interest paid		(163,162)		(163,064)	
Income taxes refunded/(paid)		73,909		(176,218)	
Net cash inflow/(outflow) from operating activities		3,155,364		(318,272)	
Investing activities					
Purchase of intangible assets		(85,241)		(329,258)	
Purchase of tangible fixed assets		(33,769)		(60,551)	
Receipts arising from loans made		(31,975)		45,459	
Interest received		-		170	
Net cash used in investing activities		(150,985)		(344,180)	
Financing activities					
Purchase of own shares		-		(728,477)	
New loan taken/(repayment of loan)		(417,812)		2,446,485	
Dividends paid to equity shareholders		(864,211)		(306,122)	
Net cash (used in)/generated from financing activities		(1,282,023)		1,411,886	
Net increase in cash and cash equivalents		1,722,356		749,434	
Cash and cash equivalents at beginning of year		1,889,364		1,139,680	
Effect of foreign exchange rates		43,184		250	
Cash and cash equivalents at end of year		3,654,904		1,889,364	

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

The Barton Partnership Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registration number is 06264908 and the registered office is 16 High Holborn, London, England, WC1V 6BX.

The group consists of The Barton Partnership Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company The Barton Partnership Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have reviewed the forecasts for the forthcoming 12 months and consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration receivable for recruitment services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue is recognised when the contractors commence their placement, and is billed monthly in arrears.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life of five years.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	over 5 years
----------	--------------

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33.33% straight line
Computers and Equipment	33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.9 Fixed asset investments

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 include debtors and cash and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 a 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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 sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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 group after deducting all of its liabilities.

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.17 Government grants

Government grants recognise support provided through government schemes to assist companies during the covid-19 pandemic.

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.18 Foreign exchange

Functional and presentation currency

The subsidiaries within the group have different functional currencies, however the consolidated financial statements are presented in GBP.

Transactions and balances

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the consolidated statement of comprehensive income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Contract revenue	21,589,265	14,816,933
Permanent fees	7,972,307	4,433,389
Other revenue	508,788	140,177
	<u>30,070,360</u>	<u>19,390,499</u>

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue

(Continued)

	2021 £	2020 £
Turnover analysed by geographical market		
UK	24,490,098	15,503,134
EU	2,473,506	1,432,984
Rest of World	3,106,756	2,454,381
	<u>30,070,360</u>	<u>19,390,499</u>

	2021 £	2020 £
Other revenue		
Interest income	-	170
Grants received	11,563	203,922
	<u>11,563</u>	<u>203,922</u>

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	215,518	31,885
Government grants	(11,563)	(203,922)
Depreciation of owned tangible fixed assets	32,423	21,176
(Profit)/loss on disposal of tangible fixed assets	-	5,577
Amortisation of intangible assets	88,573	15,673
Operating lease charges	28,236	562,947
	<u>242,187</u>	<u>332,246</u>

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	30,000	15,000
	<u>30,000</u>	<u>15,000</u>
For other services		
Other taxation services	-	683
	<u>-</u>	<u>683</u>

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Sales	59	51	41	36
Administration	10	9	9	9
Directors	9	9	8	7
Total	<u>78</u>	<u>69</u>	<u>58</u>	<u>52</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	7,149,930	4,399,924	5,268,234	3,223,949
Social security costs	880,056	526,579	719,878	411,704
Pension costs	74,317	54,441	43,381	36,911
	<u>8,104,303</u>	<u>4,980,944</u>	<u>6,031,493</u>	<u>3,672,564</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	1,438,481	403,629
Company pension contributions to defined contribution schemes	5,444	1,924
	<u>1,443,925</u>	<u>405,553</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	<u>543,987</u>	<u>146,193</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil (2020 - 5).

The values of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020: £438)

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	764	18,000
Interest on invoice finance arrangements	97,140	78,220
Other interest on financial liabilities	65,258	66,844
	<u>163,162</u>	<u>163,064</u>

9 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	-	170
	<u>-</u>	<u>170</u>

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	299,892	(75,440)
Foreign current tax on profits for the current period	121,785	-
	<u>421,677</u>	<u>(75,440)</u>
Total current tax	421,677	(75,440)
Deferred tax		
Origination and reversal of timing differences	1,470	6,422
	<u>1,470</u>	<u>6,422</u>
Total tax charge/(credit)	<u>423,147</u>	<u>(69,018)</u>

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,132,581	219,783
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19%)	405,190	41,759
Tax effect of expenses that are not deductible in determining taxable profit	15,437	2,201
Permanent capital allowances in excess of depreciation	13,818	(6,422)
Research and development tax credit	-	(102,099)
Other non-reversing timing differences	1,470	(645)
Effect of overseas tax	(12,768)	(3,812)
Taxation charge/(credit)	423,147	(69,018)

11 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	864,211	306,122

12 Tangible fixed assets

Group	Fixtures and fittings £	Computers and Equipment £	Total £
Cost			
At 1 January 2021	-	93,825	93,825
Additions	6,894	26,875	33,769
At 31 December 2021	6,894	120,700	127,594
Depreciation and impairment			
At 1 January 2021	-	52,466	52,466
Depreciation charged in the year	2,298	30,125	32,423
At 31 December 2021	2,298	82,591	84,889
Carrying amount			
At 31 December 2021	4,596	38,109	42,705
At 31 December 2020	-	41,359	41,359

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

(Continued)

Company	Fixtures and fittings £	Computers and Equipment £	Total £
Cost			
At 1 January 2021	-	93,825	93,825
Additions	6,894	25,132	32,026
	<hr/>	<hr/>	<hr/>
At 31 December 2021	6,894	118,957	125,851
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 January 2021	-	52,466	52,466
Depreciation charged in the year	2,298	29,553	31,851
	<hr/>	<hr/>	<hr/>
At 31 December 2021	2,298	82,019	84,317
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2021	4,596	36,938	41,534
	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	41,359	41,359
	<hr/>	<hr/>	<hr/>

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13 Intangible fixed assets

Group	Goodwill £	Software £	Total £
Cost			
At 1 January 2021	78,365	279,258	357,623
Additions	-	85,241	85,241
At 31 December 2021	78,365	364,499	442,864
Amortisation and impairment			
At 1 January 2021	15,673	-	15,673
Amortisation charged for the year	15,673	72,900	88,573
At 31 December 2021	31,346	72,900	104,246
Carrying amount			
At 31 December 2021	47,019	291,599	338,618
At 31 December 2020	62,692	279,258	341,950
Company		Software £	
Cost			
At 1 January 2021		279,258	
Additions		85,241	
At 31 December 2021		364,499	
Amortisation and impairment			
At 1 January 2021		-	
Amortisation charged for the year		72,900	
At 31 December 2021		72,900	
Carrying amount			
At 31 December 2021		291,599	
At 31 December 2020		279,258	

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	100,087	100,087

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021 and 31 December 2021	100,087
Carrying amount	
At 31 December 2021	100,087
At 31 December 2020	100,087

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held DirectIndirect
The Barton Partnership Inc	USA	Common Stock	100.00 -
The Barton Partnership EURL	France	Ordinary Shares	100.00 -
The Barton Partnership Pte limited	Singapore	Ordinary Shares	100.00 -
The Barton Partnership Limited	Hong Kong	Ordinary Shares	0 100.00

16 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	8,447,097	3,494,993	8,571,328	4,159,488
Carrying amount of financial liabilities				
Measured at amortised cost	10,930,348	6,057,254	9,982,877	5,799,672

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

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

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	7,588,663	3,239,793	6,724,422	3,153,892
Unpaid share capital	999	999	999	999
Corporation tax recoverable	10,597	90,723	10,597	90,723
Amounts owed by group undertakings	-	-	1,026,774	756,542
Other debtors	845,587	244,371	810,389	238,225
Prepayments and accrued income	169,485	162,302	159,802	157,870
	<u>8,615,331</u>	<u>3,738,188</u>	<u>8,732,983</u>	<u>4,398,251</u>

Included in other debtors is an amount of £66,858 (2020: £34,883) due from a company director which is unsecured.

18 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	20	587,827	444,381	587,827	444,381
Trade creditors		4,057,064	2,158,661	3,599,141	2,017,701
Corporation tax payable		419,172	3,712	299,892	-
Other taxation and social security		803,790	341,524	729,571	302,938
Other creditors		3,064,241	1,102,051	3,062,793	1,101,002
Accruals and deferred income		1,780,370	350,057	1,292,270	234,484
		<u>10,712,464</u>	<u>4,400,386</u>	<u>9,571,494</u>	<u>4,100,506</u>

Included in other creditors is a total of £2,894,231 (2020 - £1,089,356) in respect of invoice financing, which is secured by a first priority fixed charge on all purchased debts and a fixed and floating charge against all assets of the company.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	20	<u>1,440,846</u>	<u>2,002,104</u>	<u>1,440,846</u>	<u>2,002,104</u>

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	2,028,673	2,446,485	2,028,673	2,446,485
Payable within one year	587,827	444,381	587,827	444,381
Payable after one year	1,440,846	2,002,104	1,440,846	2,002,104

The long-term loans are secured by a guarantees in favour of the bank given by a director, limited to £440,000.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	7,892	6,422
Company	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	7,892	6,422
Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 January 2021	6,422	6,422
Charge to profit or loss	1,470	1,470
Liability at 31 December 2021	7,892	7,892

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

22 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	74,317	54,441

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and not fully paid				
A Ordinary shares of 1p each	76,540	76,540	765	765

The A Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The B Ordinary share has no voting rights or equity value and have no right to assets on a winding up in excess of £1,000,000.

The C Ordinary share has no voting rights or equity value.

Enterprise Management Investment options over 44 shares in the company are outstanding at an exercise price of £63.71 per share with options over a further 18,753 shares in the company that were granted in November 2020 at an exercise price of £9.46 per share also outstanding.

24 Reserves

The capital redemption reserve represents amounts transferred following the company's repurchase of shares during the prior year.

The foreign exchange reserve represents currency differences arising on translation into the presentational currency of the group.

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	322,973	42,053	322,973	42,053
Between two and five years	114,834	556,426	114,834	556,426
	<u>437,807</u>	<u>598,479</u>	<u>437,807</u>	<u>598,479</u>

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	<u>1,438,481</u>	<u>403,629</u>

The total dividends paid to key management personnel were £864,211 (2020: £306,122).

Transactions with related parties

At the year end an amount of £189,749 (2020: £nil) was owed by Conserva Consulting Limited, a company under joint ownership.

At the year end £66,858 (2020: £34,883) was due from Nick Barton, a director of the Company. Interest of 2.5% was charged on this loan and it was repaid in full within 9 months of the year end.

27 Controlling party

The ultimate controlling party is N J Barton by virtue of his shareholding.

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

28 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,709,434	288,801
Adjustments for:		
Taxation charged/(credited)	423,147	(69,018)
Finance costs	163,162	163,064
Investment income	-	(170)
(Gain)/loss on disposal of tangible fixed assets	-	5,577
Amortisation and impairment of intangible assets	88,573	15,673
Depreciation and impairment of tangible fixed assets	32,423	21,176
Movements in working capital:		
(Increase)/decrease in debtors	(4,925,294)	273,142
Increase/(decrease) in creditors	5,753,172	(677,235)
Cash generated from operations	<u>3,244,617</u>	<u>21,010</u>

29 Cash generated from/(absorbed by) operations - company

	2021 £	2020 £
Profit for the year after tax	1,119,565	251,918
Adjustments for:		
Taxation charged/(credited)	304,843	(72,964)
Finance costs	163,162	163,064
Investment income	-	(170)
(Gain)/loss on disposal of tangible fixed assets	-	5,577
Amortisation and impairment of intangible assets	72,900	-
Depreciation and impairment of tangible fixed assets	31,851	21,176
Movements in working capital:		
(Increase)/decrease in debtors	(4,382,883)	371,850
Increase/(decrease) in creditors	5,027,650	(761,605)
Cash generated from/(absorbed by) operations	<u>2,337,088</u>	<u>(21,154)</u>

30 Analysis of changes in net funds/(debt) - group

	1 January 2021 £	Cash flows £	Exchange rate movements £	31 December 2021 £
Cash at bank and in hand	1,889,364	1,722,356	43,184	3,654,904
Borrowings excluding overdrafts	(2,446,485)	417,812	-	(2,028,673)
	<u>(557,121)</u>	<u>2,140,168</u>	<u>43,184</u>	<u>1,626,231</u>

THE BARTON PARTNERSHIP LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

31 Analysis of changes in net funds/(debt) - company

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	1,538,020	819,306	2,357,326
Borrowings excluding overdrafts	(2,446,485)	417,812	(2,028,673)
	<u>(908,465)</u>	<u>1,237,118</u>	<u>328,653</u>

