

## Huntswood CTC Limited

Report and Financial Statements

Year Ended

30 September 2021

Company number 03969379



# Huntswood CTC Limited

## Report and financial statements for the year ended 30 September 2021

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### Directors

Lord Brownlow  
M Bonfield  
B Rawson  
D Knight  
M R Dodd  
B Sohi

### Secretary and registered office

D Knight, Abbey Gardens, Abbey Street, Reading, RG1 3BA

### Company number

03969379

### Auditors

BDO LLP, Level 12, Thames Tower, Station Road, Reading, RG1 1LX

### Bankers

Lloyds TSB Bank, The Atrium, Davidson House, Forbury Square, Reading, Berkshire, RG1 3EU

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2021

The directors present their strategic report together with the audited consolidated financial statements for the year ended 30 September 2021.

### Principal activities

The principal activities and core services of the group during the year were the provision of resourcing and outsourcing solutions backed by expert advisory capability to help our clients deliver better compliance and commercial outcomes along with the provision of payroll services. The groups clients are mainly in regulated industries including the financial services and utilities sectors.

### Results and dividends

The consolidated profit for the year, after taxation, amounted to £6,681,397 (2020 - £17,265,347).

Dividends declared and paid during the year on Ordinary shares and 'A' Ordinary shares amounted to £12,034,711 (2020 - £20,194,413) (see note 19).

Some of the group's key financial performance indicators during the year were as follows:

	2021	2020	Movement
Consolidated turnover	<b>£127,416,311</b>	£210,507,372	(£83,091,061)
Consolidated operating profit	<b>£8,289,406</b>	£21,236,157	(£12,946,751)
Consolidated EBITDA	<b>£9,307,115</b>	£22,059,766	(£12,752,651)
Return to shareholders	<b>£12,034,711</b>	£20,194,413	(£8,159,702)
Consolidated current assets as a proportion of current liabilities	<b>1.00</b>	1.13	(0.13)

The financial performance of the group was assessed throughout the year by the provision of detailed monthly management financial statements and forecasts of future sales pipeline. The key measures used to manage the company included operating profitability by business unit, EBITDA %, project profitability and staff utilisation by department. The group also monitored its balance sheet position by assessing detailed daily cash flows and overall current assets as a proportion of current liabilities. The directors are satisfied with the group's performance against plan, as measured by these key financial performance indicators.

In addition to financial KPIs, the company also assesses the performance using a variety of non-financial KPIs throughout the year. Some of these are based on quantitative data, whilst others rely on qualitative data such as opinion surveys.

Some of the company's non-financial key performance indicators during the year were as follows:

	2021	2020	Movement
Number of issued proposals	122	129	(6)
Brand awareness measured by average monthly website visits	24,076	28,859	(4,783)

The group has also invested in enhancing its resource tracking capabilities where resource MI is now available for leadership review on a real-time basis.

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2021

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### Share issues and repurchases

During the current and prior year several repurchases, and cancellations of shares took place (see note 16).

### Review of developments

The deadline for customers to submit PPI claims was 29<sup>th</sup> August 2019. Since this date the number of backlog cases necessitating investigative activity has declined. It was therefore anticipated that throughout the year that the demand from clients for PPI support would also reduce (c.65%). Nevertheless, during the same period the group has seen an increase in the demand from clients for its core activities (c.25%) which has helped both diversify the groups client base and assist with the redeployment of PPI resource to new roles within the group. The successful growth seen across the group's core activities has ensured that the turnover reduction was minimised (c.40%).

On the 11<sup>th</sup> March 2020, the World Health Organisation made the assessment that COVID-19 should be characterised as a pandemic. Since that declaration the effect of COVID-19 on the global human population, the global economy, and the orderly functioning of markets, supply chains, banking and other systems has been substantial.

The expeditious action taken by the group at the very early stages of the pandemic (changing the way it delivered operations for its clients) has ensured that there was minimal impact to its operations and trading performance in both the prior year and current year activities. Furthermore, due to the success of the actions taken, it has also ensured that the group has required no support from the government's Coronavirus Job Retention Scheme (CJRS).

During the year the group has placed a heightened focus on embedding client partnering as a cornerstone of the services provided to its clients. To achieve this the group now offers a flexible resourcing solution that enables clients to scale up, or down, their operational activities as demand necessitates. Furthermore, the group has complemented its existing suite of services with Contact Centre expertise which has given its clients increased confidence to invest in the group as a single source service provider. These initiatives are driving a greater engagement with clients along with longer and more sustainable revenue streams.

With greater client engagement and longer more sustainable revenue streams it has given the group the confidence to invest in people. This has led to an increase of the number of permanent employees that support client services. In turn the group has been able to offer its clients more competitive prices and accelerate the growth of the group's core services.

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2021

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### Review of developments (*continued*)

Furthermore, across the group's head office employees a Balanced Scorecard scheme has been introduced to promote employee engagement. Since its implementation the scheme has created a cohesive culture which has provided drive and focus on improving the overall business performance.

Key measures of the company's Balanced Scorecard are:

- Financial measures, such as turnover, gross margin and EBITDA,
- Learning & growth measures, such as employee objectives and associate attrition,
- Customer perspective, such as net promoter score (NPS).

The directors continue to invest in the infrastructure and operating model to allow the company to support its future client needs whilst maintaining a focus on costs and efficiencies. The aim is to have the appropriate balance of flexible and permanent resource, and the ability to work on client sites, our own sites, or working from home, as demanded by the size, nature, location, and duration of the client assignment.

Furthermore, the success the group experienced, whilst much of its resource have been working from home per the government guidelines, has encouraged the group to continue to offer its clients this approach as part of the variety of delivery solutions. Consequently, as part of the group's property strategy, the group is reassessing its demand for office space and potentially reducing it to a level that not only supports the groups carbon emission goals but also enables its resource to operate efficiently whilst satisfying client needs with less requirement for space and travel.

A key investment during the year was the replacement of the financial reporting software with a fully integrated ERP system. This implementation has facilitated greater data integration across group-wide systems which in turn has allowed the group to achieve greater process efficiency, improved transparency of information and real-time reporting functionality.

Husp Limited ("Husp") completed its second financial year, providing payroll services to the group. During the financial year Husp developed a wider range of payroll solutions. Husp provides payroll services to c.75% of the Huntswood CTC resource population with the aim to increase this penetration in the future. The average number of resources payrolled by Husp throughout 2021 was 1,757

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2021 (*continued*)

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### **Risk management**

The directors believe that key to the group's ability to deliver its services successfully is the identification and management of risk and the ability to respond to changes in the external operating environment.

Managing risk is a critical element of the group's corporate responsibility and underpins the safe delivery of the Board's business plans and strategic objectives. It protects the group's reputation, supports the group's ability to do business and helps to create long-term competitive advantage. Risk management is embedded in the group's organisation structure, operations, and performance management tools. The business has a systematic approach to risk identification and management, which combines the Board's assessment of risk with risk factors originating from and identified by the individual business units.

### **Monitored quarterly**

Overall responsibility for risk management resides with the group's Board of directors. Key risks are monitored by the Board by reviewing a quarterly operational and financial management report for the business, which includes strategic, operational, regulatory, financial, and external market progress against predefined performance indicators. In this report, progress in implementing plans to mitigate and manage risks are reported by a narrative commentary and a traffic light system. In this way it is clear whether risk mitigation has been achieved, is in progress or has escalated and requires immediate attention. This provides a dynamic risk management process where new risks are identified, and mitigation processes are refined in the context of the current external operating environment.

### **Clear accountability**

The group has nominated executive directors with responsibility for key risks and this approach is closely aligned with the company's business model, which integrates and coordinates operational, finance, legal and governance decision making.

The group has an executive director who is responsible for Risk and reports into the Chief Executive but also has an independent reporting line into the Chairman.

### **Part of group strategy**

Whilst risk management operates on a rolling calendar basis, key risks for strategic delivery of the group's business plans and objectives are identified as part of the Board's annual review of group strategy. The Board's review sets out the business' growth strategy, strategic objective, and strategic priorities.

### **Embedded in the business**

The executive directors meet monthly to discuss strategy implementation and separately with senior management committees. This reporting and communication structure between the executive directors and senior management leads to an effective two-way exchange of information and ensures coordinated decision-making takes place with a premium placed on risk management.

In each area of risk, the executive directors are supported by members of the senior management team or senior managers with functional or business unit roles. Accountability for managing risk is assigned to individual managers and each employee is personally responsible for managing risk within the remit of their role.

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2021 (*continued*)

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### Quarterly risk and assurance committee

The risk reporting process is coordinated independently by the group's risk and assurance committee, chaired by the Chairman with input from a non-executive director, the executive directors, and senior managers accountable for managing risks. This provides the Board with an active, action-oriented process that closely monitors key risks and issues. The system also validates progress being made in mitigating risk throughout the year across the business.

The committee also plays a key role in reviewing the effectiveness of the group's internal control procedures and financial risk management systems. The committee monitors the integrity of the financial statements and the work of the external auditors together with the arrangements in place for managing Information Technology risk relating to the group's critical business systems.

### Appropriate policies and procedures

The group has detailed policies, procedures, and systems in place to support risk management across the group. These include the group's risk management policy and information security policy in relation to its ISO27001 accreditation.

### Principal risks and uncertainties

The group regularly reviews developments within the financial services and utilities sectors and where appropriate the findings are factored into the group's planning cycle.

The principal risks to be managed by the business are:

- i) The group is unable to deliver a solution for its clients due to the restrictions imposed by the COVID-19 pandemic.

The group manages this risk by:

- Close monitoring of the government guidance
- Implementing safety measures such as social distancing
- Implementing a working from home solution for employees and resource on client engagements
- Investing in technology and infrastructure

- ii) Customer demand for the group's solutions is insufficient to cover its required level of staff utilisation for group profitability.

The group manages this risk by:

- Close monitoring of the sales pipeline
- Appropriate use of contracted labour to provide workforce flexibility
- Targeting longer term contracts wherever possible to provide maximum visibility of sales pipeline
- Ongoing development of new outsourcing and consulting services to meet evolving client needs
- Identifying other opportunities outside of the financial services sector which are complementary to our core skill sets

- ii) The quality of work delivered by the group fails to match the client's expectations

The group manages this risk by:

- Ensuring that all solutions sold are covered by a contract which clearly sets out both parties' expectations of each other
- Ensuring that our solutions are staffed with appropriately skilled personnel and managed by our experienced project and operational managers
- An ongoing training and development program for all group employees
- Actively seeking feedback from the customer throughout and beyond the engagement to ensure that the group continues to meet and exceed the customer's expectations

Details relating to financial risks that affect the group are included separately in the directors' report.

# Huntswood CTC Limited

## Strategic report for the year ended 30 September 2021 (*continued*)

### S172 Statement

A director of the group must act in the way they consider, in good faith, would most likely promote the long-term success of the group for the benefits of the members as a whole, taking into account the factors as listed in section 172 of the Companies Act 2006. The directors are fully aware of their responsibilities to promote the success of the group in accordance with section 172 of the Companies Act 2006.

The group aims to work responsibly with its stakeholders and develop strong business relationships with them, including its suppliers.

In addition to this, there were key decisions the Board of Directors took during the year which directly influence the stakeholder relationships.

- Heightened focus on client partnering with the aim of being number one partner of choice
- Ensure a balanced mix of permanent and flexible resources delivering client projects
- *Continuous support of employees by providing flexible ways of working*

The group's engagement strategy and how feedback from stakeholders influences the Board agenda and decision making is set out within the below table.

Stakeholder	Board/Company engagement strategy	How feedback influences the Board agenda and decision making
Clients	<ul style="list-style-type: none"> <li>• The group directly engages with clients through a qualitative and quantitative survey, which is undertaken during the delivery of the client engagement.</li> <li>• The group's CEO meets with clients whose engagements have completed (or reached a significant milestone) throughout the course of the year.</li> <li>• The group engages in industry research, including surveying clients (and prospective clients) and delivering bespoke reports back to participants.</li> <li>• The group engages in ad-hoc hospitality events when and where appropriate for clients, partners, and prospects.</li> <li>• The group engages in industry events e.g., exhibitions, trade association forums etc.</li> <li>• The group hosts industry and sector round-table discussion groups.</li> <li>• The group produces an annual Complaints Outlook research report in order to provide its clients with actionable insight around the complaints journey.</li> </ul>	<p>The group gives significant consideration to client engagement which plays a pivotal part in Board discussions/decisions. The activities resulting from feedback aim to strengthen the client partnerships by reinforcing successful delivery/relationship approaches as well as providing an early understanding of any intervention required where there may be challenges.</p> <p>Following the success of the 2019 and 2021 Complaints Outlook research report, the Board continues to invest in its annual Complaints Outlook research in order to provide valuable insight to clients</p>

## Huntswood CTC Limited

### Strategic report for the year ended 30 September 2021 (continued)

Stakeholder	Board/Company engagement strategy	How feedback influences the Board agenda and decision making
Employees	<ul style="list-style-type: none"> <li>• The group has launched a '1,000 day plan' across all areas. Employees have been asked to put in place 5 objectives aligned to the group's overall corporate goals as part of this plan.</li> <li>• Succession planning reviews have identified individuals in all areas and development &amp; coaching plans have been implemented in order to ensure as many roles as possible are filled internally.</li> <li>• A companywide engagement survey 'Your Voice Matters' (YVM) was again undertaken across the group's permanent population. From the survey the group has established action plans across the business.</li> <li>• The group has monthly People Manager and 'All Hands' calls giving the EXCO the opportunity to engage with all employees and allow a two-way flow of communication and an opportunity for employees to raise issues and ask questions.</li> <li>• A Staff Forum, consisting of a mixture of democratically elected employee representatives and directors, meets regularly to discuss a wide range of issues affecting employees' interests. Members of the Staff Forum are involved and consulted regarding key business changes.</li> <li>• In addition to this the group encourages engagement between teams by giving 'H' cards, and recognition awards for those employees who have demonstrated the key group values. Employees are also encouraged to nominate their 'Players Player' for the quarter. The group also issues a weekly employee newsletter titled 'The Muse' and provide intranet updates via Yammer.</li> <li>• Health and wellbeing remain at the forefront of the group's communication plan, and a third Employee Assistance Programme has recently been introduced offering support in areas of an employee's life to reduce stress and other mental health issues.</li> <li>• In order to support employees home working, the group has provided additional technology equipment (monitors, keyboards etc) as required and have also delivered to employee's homes where needed. In addition to this, office chairs have been provided upon request and there is usage of Microsoft Teams to facilitate remote collaborative working.</li> </ul>	<p>The Your Voice Matters Survey is used to identify and drive changes across the group and adapt, improve, and evolve group culture.</p> <p>The survey results have led focus on:</p> <ul style="list-style-type: none"> <li>- improved methods of communication, reducing the channels to improve ease of accessibility.</li> <li>- continued commitment to hybrid working to support families.</li> <li>- clearer guidance around performance reviews and career progression.</li> </ul> <p>The results of the survey have been reported at board level and actions coming out of the survey have full support of the Board and the EXCO.</p> <p>The monthly 'All Hands' calls are a way for all employees to engage with the Senior Leadership Team (SLT) and founder. This allows a two-way flow of communication where the SLT and founder provide updates and give our employees the opportunity to raise any issues or ask questions.</p> <p>Continued investment in our staff to include: training &amp; development of employees, annual pay reviews along with providing a range of benefits which enables the group to recruit and retain quality staff.</p>

## Huntswood CTC Limited

### Strategic report for the year ended 30 September 2021 (continued)

Stakeholder	Board/Company engagement strategy	How feedback influences the Board agenda and decision making
Associates	<ul style="list-style-type: none"> <li>The group issues a monthly associate newsletter to enhance associate communication and engagement.</li> <li>In order to support associates home working, the group has provided the technology (when required) to enable client operations to operate from home in the form of laptops, monitors, keyboards, office chairs etc and have also delivered equipment to associate's homes where required.</li> </ul>	The Board is committed to ensuring that regular engagement continues with associates in the form of surveys and monthly newsletters in order to provide feedback to the group on any areas which can be improved to ensure a high level of associate satisfaction and enjoyment whilst working for the group.

Stakeholder	Board/Company engagement strategy	How feedback influences the Board agenda and decision making
Suppliers	<ul style="list-style-type: none"> <li>The group has implemented additional governance audit principles within its supply chain operating model. This has provided the group with greater visibility of contractual obligations and supplier onboarding assessments and also enabled more granular gap analysis whilst initiating supplier remediation, termination, or replacement. Furthermore, this has also enhanced the groups risk and mitigation protocols.</li> <li>The group Board annually approves the modern slavery statement.</li> </ul>	The group is committed to sourcing products ethically and sustainably, and establishing long-term, open, and fair relationships with its suppliers.

## Huntswood CTC Limited

### Strategic report for the year ended 30 September 2021 (continued)

Stakeholder	Board/Company engagement strategy	How feedback influences the Board agenda and decision making
<p>Communities, Charities, and environment</p>	<ul style="list-style-type: none"> <li>• The group supports and fundraises for Berkshire Community Foundation, its chosen charity, and other charitable organisations, identifying a variety of support opportunities; for example, donating unwanted office furniture to small charities for reuse. The group's Community Committee provides oversight and enables different fundraising activities.</li> <li>• As a consequence of most of the group's employees working from home, the opportunities to fundraise and volunteer have significantly diminished during the Covid-19 pandemic. The Community Committee is reviewing and developing options on how this can be addressed as the group moves into a more blended approach to working from home and at the office in the future.</li> <li>• The group completes both SECR and ESOS assessments and utilises these as an opportunity to understand and implement energy-saving measures resulting in a reduction in greenhouse gas emissions. This year will see the group set revised carbon emissions reductions targets and establish a strategy to achieve net zero carbon emissions.</li> </ul>	<p>The Corporate Social Responsibility (CSR) Steering Group includes board members and meets biannually.</p> <p>The Steering Group owns the community engagement strategy and monitoring and overseeing our environmental impact and reporting.</p> <p>CSR is important to the group and it undertakes many initiatives in this area. The Board recognizes the relevance of leading the group on such a way that it contributes to the wider society and actively supports its employees through the provision of paid leave to support local or national charities.</p>

**On behalf of the Board**

DocuSigned by:  
  
 1AB51369B0D146C...  
**B Rawson**  
**Director**  
**Date: 29 June 2022**

# Huntswood CTC Limited

## Report of the directors for the year ended 30 September 2021

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The directors present their report together with the audited consolidated financial statements for the year ended 30 September 2021. Certain elements of the directors' report have been disclosed in the strategic report, if directors feel it of strategic importance.

### Dividends

Dividends declared and paid during the year on Ordinary shares and 'A' Ordinary shares amounted to £12,034,711 (2020 - £20,194,413) (see note 19). The board do not recommend a final dividend (2020 – Nil).

### Future prospects

The financial services and utilities sector, as well as other regulated businesses, continue to face the challenges of complying with existing and new regulations resulting in increased compliance demands. The directors believe that with the group's specialist knowledge, delivery expertise and technology capability, it continues to be well positioned to assist and drive better outcomes for its clients utilising its resourcing, advisory services, and contact centre services both onshore and offshore.

The group continued to recognise PPI revenue through the year although, as anticipated, there was a significant decline as client case backlogs diminished. Transitioning into next year there will be no further PPI activity of note. The strategy and focus of the directors continues to be the drive of further growth in respect of its established core revenue streams and development of its new complementary Flexible Resourcing and Contact Centre activities to establish longer term engagements and securing broader client partnerships.

### Going Concern

The group has considerable financial resources together with long-term contracts across a range of clients as well as a flexible working solution providing optionality to its clients. Throughout the year, the group invested in its technology which has enabled the group to build capacity and improve its ability to service its clients with the ability to offer different solutions, the main solution being working from home. Having this solution enables client engagements to continue throughout the pandemic where there are lockdown restrictions. As a result, the directors believe that the group is well placed to manage its business risks successfully.

Having prepared cash flow forecasts and stress testing modelling, including a reverse stress test, the directors have assessed that in their opinion there is no reasonably plausible scenario that could give rise to a short fall in cash available, or a breach of a banking covenant as per the term loan agreement. Therefore, in the opinion of the directors there is no material uncertainty with regards the group's and parent company's ability to continue operating as a going concern for a period including 12 months from the date of approval of these Financial Statements.

### Financial risk

The principal financial risks applicable to and managed by the group are:

- i) *Price risk*  
Price risk is the risk of a decline in the value of a security or a portfolio. The group manages this risk by only holding cash deposits as detailed below and by not investing in financial instruments that are exposed to price risk.

## Huntswood CTC Limited

### Report of the directors for the year ended 30 September 2021 (*continued*)

#### ii) *Credit risk*

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is mainly exposed to credit risk from credit sales.

The group manages this risk by:

- Ensuring that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures
- Ensuring that cash reserves are at a level that should the base rate increase, they would be able to settle a large portion of their borrowing facility
- Cash is maintained at a level sufficient to meet the expected working capital requirements of the business in accordance with latest forecast.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating 'A' are accepted.

Cash is held with the following institutions:

	<b>Group 2021</b>	Group 2020	<b>Company 2021</b>	Company 2020
	£	£	£	£
Lloyds Banking Group	(£3,329,294)	8,074,682	(4,293,211)	5,891,395
Santander	3,910	1,500,630	3,910	1,500,630

#### iii) *Liquidity risk*

Liquidity risk arises from the group's management of working capital. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due.

The group manages this risk by:

- Applying cash collection targets
- Utilising credit facilities where necessary
- Reviewing rolling 12-month cash flow projections on a weekly basis

#### iv) *Cash flow interest rate risk*

Cash flow interest rate risk is the exposure to cash flow interest rate fluctuations on long term borrowings at variable rates. The group is mainly exposed to interest rate fluctuations. The group manages this risk by constantly monitoring its working capital requirements.

### Directors

The directors of the group during the year and up to the date of signature of the accounts were:

Lord Brownlow  
M Bonfield  
B Rawson  
M R Dodd  
D Knight  
B Sohi

(appointed 17<sup>th</sup> May 2021)

## Huntswood CTC Limited

### Report of the directors for the year ended 30 September 2021 (*continued*)

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#### **Directors' indemnity**

The group has indemnified the directors of the group against liability in respect of proceedings brought about by third parties, subject to conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force throughout the period and at the date of signing these accounts.

#### **Employee involvement**

**Communication** - A staff forum, consisting of a mixture of democratically elected employee representatives and directors, meets regularly to discuss a wide range of issues affecting employees' interests. Members of the staff forum are involved and consulted regarding key business changes. Furthermore, the Huntswood intranet (Yammer) is an effective communication tool across its geographical locations and includes features such as an open discussion board and regular business updates.

**Reward** - Every employee is eligible to make choices regarding their own benefits. An easy-to-access online service provides information about the range and value of their comprehensive reward package.

**Training** – The group positively encourages the continuous personal development of each employee and offers proactive services from the Learning and Development team which enable employees to excel.

**Wellbeing** – The group offers Employee Wellbeing which involves five interconnected elements; physical / mental, community, social, financial and career, which are commonly referred to as the '5 Pillars' of wellbeing. The group has Wellbeing Champions, which represent all areas of the business who meet regularly to discuss all aspects of Employee Wellbeing and assist with initiatives and events. The Champions provide feedback to the business to help ensure the ongoing strategy continues to be relevant and flexible to employees' requirements.

**Employee Assistance Programme** – An external provider has also been introduced which offers additional wellbeing support to our employees to reduce stress and other mental health issues.

#### **Disabled persons**

We are dedicated to creating and maintaining a culturally and socially diverse workplace that offers the best opportunities to the widest range of talented individuals. The group is committed to offering continuous support, assistance, and training to encourage participation and career development for all employees, both able-bodied and disabled.

Where existing employees become disabled, it is the group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and provide training and career development and promotion *wherever it is deemed appropriate*.

#### **Research & Development**

The Group had no R&D claim in 2021 (2020 - £1,092,448).

#### **Political donations**

During the year, no political donations were made by group companies (2020 - £Nil).

#### **Post balance sheet events**

On the 25<sup>th</sup> October 2021 the group purchased a group of companies to further enhance its contact centre expertise and extend its client service delivery options with an offshore capability (see note 21).

#### **Directors' statement as to disclosure of information to auditors**

All the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the group's auditor is unaware.

# Huntswood CTC Limited

## Report of the directors for the year ended 30 September 2021 (continued)

### Energy and Carbon Report

#### Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines and has also used the GHG Reporting Protocol – Corporate Standard along with 2020 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in Kgs CO<sub>2</sub> equivalent per person.

#### Measures taken to improve energy efficiency

The group continue to strive for energy and carbon reduction arising from their activities, however during this financial period no Principal Energy Efficiency Actions were undertaken.

It should be noted that again this year usage is significantly below previous years due to the continuation of resources working from home in accordance with government COVID-19 guidelines.

The group's data is as follows:

#### STREAMLINED ENERGY AND CARBON REPORTING FOR PERIOD OCTOBER 2020 TO SEPTEMBER 2021

	<b>2021</b>	<b>2020</b>
<b>Energy consumption</b>	<b>kWh</b>	<b>kWh</b>
Aggregate of energy consumption in the year		
- Grid Electricity	232,633	306,631
- Natural Gas	370,954	522,961
- Grey Fleet	<u>27,903</u>	<u>76,673</u>
	631,490	906,265
	<b>2021</b>	<b>2020</b>
<b>Emissions of CO<sub>2</sub> equivalent</b>	<b>metric tonnes</b>	<b>metric tonnes</b>
Scope 1 - direct emissions		
- Natural Gas	67.94	96.16
Scope 2 - indirect emissions		
- Electricity purchased	49.40	71.49
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by Huntswood	<u>9.68</u>	<u>32.12</u>
<b>Total gross emissions</b>	<u><u>127.02</u></u>	<u><u>199.77</u></u>
<b>Intensity ratio</b>		
Kgs CO <sub>2</sub> e per person (per m <sup>2</sup> in 2020)	0.06	22.25

## Huntswood CTC Limited

### Report of the directors for the year ended 30 September 2021 (*continued*)

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#### Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company 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 financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Auditors

A resolution to reappoint BDO LLP as auditor will be put to the members at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

#### On behalf of the Board

DocuSigned by:  
  
1AB51369B0D146C...  
B Rawson  
Director

Date: 29 June 2022

## Huntswood CTC Limited

### Independent auditors report to the members of Huntswood CTC Limited For the year ended 30 September 2021

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#### **Opinion on the financial statements**

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 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Huntswood CTC Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2021 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity, and 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).

#### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group and the 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.

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or 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 Directors with respect to going concern are described in the relevant sections of this report.

## Huntswood CTC Limited

### Independent auditors report to the members of Huntswood CTC Limited For the year ended 30 September 2021

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#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

#### Other Companies Act 2006 reporting

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

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

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 Strategic report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## Huntswood CTC Limited

### Independent auditors report to the members of Huntswood CTC Limited For the year ended 30 September 2021

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

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included:

- Obtaining an understanding of the legal and regulatory framework that the Group operates in, focussing on those laws and regulations that had a significant effect on the consolidated financial statements or that had a fundamental effect on the operations of the Group, namely:
  - Companies Act 2006;
  - United Kingdom Generally Accepted Accounting Practice; and
  - Relevant tax legislation.
- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - challenging assumptions made by management in their significant accounting estimates.
- Discussing among the engagement team, including significant component audit teams, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Identifying and testing journal entries, in particular those journal entries considered most susceptible to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the consolidated financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

## Huntswood CTC Limited

### Independent auditors report to the members of Huntswood CTC Limited For the year ended 30 September 2021

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#### Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Chris Pooles*

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Christopher Pooles (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Reading, UK  
Date: 29 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Huntswood CTC Limited

### Consolidated statement of comprehensive income for the year ended 30 September 2021

	Note	2021 £	2020 £
<b>Turnover</b>	3	<b>127,416,311</b>	210,507,372
Cost of sales		<b>(99,468,554)</b>	(162,728,707)
<b>Gross profit</b>		<b>27,947,757</b>	47,778,665
Other operating income		-	129,808
Administrative expenses		<b>(19,658,351)</b>	(26,672,316)
<b>Operating profit</b>	6	<b>8,289,406</b>	21,236,157
Interest receivable and similar income	7	<b>56,994</b>	70,175
Interest payable and similar charges	8	<b>(18,053)</b>	(3,220)
<b>Profit on ordinary activities before taxation</b>		<b>8,328,347</b>	21,303,112
Tax on profit on ordinary activities	9	<b>(1,646,950)</b>	(4,037,765)
<b>Profit and total comprehensive income for the year</b>		<b>6,681,397</b>	17,265,347

All recognised gains and losses in the current and prior year are included in the statement of comprehensive income; accordingly, no separate statement of other comprehensive income has been prepared.

The notes on pages 29 to 47 form part of these financial statements.

## Huntswood CTC Limited

Consolidated balance sheet  
at 30 September 2021

*Company number 03969379*

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	10	1,755,612	1,881,604
Tangible fixed assets	11	727,655	1,138,545
<b>Current assets</b>			
Cash		967,827	9,575,313
Debtors	13	21,600,213	32,046,486
<b>Total current assets</b>		<b>22,568,040</b>	<b>41,621,799</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(22,642,140)</b>	<b>(36,812,187)</b>
<b>Net current liabilities</b>		<b>(74,100)</b>	<b>4,809,612</b>
<b>Total assets less current liabilities</b>		<b>2,409,167</b>	<b>7,829,761</b>
<b>Provision for liabilities and charges</b>	15	<b>(870,054)</b>	<b>(937,334)</b>
<b>Net assets</b>		<b>1,539,113</b>	<b>6,892,427</b>
<b>Capital and reserves</b>			
Called up share capital	16	30,393	33,199
Share premium		3,316	3,316
Capital redemption		40,014	37,208
Profit and loss account		1,465,390	6,818,704
<b>Shareholders' funds</b>		<b>1,539,113</b>	<b>6,892,427</b>

The financial statements were approved by the Board of Directors and authorised for issue on: 29 June 2022

DocuSigned by:  
  
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 D Knight  
 Director

The notes on pages 29 to 47 form part of these financial statements.

## Huntswood CTC Limited

### Consolidated statement of changes in equity for the year ended 30 September 2021

	Share Capital £	Share premium £	Capital redemption £	Profit and loss account £	Total Equity £
<b>1 October 2020</b>	<b>33,199</b>	<b>3,316</b>	<b>37,208</b>	<b>6,818,704</b>	<b>6,892,427</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	6,681,397	6,681,397
<b>Total comprehensive income for the year</b>	-	-	-	6,681,397	6,681,397
<b>Contributions by and distributions to owners</b>					
Dividends (note 19)	-	-	-	(12,034,711)	(12,034,711)
Repurchase and cancellation of ordinary shares (note 16)	(2,806)	-	2,806	-	-
<b>Total contributions by and distributions to owners</b>	(2,806)	-	2,806	(12,034,711)	(12,034,711)
<b>30 September 2021</b>	<b>30,393</b>	<b>3,316</b>	<b>40,014</b>	<b>1,465,390</b>	<b>1,539,113</b>

The notes on pages 29 to 47 form part of these financial statements.

## Huntswood CTC Limited

### Consolidated statement of changes in equity for the year ended 30 September 2021 (continued)

	Share Capital £	Share premium £	Capital redemption £	Profit and loss account £	Total Equity £
<b>1 October 2019</b>	37,820	3,316	32,587	9,747,770	9,821,493
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	17,265,347	17,265,347
<b>Total comprehensive income for the year</b>	-	-	-	17,265,347	17,265,347
<b>Contributions by and distributions to owners</b>					
Dividends (note 19)	-	-	-	(20,194,413)	(20,194,413)
Repurchase and cancellation of ordinary shares (note 16)	(4,621)	-	4,621	-	-
<b>Total contributions by and distributions to owners</b>	(4,621)	-	4,621	(20,194,413)	(20,194,413)
<b>30 September 2020</b>	33,199	3,316	37,208	6,818,704	6,892,427

The notes on pages 29 to 47 form part of these financial statements.

## Huntswood CTC Limited

### Consolidated statement of cash flows for the year ended 30 September 2021

		2021	2020
		£	£
<b>Cash flows from operating activities</b>			
<b>Profit for the financial year</b>		<b>6,681,397</b>	17,265,347
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	10,11	<b>1,017,709</b>	823,608
Net interest receivable	7,8	<b>(38,941)</b>	(66,955)
Taxation expense	9	<b>1,646,950</b>	4,037,765
Decrease/(Increase) in trade and other debtors		<b>10,071,907</b>	(8,374,013)
(Decrease)/Increase in trade and other creditors		<b>(18,477,946)</b>	15,652,788
(Decrease)/Increase in provisions		<b>(67,280)</b>	532,236
<b>Cash from operations</b>		<b>833,796</b>	29,870,776
Interest paid	8	<b>(18,053)</b>	(3,221)
Taxation paid		<b>(1,255,090)</b>	(6,366,783)
<b>Net cash generated from operating activities</b>		<b>(439,347)</b>	23,500,772
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	11	<b>(270,519)</b>	(337,596)
Purchase of Intangibles	10	<b>(210,308)</b>	(1,108,438)
Interest received	7	<b>56,994</b>	70,175
<b>Net cash from investing activities</b>		<b>(423,833)</b>	(1,375,859)
<b>Cash flows from financing activities</b>			
Equity dividends paid		<b>(12,034,711)</b>	(20,194,413)
Company repurchase of own shares		<b>(2,806)</b>	(4,622)
<b>Net cash used in financing activities</b>		<b>(12,037,517)</b>	(20,199,035)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(12,900,697)</b>	1,925,878
Cash and cash equivalents at beginning of year		<b>9,575,313</b>	7,649,435
<b>Cash and cash equivalents at end of year</b>		<b>(3,325,384)</b>	9,575,313
<b>Cash and cash equivalents comprise:</b>			
Cash in bank and in hand		<b>967,827</b>	9,575,313
Bank overdraft		<b>(4,293,211)</b>	-
		<b>(3,325,384)</b>	9,575,313

The notes on pages 29 to 47 form part of these financial statements.

## Huntswood CTC Limited

### Company balance sheet at 30 September 2021

<i>Company number 03969379</i>	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	10	1,755,612	1,881,604
Tangible fixed assets	11	717,244	1,126,313
<b>Current assets</b>			
Cash		3,910	7,392,025
Debtors	13	17,009,083	24,288,071
<b>Total current assets</b>		<b>17,012,993</b>	<b>31,680,096</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(16,613,502)</b>	<b>(26,185,919)</b>
<b>Net current assets</b>		<b>399,490</b>	<b>5,494,177</b>
<b>Total assets less current liabilities</b>		<b>2,872,346</b>	<b>8,502,094</b>
<b>Provision for liabilities and charges</b>	15	<b>(870,054)</b>	<b>(937,334)</b>
<b>Net assets</b>		<b>2,002,292</b>	<b>7,564,760</b>
<b>Capital and reserves</b>			
Called up share capital	16	30,393	33,199
Share premium		3,316	3,316
Capital redemption		40,014	37,208
Profit and loss account		1,928,569	7,491,037
<b>Shareholders' funds</b>		<b>2,002,292</b>	<b>7,564,760</b>

The company's individual profit and loss account has been approved in accordance with section 414(1) (approval by directors) of the Companies Act 2006 but the company has taken advantage of the exemptions allowed under s408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

The consolidated profit for the year includes the company's individual profit after tax of £6,472,243 (2020 - £17,937,681).

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2022.

DocuSigned by:

*Donna Knight*  
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D Knight  
Director

The notes on pages 29 to 47 form part of these financial statements.

## Huntswood CTC Limited

### Company statement of changes in equity for the year ended 30 September 2021

	Share Capital £	Share premium £	Capital redemption £	Profit and loss account £	Total Equity £
<b>1 October 2020</b>	<b>33,199</b>	<b>3,316</b>	<b>37,208</b>	<b>7,491,037</b>	<b>7,564,760</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	6,472,243	6,472,243
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,472,243</b>	<b>6,472,243</b>
<b>Contributions by and distributions to owners</b>					
Dividends (note 19)	-	-	-	(12,034,711)	(12,034,711)
Repurchase and cancellation of ordinary shares (note 16)	(2,806)	-	2,806	-	-
<b>Total contributions by and distributions to owners</b>	<b>(2,806)</b>	<b>-</b>	<b>2,806</b>	<b>(12,034,711)</b>	<b>(12,034,711)</b>
<b>30 September 2021</b>	<b>30,393</b>	<b>3,316</b>	<b>40,014</b>	<b>1,928,569</b>	<b>2,002,292</b>

The notes on pages 29 to 47 form part of these financial statements.

## Huntswood CTC Limited

### Company statement of changes in equity for the year ended 30 September 2021 *(continued)*

	Share Capital £	Share premium £	Capital redemption £	Profit and loss account £	Total Equity £
<b>1 October 2019</b>	37,820	3,316	32,587	9,747,769	9,821,492
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	17,937,681	17,937,681
<b>Total comprehensive income for the year</b>	-	-	-	17,937,681	17,937,681
<b>Contributions by and distributions to owners</b>					
Dividends (note 19)	-	-	-	(20,194,413)	(20,194,413)
Repurchase and cancellation of ordinary shares (note 16)	(4,621)	-	4,621	-	-
<b>Total contributions by and distributions to owners</b>	(4,621)	-	4,621	(20,194,413)	(20,194,413)
<b>30 September 2020</b>	33,199	3,316	37,208	7,491,037	7,564,760

The notes on pages 29 to 47 form part of these financial statements.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2021

### 1 Accounting policies

Huntswood CTC Limited is a private company limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

#### *Parent company disclosure exemptions:*

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company as a cashflow statement has been provided in respect of the group as a whole
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

#### *Going concern:*

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the group and parent company can continue in operational existence for a period including 12 months from the date of approval of the financial statements.

The group made a profit before tax of £8.3m for the year ended 30 September 2021 (2020: £21.3m) and had a net cash overdrawn balance of £3.3m (2020 – cash balance of £9.6m) at the balance sheet date. With its overdraft facility of £10m this gave cash headroom of £6.7m. Net assets were £1.5m as at 30 September 2021 (2020: £6.9m).

The group continues to provide flexible delivery solutions and a more balanced mix of flexible and permanent resources for clients. The quality and sustainability of the home working solution has improved further compared to last year and this enabled the group to provide its services at a high standard without interruption. All projects were operating as normal during the second year of COVID and are expected to continue to do so throughout the next twelve months. The group's working from home solution for its clients has enabled the group to broaden its resourcing capability for clients which has resulted in faster deployment of engagements.

The group's primary markets are the financial services and utilities sectors as well as other regulated businesses. The directors have assessed the impact of COVID on these markets and consider that they have largely continued to operate through the pandemic. The group has continued to trade through this period and continues to see opportunities in its key markets.

The directors believe that the business is best placed to offer different solutions to its clients aligned with the client's appetite on how they want the operations to be delivered dependent upon COVID restrictions in place, such as in a client's office, on the groups site, or home working with laptops being provided by either the client or Huntswood. This range of solutions provides flexibility to clients in the current environment.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

### 1 Accounting policies (*continued*)

The deadline for customers to submit PPI claims was 29th August 2019. Since this date the number of backlog cases necessitating investigative activity has declined as anticipated. In parallel the group's core services have grown which has helped to compensate for the decline and allow for the redeployment of resources. The directors anticipate the group's core services to continue growth through the next twelve months as the growth strategy accelerates.

Post year-end events included an acquisition of a group of companies that operate contact centres which has an onshore and offshore solution. The directors believe that this acquisition will enhance the group's contact centre expertise and extend its client service delivery options by having an offshore capability. The group also switched banking facilities from Lloyds to another large high street banking institution and obtained a term loan, the key terms of which are disclosed in Note 21.

Whilst switching its banking facilities the group also took the opportunity to transition to an overdraft and ID facility which will better support the growth of the group in the long term.

The directors have prepared cash flow forecasts for the company and group for a period including 12 months from the date of approval of these financial statements. These cash flow forecasts show that the group and parent company are able to operate within the new facilities available.

The directors have performed stress testing to model a significant level of pipeline sales decline of 25% to assess the impact on cash flows. The directors have also agreed that dividends and annual bonuses will only be paid after ensuring that the banking covenants are forecast to be complied with. The results of this stress testing is that the directors are confident that the business has sufficient cash liquidity to sustain very significant and prolonged reductions in trading revenue.

The directors also modelled a reverse stress test scenario which showed that the forecasts could withstand a pipeline sales decline of 44% before banking covenants would be breached. The board considers the likelihood of this scenario materializing to be highly unlikely. However, in the event that this scenario did occur, the Group continues to benefit from the financial support of its ultimate controlling party.

Having prepared cash flow forecasts and stress testing modelling, including the reverse stress test, the directors have assessed that in their opinion there is no reasonably plausible scenario that could give rise to a short fall in cash available, or a breach of a banking covenant as per the term loan agreement. Therefore, in the opinion of the directors there is no material uncertainty with regards the group's and parent company's ability to continue operating as a going concern for a period including 12 months from the date of approval of these Financial Statements.

The directors consider that the group and parent company have adequate resources to continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

#### *Basis of consolidation:*

The group financial statements consolidate the financial statements of Huntswood CTC Limited and its subsidiary undertaking drawn up to 30 September 2021. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal. Intercompany transactions and balances between group companies are therefore eliminated in full.

No company profit and loss account is presented as permitted under Section 408 of the Companies Act 2006.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

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### 1 Accounting policies (continued)

#### *Turnover:*

Turnover is recognised on the majority of our contracts based on a day rate (typically a time and material basis), which is recognised at the point when the service is provided to the end customer.

In the case of contracts which are in progress at the year end and where billing is rendered on account, revenue is recognised based on the estimated stage of completion of the contract. To the extent that revenue recognised is in excess of billings on account, this is included in accrued income. Where billings are made in advance of work done this is included in deferred income.

Turnover related to the subsidiary Husp Limited represents the charge to the employees for the provision of their payroll services. The revenue is recognised monthly in line with the provision of the payroll service.

#### *Investments:*

Fixed asset investments are carried at cost less provisions for any permanent diminution in value.

The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Intangible Assets:*

Costs which are directly attributable to the development of computer software are capitalised as intangible assets only when the technical feasibility of the project is demonstrated, the Group has an intention and ability to use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees' time spent directly involved in the project.

#### *Amortisation:*

Amortisation is provided from the date of acquisition to write off the cost less estimated residual value of each asset on a straight-line basis over their useful economic life, as follow:

Software	4-5 years
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#### *Tangible fixed assets:*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

# Huntswood CTC Limited

## Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Depreciation:*

Depreciation is provided to write off the cost, less estimated residual values, in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixture & fittings	3-4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income.

#### *Impairment of assets:*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### *Financial assets:*

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity:*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### *Finance costs:*

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

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#### 1 Accounting policies (*continued*)

##### *Current and deferred taxation:*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### *Leases:*

Operating lease rentals are charged to profit or loss on a straight-line basis over the term of the lease.

##### *Provisions:*

All contracts in progress at the year-end are reviewed to identify any which may be loss-making. Where such contracts are identified, a provision is made in full for the estimated losses beyond the year end.

##### *Pensions and other post-retirement benefits:*

Contributions to defined contribution schemes are recognised in profit or loss in the period in which they become payable.

##### *Dividends:*

Equity dividends are recognised when they are legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

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#### 1 Accounting policies (*continued*)

##### *Holiday pay accrual:*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

##### *Reserves:*

The group and company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

#### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Judgements have been made as to when in the stage of development of software assets all the criteria required for the recognition of internally generated intangibles have been met, in accordance with FRS 102.

#### *Other key sources of estimation uncertainty*

##### *Tangible and intangible fixed assets (see note 10 & 11)*

Tangible and intangible fixed assets are depreciated/amortised over their useful lives considering residual values, where appropriate. The actual lives of the assets may vary depending on several factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### 3 Turnover

Turnover is predominantly derived within the United Kingdom through the provision of customer service back-office processing and compliance solutions, recruitment and consultancy solutions to third parties predominantly in the regulated retail financial services industry and utilities sectors (2021: £126,151,759)

Also, within the group the subsidiary Husp Limited provides an umbrella payroll service. Turnover is derived within the United Kingdom from the provision of payroll services to third parties (2021: £1,264,552)

Turnover is stated exclusive of value added tax.

#### 4 Directors' remuneration

	2021 £	2020 £
Wages and salaries	2,909,564	4,450,908
Other pension costs	37,096	41,255
	<hr/>	<hr/>
	<b>2,946,660</b>	<b>4,492,163</b>

The amount in respect of the highest paid director was £1,296,690 (2020 - £1,748,437). Pension cost for the highest paid director was £Nil (2020 - £Nil). 4 directors were members of a company pension scheme during the year at a cost of £37,096 (2020 - £41,255).

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

#### 5 Employee costs

Employee costs (including directors) during the year consist of:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	76,944,988	59,806,778	15,331,272	17,749,064
Social security costs	8,024,035	6,268,713	1,634,405	1,961,595
Other pension costs	1,020,360	843,787	458,591	514,849
	<b>85,989,382</b>	<b>66,919,278</b>	<b>17,424,268</b>	<b>20,225,508</b>

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

	Group 2021 Number	Group 2020 Number	Company 2021 Number	Company 2020 Number
Project staff	1,884	1,314	107	87
Administration	127	142	120	136
	<b>2,011</b>	<b>1,456</b>	<b>227</b>	<b>223</b>

A defined contribution pension scheme is operated by the group on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and are summarised above.

At the year end the group had pension contributions payable of £167,224, which includes an amount of £85,043 relating to Huntswood CTC limited (2020 - £95,889), these are included within the accruals balance in note 14.

#### 6 Operating profit

Operating profit is stated after charging:

	2021 £	2020 £
Amortisation of intangible assets (see note 10)	579,582	46,406
Depreciation - owned assets (see note 11)	438,127	777,203
Auditors' remuneration:		
- Audit fees relating to the parent company	102,000	72,500
- Audit fees relating to subsidiary	31,000	25,000
- Tax compliance services relating to the group	17,600	26,800
- Tax advisory services	89,251	-
- Services related to corporate finance transactions	266,757	-
- Other non-audit services	3,100	-
Operating lease rentals:		
- Land and buildings	1,131,535	1,305,595
- Other	-	12,441

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 *(continued)*

#### 7 Interest receivable and similar income

	2021 £	2020 £
Bank interest	3,518	15,622
Other interest	53,476	54,553
	56,994	70,175

Included in other interest receivable are interest amounts received from a related party Huntswood Associates Limited of £48,513 (2020 - £54,553), additional details are included in note 20.

#### 8 Interest payable and similar charges

	2021 £	2020 £
Bank loans and overdrafts	13,090	3,220
Other interest	4,963	-
	18,053	3,220

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

#### 9 Taxation

	2021	2020
	£	£
<b>(a) Tax on profit on ordinary activities</b>		
<i>Current tax</i>		
United Kingdom corporation tax at 19% based on the profit for the year (2020 – 19%)	1,623,038	3,839,555
Adjustment in respect of prior years	75,052	2,500
	1,698,090	3,842,055
<i>Deferred tax</i>		
Timing differences, origination and reversal	(62,950)	216,320
Adjustments in respect of prior periods	-	(1,776)
Effect of tax rate change on opening balance	11,810	(18,834)
	(51,140)	195,710
Tax on profit on ordinary activities	1,646,950	4,037,765

#### **(b) Factors affecting the current tax charge**

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

	2021	2020
	£	£
Profit on ordinary activities before tax	8,323,188	21,303,112
Profit on ordinary activities at the standard rate Of corporation tax in the UK of 19% (2020 - 19%)	1,581,406	4,047,591
Effects of:		
Expenses not deductible for tax purposes	4,193	8,232
Fixed asset timing differences	(10,402)	-
Adjustment to tax charge in respect of previous years	75,052	2,500
Adjustment to tax charge in respect of previous years-deferred tax	-	(1,776)
Remeasurement of deferred tax for changes in tax rates	(3,299)	(18,782)
Total current tax	1,646,950	4,037,765

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

#### (c) Deferred tax asset

The group has recognised a deferred tax asset of £13,741 (2020 – deferred tax liability of £37,398). Deferred tax assets are recognised only to the extent that directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing difference can be deducted. Finance Act 2021 was substantially enacted in May 2021 and increased corporation tax rate to 25% from 19% with effect from 1<sup>st</sup> April 2023. The deferred tax balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

#### 10 Intangible assets

	<b>Software</b>
<b>Group and company</b>	<b>£</b>
<i>Cost</i>	
At 1 October 2020	1,931,491
Transfers	844,267
Additions	210,308
Disposals	-
	<hr/>
At 30 September 2021	<b>2,986,066</b>
	<hr/>
<i>Accumulated amortization</i>	
At 1 October 2020	49,887
Transfers	600,985
Charge for the year	579,582
	<hr/>
At 30 September 2021	<b>1,230,454</b>
	<hr/>
<i>Net book value</i>	
At 30 September 2021	<b>1,755,612</b>
	<hr/>
At 30 September 2020	1,881,604
	<hr/>

## Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2021 (*continued*)

### 11 Tangible fixed assets

Group	Fixtures, fittings and equipment £
<i>Cost</i>	
At 1 October 2020	10,473,268
Transfers	(844,267)
Additions	270,519
	9,899,520
At 30 September 2021	9,899,520
<i>Accumulated depreciation</i>	
At 1 October 2020	9,334,723
Transfers	(600,985)
Charge for the year	438,127
	9,171,865
At 30 September 2021	9,171,865
<i>Net book value</i>	
At 30 September 2021	727,655
At 30 September 2020	1,138,545
Company	Fixtures, fittings and equipment £
<i>Cost</i>	
At 1 October 2020	10,459,909
Transfers	(844,267)
Additions	270,519
	9,886,161
At 30 September 2021	9,886,161
<i>Accumulated depreciation</i>	
At 1 October 2020	9,333,596
Transfers	(600,985)
Charge for the year	436,306
	9,168,917
At 30 September 2021	9,168,917
<i>Net book value</i>	
At 30 September 2021	717,244
At 30 September 2020	1,126,313

## Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2021 (continued)

### 12 Investments

The company has the following wholly owned subsidiary undertakings:

Name	Country of incorporation or registration	Class of Share capital held	Proportion of share capital held	Nature of business
Huntswood Resources Limited	England and Wales	Ordinary	100%	Dormant
Husp Limited	England and Wales	Ordinary	100%	Umbrella Services Provider

Husp Limited was incorporated on the 18<sup>th</sup> October 2019 one ordinary share was issued for a consideration of £0.01.

The registered office of the subsidiaries is Abbey Gardens, Abbey Street, Reading, RG1 3BA .

### 13 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	7,178,776	11,361,846	7,089,367	11,361,846
Prepayments and accrued income	12,531,677	18,539,173	8,049,429	10,287,926
Other debtors	71,394	-	51,949	-
Amounts due from related party (note 20)	1,804,625	1,756,112	1,804,625	1,756,112
Amounts due from Husp Limited (note 20)	-	-	6,587	492,832
Deferred tax (see analysis in Note 14)	13,741	-	7,126	-
Corporation tax recoverable	-	389,355	-	389,355
	<b>21,600,213</b>	<b>32,046,486</b>	<b>17,009,083</b>	<b>24,288,071</b>

All debtors are due within one year.

## Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2021 (*continued*)

### 14 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdraft (secured)	4,293,211	-	4,293,211	-
Trade creditors	946,901	289,550	946,901	289,550
Corporation tax	52,089	-	4,743	-
Other taxes and social security	3,406,085	11,046,663	1,977,592	8,810,367
Other creditors	69,805	-	-	-
Accruals	13,511,836	25,438,576	9,028,842	17,043,444
Deferred income	362,213	-	362,213	-
Deferred tax (see analysis below)	-	37,398	-	42,558
	<u>22,642,140</u>	<u>36,812,187</u>	<u>16,613,502</u>	<u>26,185,919</u>

#### *Deferred tax*

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Analysis of the deferred tax balance:				
Fixed asset timing differences	16,792	55,741	14,189	55,741
Short term timing differences	(30,533)	(18,343)	(21,315)	(13,183)
	<u>(13,741)</u>	<u>37,398</u>	<u>(7,126)</u>	<u>42,558</u>

### 15 Provisions for liabilities and charges

	Legal Provision £	Dilapidations £	Total £
At 30 September 2020	340,000	597,334	937,334
Credit to income statement	-	(67,280)	(67,280)
	<u>340,000</u>	<u>530,054</u>	<u>870,054</u>

Provisions for dilapidations are recognised on properties where the terms of the lease require restitution to be made for any changes; the expected maturity date for the provision is at the end of lease terms. The legal provision is an estimated cost of settling an outstanding claim.

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

#### 16 Called up share capital

	2021 £	2020 £
<i>Allotted, called up and fully paid</i>		
2,179,129 (2020 - 2,459,714) ordinary shares of £0.01 each	21,792	24,598
853,474 "A" ordinary shares of £0.01 each	8,535	8,535
6,600 (2020 – 6,600) 'B' ordinary shares of £0.01 each	66	66
	<hr/>	<hr/>
	<b>30,393</b>	<b>33,199</b>
	<hr/>	<hr/>

Ordinary shares have voting rights, while A and B ordinary shares do not have voting rights.

#### Current year

On the 30<sup>th</sup> October 2020, 4,400 ordinary shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

On the 30<sup>th</sup> November 2020, 6,600 ordinary shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

On 31<sup>st</sup> March 2021, 264,085 ordinary shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

On the 30<sup>th</sup> April 2021, 5,500 ordinary shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

#### Prior year

During the year ending 30<sup>th</sup> September 2020 462,150 ordinary shares in issue were purchased and cancelled by the company at nominal value in line with the company's articles of association.

#### 17 Commitments under operating leases

The group had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2021 £	Other 2021 £	Land and buildings 2020 £	Other 2020 £
Not later than 1 year	1,414,945	1,452	1,187,589	1,716
Later than 1 year and not later than 5 years	2,262,079	1,452	3,347,200	2,080
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>3,677,023</b>	<b>2,904</b>	<b>4,534,789</b>	<b>3,796</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## Huntswood CTC Limited

Notes forming part of the financial statements  
for the year ended 30 September 2021 (*continued*)

### 18 Financial instruments

The Group's and Company's financial instruments may be analysed as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<b>20,274,098</b>	22,693,271	<b>14,728,168</b>	21,002,815
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>18,821,754</b>	25,728,126	<b>14,268,954</b>	17,332,994

Financial assets measured at amortised cost comprise trade debtors, cash, accrued income and other debtors (also includes the amounts from related parties).

Financial liabilities measured at amortised cost comprise bank overdraft, trade creditors, accruals, and other creditors.

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

#### 19 Dividends

	2021 £	2020 £
Ordinary Shares		
Interim paid of £0.56 on 01 December 2020	1,358,175	-
Interim paid of £0.70 on 19 January 2021	1,725,394	-
Interim paid of £0.42 on 2 June 2021	917,216	-
Interim paid of £0.94 on 11 October 2019	-	2,742,939
Interim paid of £1.16 on 09 December 2019	-	3,393,687
Interim paid of £0.091 on 24 January 2020	-	265,897
Interim paid of £1.063 on 08 July 2020	-	2,615,053
	4,000,785	9,017,576
'A' Ordinary Shares		
Interim paid of £1.94 on 01 December 2020	1,658,651	-
Interim paid of £2.87 on 22 December 2020	2,449,078	-
Interim paid of £1.72 on 18 January 2021	1,471,924	-
Interim paid of £0.59 on 24 March 2021	500,000	-
Interim paid of £0.09 on 27 April 2021	75,000	-
Interim paid of £1.03 on 02 June 2021	879,273	-
Interim paid of £0.59 on 25 June 2021	500,000	-
Interim paid of £0.59 on 22 September 2021	500,000	-
Interim paid of £2.30 on 11 October 2019	-	1,961,061
Interim paid of £6.22 on 09 December 2019	-	5,304,764
Interim paid of £0.223 on 24 January 2020	-	190,103
Interim paid of £3.77 on 08 July 2020	-	3,220,910
Interim paid of £0.59 on 23 September 2020	-	500,000
	8,033,926	11,176,838
Total dividends paid during the year	12,034,711	20,194,413

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

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#### 20 Related party transactions

The Company's ultimate controlling party is considered to be Lord Brownlow by way of his majority shareholding in the ordinary share capital of the company.

At 30 September 2021, there was a loan balance owed by Huntswood Associates Limited of £1,804,625 (2020 - £1,756,112) a company of which Lord Brownlow is a director and sole shareholder.

Related party HAL loan is interest bearing at 2.50% above base rate. Interest is rolled up and the amount credited to the profit and loss account in the period was £48,513 (2020 - £54,553) as detailed in note 7.

During the year ended 30 September 2021, dividends of £8,033,926 were paid on the 'A' ordinary shares to Huntswood Associates Limited (2020 – £11,176,838).

During the year an amount of £780,020 (2020 – nil) was invoiced by Huntswood CTC to Lord Brownlow in regard to the reimbursement of employee costs for personnel who were administered through the Huntswood CTC payroll on behalf of Lord Brownlow. As at 30 September 2021 the outstanding balance was £257,505.

#### *Key management and director transactions*

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the group, including the directors of the group.

The total compensation including pension costs paid to key management personnel for services provided to the group was £2,942,678 (2020 - £4,492,163).

Dividends totaling £3,960,592 (2020 - £8,942,399) were paid to directors and key management personnel during the year.

During the year 280,585 shares owned by directors and key management were purchased and cancelled by the company (2020 – 462,150)

## Huntswood CTC Limited

### Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

#### 21 Post year end events

On the 25<sup>th</sup> October 2021 the company acquired a group of companies headed by CXP Limited to further enhance its contact centre expertise and extend its client service delivery options with an offshore capability. The consideration for the purchase was £16m and this was funded by a Term Loan for the full consideration of which £8m of the loan is to be settled over a three year period with quarterly repayments and the additional £8m a bullet repayment due on the 24<sup>th</sup> October 2024.

The group has switched banking facilities to a large high street banking institution, and simultaneously taken the opportunity to transition to an overdraft and ID facility which will better support the growth of the group in the long term.

On the 6<sup>th</sup> May, five members of the management team within the group were granted hurdle shares. The shares allow the employees to participate in the growth in the value of the Company

After the year end the following dividends were paid.

	£
'A' Ordinary Shares	
Interim paid of £0.59 on 10 <sup>th</sup> March 2022	500,000
	<hr/>
	<b>500,000</b>
	<hr/>