

## **Hakluyt & Company Limited**

Annual Report

Year Ended

30 June 2021

Company Number 03481321

# Hakluyt & Company Limited

## Company Information

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<b>Directors</b>	Lord P C Deighton J V Tomlin-Russell L G Fagen V Chandra N J Barnes H Morrow
<b>Company secretary</b>	C Olver
<b>Registered number</b>	03481321
<b>Registered office</b>	34 Upper Brook Street London W1K 7QS
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# Hakluyt & Company Limited

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# Hakluyt & Company Limited

## Group Strategic Report for the Year Ended 30 June 2021

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

### Review and analysis of the business

The principal activity of Hakluyt & Company (“Hakluyt” or “the Group”), which remained unchanged through the year, is to advise decision makers at client businesses on the opportunities and risks they face. Hakluyt’s clients trust it with their most important commercial issues, and value its discretion and independence of thought.

The 2020-21 financial year was very strong, despite the backdrop of the pandemic. As well as the excellent financial performance, further progress was also made in strengthening the Group’s infrastructure to support further growth.

After the year-end, Hakluyt opened new offices in Dubai and Washington DC, thus extending its international reach to the Middle East and adding to its already established presence in the UK, Germany, the USA (where the Group also opened an additional office in San Francisco during the year), Japan, Singapore, India and Australia.

### Financial performance and future developments

Trading followed an upward trend throughout the year, and the final result surpassed both all prior year results and the expectation for the year. As reported in the Group’s statement of profit and loss, Group revenue increased by 26.3%, from £67.2m to £84.9m in the period. Profit for the year after taxation increased 80.2% to £17.4m (2020 - £9.7m), and dividends of £2.0m (2020 - £2.2m) were paid to the owners.

The increase in revenue was due to a surge in client activity, continuing improvement in the quality of client relationships, and further extension of services offered. The directors anticipate that revenues will again increase in the year to 30 June 2022 and the Group is recruiting heavily to manage the increased workload and build its talent pool to grow the business even further.

### Key performance indicators

Management use a range of performance measures to monitor and manage the business as set out below.

#### Profit ratios:

Revenue growth	26.3%	(2020 - 7.1%)
Gross profit margin	84.7%	(2020 - 84.8%)
Operating profit margin	27.1%	(2020 - 19.5%)

#### Cash flow/working capital metrics:

Operating cash flow to operating profit	0.9	(2020 - 0.9)
Debtor days	52	(2020 - 59)

#### Other metrics:

Revenue per employee	£0.81m	(2020 - £0.68m)
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# Hakluyt & Company Limited

## Group Strategic Report (continued) for the Year Ended 30 June 2021

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### Financial position at the reporting date

The statement of financial position shows that the Group's net assets at the year-end have increased from £12.5m to £15.2m.

The Group generated cash from operations of £25.6m (2020 - £11.3m). In addition, it had borrowings at the year end of £9.4m (2020 - £17.0m). It utilised this overdraft facility to cover its funding requirements, including the purchase of its own shares via the Hakluyt Employee Benefit Trust.

### Principal risks and uncertainties

Management continually monitors the key risks facing the Group together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the Group at least annually. Those principal risks and uncertainties are as follows:

**Going concern, and COVID 19 risk** - the board acknowledges the uncertainty that remains economically and commercially as a result of the COVID-19 pandemic. While the Group's business has not been materially affected to date, the directors continue to assess the principal risks and have modelled the possible impact of a downside scenario covering the next 12 months, the viability period, and the longer term.

They have performed an extensive series of stress tests to consider various combinations of impacts across a range of possible outcomes, covering scenarios including a material decline in sales and a material reduction in the level of cash collection. In addition they have modelled a break-even analysis to show that the Group would be able to cover costs on a materially reduced EBITDA. EBITDA, together with covenants on borrowing facilities, are the key performance measures at this time. More information about these stress tests is given in note 2.3 to these financial statements.

The Group's performance has been well ahead of forecast since the onset of the pandemic and its blue chip client base remains very active. Therefore, while risks remain, the board's belief is that the Group will be able to continue successfully to navigate the pandemic, servicing its clients in as effective, safe and secure a manner as possible.

Ongoing performance, together with the results of the stress-testing exercise, suggests that the Group will be able to operate within its available cash facilities, enabling the directors – making informed judgements from relevant business data – to conclude as best as they are able to that the Group is a going concern for a period of not less than 12 months from the date of approval of these financial statements.

# Hakluyt & Company Limited

## Group Strategic Report (continued) for the Year Ended 30 June 2021

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### Principal risks and uncertainties (continued)

**Quality control** - the services provided by Hakluyt are of an extremely high standard. A reduction in quality could adversely impact client relationships, and therefore revenues. The company manages this risk by having robust quality control processes and appropriate personnel in place.

**Loss of key personnel** - the loss of a significant number of key personnel would present operational difficulties for the Group. Management seek to ensure that key personnel are appropriately remunerated, with good performance recognised.

**Credit risk** - including the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Hakluyt is mainly exposed to credit risk from sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering into contracts with them. Credit risk also arises from cash, cash equivalents and deposits with banks and financial institutions.

**Liquidity risk** - arises from the company's management of working capital, and the risk that it will encounter difficulty in meeting its financial obligations as they fall due. Management regularly monitors its liquidity position, and reviews forecasts for future cash flows to ensure that sufficient liquid resources are maintained.

**Foreign exchange risk** - arises when Hakluyt enters into transactions denominated in a currency other than the functional currency. There is a continued policy of transacting with clients primarily in GBP and USD, as well as to a lesser degree in Euros, Yen and other relevant currencies, in order to best match revenues with costs in a particular currency. This mitigates the risk that the exchange rate may move unfavourably, resulting in adverse cash outflows.

### Section 172 Statement

The directors are aware of their responsibilities to promote the success of Hakluyt in accordance with section 172 of the Companies Act 2006, which requires directors to take into consideration the interests of stakeholders and other matters in their decision-making. The General Counsel and Company Secretary provide support to the directors and management team to help ensure that sufficient consideration is given to these issues.

The Directors and management team will:

- Continue to have regard to the interests of the Group's employees, customers, suppliers and shareholders, and the Group's reputation for good business conduct, when making decisions;
- Review the Group's principal stakeholders and how it engages with them using information provided by the business and by direct engagement with stakeholders themselves; and
- Reflect on how the Group engages with its stakeholders and seek opportunities for improvement in the future.

# Hakluyt & Company Limited

## Group Strategic Report (continued) for the Year Ended 30 June 2021

### Section 172 Statement (continued)

The key board decisions made in the year are set out below:

Significant events/decisions	Key s172 matter(s) affected	Actions and impact
Promotion and development of employees	Shareholders, employees	Nine employees were elected by their peers to become partners (thereby becoming shareholders) in the year. As the business grows, so do its requirements. Accordingly, a range of team members saw their roles develop, or received promotions, in the year.
Award of equity as a long-term incentive to members of our support team	Shareholders, employees	A decision was taken to launch a Support Staff Long Term Incentive Plan to benefit tenured and high-performing members of the business support team who embody and amplify our values. Seven employees were given the opportunity to acquire equity in the company under this scheme. We expect other team members to benefit in the future.
Opening of new offices	Shareholders, employees, customers	Decisions were taken to open offices in San Francisco, Dubai and Washington DC allowing us to better serve our clients in those regions. San Francisco was opened during the year; Dubai and Washington DC after the year-end. We will monitor performance but expect to grow our business in all three locations.
Increase in outside interests and partnerships	Employees	During the year Hakluyt developed philanthropic partnerships with several outside organisations including The Opportunity Network in New York, St Judes India Childcare Centres, and Pilotlight in the UK. At the same time, the firm supported employees' engagement in various other philanthropic and cultural institutions such as the NSPCC, Autistica and the Royal Academy.
Staff survey	Employees	A group-wide staff survey was undertaken, and management and the board have reviewed the outputs. This process has led to a clarification of our approach to home versus office-based working; as well as investment in staff gatherings to strengthen bonds within the team in the wake of the pandemic. The survey also underlined the importance of ongoing initiatives to build our resource base to ensure that the demands we place on our people are sustainable, as well as investing in the development of our leadership talent.

# Hakluyt & Company Limited

## Group Strategic Report (continued) for the Year Ended 30 June 2021

Collaboration across our global team	Employees, customers	Management is focused on encouraging even greater collaboration amongst our people across the world. It has appointed a partner to lead an initiative to build and oversee global coverage teams for our most significant client accounts. This will ensure that we bring the best of our firm's talents and experience to bear to on these client issues, thereby providing them with better service and advice.
Recruitment of consultants	Employees	During the year the Group recruited a cohort of high-achieving professionals with lesser levels of working experience than have previously been sought. These new team-members have joined on a two-year programme aimed at developing their skills, while also providing valuable additional resource to the executive team.
COVID-19 pandemic	Shareholders, employees, customers and suppliers	The board have monitored business performance and liquidity closely since the coronavirus outbreak. The company has continued to meet its commitments to suppliers, customers and employees.
Development of Digital & Cyber practice	Employees and customers	During the year the Group changed the name of its cyber practice to 'digital & cyber' to reflect the increasing amount of work done to support clients as they adapt to the demands and risks of the digital world: these challenges go significantly beyond advising on identifying and managing cyber risks.

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

DocuSigned by:  
  
 .....86AD1E38268B434.....  
**V Chandra**  
 Director

Date: 24 December 2021

# Hakluyt & Company Limited

## Streamlined Energy and Carbon Reporting (SECR) for the Year Ended 30 June 2021

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### Hakluyt's Carbon Footprint

Hakluyt takes its responsibility to minimise its carbon footprint seriously. The company's carbon footprint for the financial year to 30 June 2021 was 18.34 tCO<sub>2</sub>e (2020 - 62.65), which represents 0.04 tCO<sub>2</sub>e per £100,000 of revenue (2020 - 0.18).

This is Hakluyt's second reporting year and this year's assessment includes, for the first time, Scope 3 including the carbon consumed through employees' business travel (where the company is not paying for the fuel), commuting and working from home, all of which make up a substantial part of the company's carbon footprint. Despite these additions, the ongoing COVID-19 pandemic saw our carbon consumption decline year on year. We expect it to increase during the year to 30 June 2022.

For 2021, Hakluyt has included its compulsory UK energy consumption along with voluntarily including its global energy consumption for the first time. The Group's global carbon footprint for the financial year to 30 June 2021 was 52.31 tCO<sub>2</sub>e, which represents 0.06 tCO<sub>2</sub>e per £100,000 of revenue. No equivalent calculation was performed in the prior year.

Hakluyt is offsetting its carbon footprint by purchasing and retiring 260 tCO<sub>2</sub>e of carbon credits in two schemes: a cookstove project in Sudan certified by Gold Standard and a forest management programme on the Appalachian Trail certified by the American Carbon Registry.

The Group is taking steps to improve the quality of the data it captures around its carbon footprint. It is also taking further steps to reduce or control its emissions.

### Basis of calculation

The Group's carbon footprint was calculated in line with the requirements of the Greenhouse Gas Protocol, and the tonnes of carbon equivalent (tCO<sub>2</sub>e) were prepared using the UK government emissions factors.

To make its assessment in 2021 the company reviewed: energy consumption, as well as water, waste, and refrigerant use across its offices (Scopes 1 and 2); carbon emissions from business travel where the Group purchases the fuel (Scope 3); and the carbon-impact of other modes of business travel as well as working from home and commuting (optional elements of Scope 3). Where possible, calculations were made based on data; in other instances, estimates were made based on benchmarks. The 2021 review was performed in conjunction with EcoAct, a recognised climate consultancy.

# Hakluyt & Company Limited

## Streamlined Energy and Carbon Reporting (SECR) for the Year Ended 30 June 2021

### Analysis

Streamlined Energy & Carbon Reporting Disclosure	Company (UK and offshore)		Global excluding UK and offshore	Group total (global including UK and offshore)
	2021	2020	2021	2021
<b>Total energy consumption (kWh) (Scope 1 and 2)</b>	<b>85,936.58</b>	<b>268,698.66</b>	<b>99,804.90</b>	<b>185,741.48</b>
Emissions from combustion of gas (Scope 1)	0.02	0.03	-	0.02
Emissions from combustion of fuel for transport purposes (Scope 1)	-	-	-	-
Location-based emissions from purchased electricity and energy (Scope 2)	18.23	62.62	33.61	51.84
Market-based emissions from purchased electricity and energy (Optional Scope 2)	11.26	62.62	33.61	44.87
<b>Scope 1 and 2 total</b>	<b>18.25</b>	<b>62.65</b>	<b>33.61</b>	<b>51.86</b>
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	0.09	-	0.36	0.45
<b>Scope 3 total</b>	<b>0.09</b>	<b>-</b>	<b>0.36</b>	<b>0.45</b>
<b>Total gross CO2e based on above</b>	<b>18.34</b>	<b>62.65</b>	<b>33.97</b>	<b>52.31</b>
Intensity ratio: tCO2e gross figure based from mandatory fields above / £100,000 revenue (based on company or Group revenue)	0.04	0.18	0.09	0.06
Emissions from employee business travel which the company/Group does not own or control, and is not responsible for purchasing the fuel, e.g. flights and taxis (optional Scope 3)	7.65	-	95.10	102.75

## Hakluyt & Company Limited

### Streamlined Energy and Carbon Reporting (SECR) for the Year Ended 30 June 2021

#### Analysis (continued)

Emissions from employees commuting to and from work for which the company/Group does not own or control (optional Scope 3)	47.30 (of which 5.74 is from home working)	-	45.78 (of which 40.04 is from home working)	93.08 (of which 67.27 is from home working)
<b>Scope 3 total (including above optional elements)</b>	<b>55.04</b>	<b>-</b>	<b>141.24</b>	<b>196.28</b>
<b>Overall total tCO<sub>2</sub>e</b>	<b>73.29</b>	<b>62.65</b>	<b>174.85</b>	<b>248.14</b>

#### Action taken and planned

In the period covered by the report the Directors have taken several steps to reduce the Group's energy consumption and waste, including:

- As part of an IT infrastructure overhaul, we have transitioned to a small set of more efficient cloud-based service providers. We now have virtually no server rooms or dedicated space in data centres, so reducing our energy consumption. The Group now has almost no desktop computers, using more energy efficient laptops instead.
- We have implemented a new HR and payroll software, eliminating the need for printed payslips and policy documents. We are also requesting paperless correspondence from suppliers where possible.
- The Group's principal London office contracted a new service provider for bulk shredding that recycles and uses what it collects in paper-based products. The same site also switched to using 100% recycled and plastic free toilet paper in the period.

In future periods Hakluyt will look to extend initiatives to reduce energy and waste, including contracting with green suppliers of power and other services where possible.

Due to the pandemic, almost all business travel in the year to 30 June 2021 ceased, with virtual meetings widely adopted. The number of business trips has increased since the year-end, but we do not expect the intensity of travel to return to pre-pandemic levels for some time, if ever.

# Hakluyt & Company Limited

## Directors' Report for the Year Ended 30 June 2021

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The directors present their report and the financial statements for the year ended 30 June 2021.

### **Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Principal activity, results and dividends and future developments**

Detail on Hakluyt's business, its principal activity, results, dividends and future developments, are included in the Strategic Report, set out above.

# Hakluyt & Company Limited

## Directors' Report (continued) for the Year Ended 30 June 2021

### Directors

The directors who served during the year were:

	<b>Ordinary shares of £0.001 each 2021</b>	Ordinary shares of £0.10 each 2020
Lord P C Deighton (Chairman)	195,191	1,420
J V Tomlin-Russell	-	-
L G Fagen	36,900	369
V Chandra	443,700	3,958
N J Barnes	592,100	5,921
R E I Elliott	620,250	6,616

Subsequent to the year end, on 11 October 2021 R E I Elliot resigned a a director and H Morrow was further appointed as a director of the company.

### Financial risk management objectives and policies, and financial instruments

The company manages its cash and borrowing requirements to maximise interest income and minimise interest expenses, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of its business.

Investment of cash surpluses are made through banks which must fulfil credit rating criteria approved by the board.

The board satisfies itself as to the standing of potential clients. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Further information about the financial risks the business faces, and its responses, is included in the principal risks and uncertainties section of the Strategic Report, above.

### Engagement with employees and disabled employees

Hakluyt seeks to engage all employees in both its short and long-term goals. The company encourages the involvement of its employees in its management through regular team meetings and on-line briefings. The company has also conducted, and responded to, staff surveys.

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitude and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

### Political donations

The Group has not made any political donations in the period (2020 - £Nil).

# Hakluyt & Company Limited

## Directors' Report (continued) for the Year Ended 30 June 2021

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### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

### Post balance sheet events

Since the year end, Hakluyt has opened new offices in Dubai and Washington DC. It has also paid a further dividend to the owners of £3.05m.

### Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

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

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

DocuSigned by:  
  
.....88AD7E38268B434...  
**V Chandra**  
Director

Date: 24 December 2021

# Hakluyt & Company Limited

## Independent Auditor's Report to the Members of Hakluyt & Company Limited

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### Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and parent company's affairs as at 30 June 2021 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Hakluyt & Company Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 and 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.

# Hakluyt & Company Limited

## Independent Auditor's Report to the Members of Hakluyt & Company Limited (continued)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report 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 Directors' Report for the financial year for which the financial statements are prepared are consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# Hakluyt & Company Limited

## Independent Auditor's Report to the Members of Hakluyt & Company Limited (continued)

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

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

#### *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:

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Audit procedures to address these risks are listed below:

- We understood how the Group is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, legal correspondence and specific audit testing.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it is considered there was a susceptibility of fraud. Our considerations included enquiries with management, and testing the appropriateness of journal entries.
- We also considered potential fraud drivers, including: financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing key areas of estimation, uncertainty or judgement, for example valuation of leasehold property and valuation of bad debt provisions.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Hakluyt & Company Limited

### Independent Auditor's Report to the Members of Hakluyt & Company Limited (continued)

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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.

**Stuart Godfrey** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date:

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

# Hakluyt & Company Limited

## Consolidated Profit and Loss Account for the Year Ended 30 June 2021

	Note	2021 £	2020 £
Turnover	4	84,887,942	67,202,188
Cost of sales		(12,973,876)	(10,186,806)
<b>Gross profit</b>		<u>71,914,066</u>	<u>57,015,382</u>
Administrative expenses		(48,950,843)	(43,910,676)
<b>Operating profit</b>	5	<u>22,963,223</u>	<u>13,104,706</u>
Interest receivable and similar income	10	1,198	5,185
Interest payable and similar expenses	11	(264,451)	(336,856)
<b>Profit before tax</b>		<u>22,699,970</u>	<u>12,773,035</u>
Tax on profit	12	(5,301,491)	(3,040,393)
<b>Profit for the financial year</b>		<u><u>17,398,479</u></u>	<u><u>9,732,642</u></u>
<b>Profit for the year attributable to:</b>			
Owners of the parent		<u>17,398,479</u>	<u>9,732,642</u>
		<u><u>17,398,479</u></u>	<u><u>9,732,642</u></u>

The notes on pages 28 to 54 form part of these financial statements.

# Hakluyt & Company Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2021

	Note	2021 £	2020 £
Profit for the financial year		17,398,479	9,732,642
<b>Other comprehensive income</b>			
Currency translation differences		(1,756,107)	600,039
Deferred tax on leasehold property revaluations		(737,826)	-
<b>Other comprehensive income for the year</b>		(2,493,933)	600,039
<b>Total comprehensive income for the year</b>		<u>14,904,546</u>	<u>10,332,681</u>

The notes on pages 28 to 54 form part of these financial statements.

**Hakluyt & Company Limited**

Registered number: 03481321

**Consolidated Statement of Financial Position  
as at 30 June 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	14	547,322	-
Tangible fixed assets	15	9,443,958	9,655,913
Investments	16	366,068	161,050
		<u>10,357,348</u>	<u>9,816,963</u>
<b>Current assets</b>			
Debtors	17	25,719,263	18,718,875
Cash and cash equivalents	18	22,149,393	17,944,389
		<u>47,868,656</u>	<u>36,663,264</u>
Creditors: amounts falling due within one year	19	(42,117,320)	(33,952,774)
<b>Net current assets</b>		<u>5,751,336</u>	<u>2,710,490</u>
<b>Total assets less current liabilities</b>		<u>16,108,684</u>	<u>12,527,453</u>
Creditors: amounts falling due after more than one year	20	(39,406)	(39,406)
Deferred taxation	22	(849,080)	-
		<u>(849,080)</u>	<u>-</u>
<b>Net assets</b>		<u><u>15,220,198</u></u>	<u><u>12,488,047</u></u>

**Hakluyt & Company Limited**

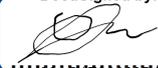
Registered number: 03481321

**Consolidated Statement of Financial Position (continued)**  
as at 30 June 2021

	Note	2021 £	2020 £
<b>Capital and reserves</b>			
Share capital	23	29,500	29,500
Share premium account	25	1,335,900	1,335,900
Revaluation reserve	25	4,599,408	5,337,234
Capital redemption reserve	25	19,700	19,700
Profit and loss account	25	87,374,328	71,361,877
<b>Equity attributable to owners of the parent company</b>		<u>93,358,836</u>	<u>78,084,211</u>
Own shares - Employee Benefit Trust	24	(78,138,638)	(65,596,164)
<b>Shareholders' funds</b>		<u><u>15,220,198</u></u>	<u><u>12,488,047</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:



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**V Chandra**

Director

Date: 24 December 2021

The notes on pages 28 to 54 form part of these financial statements.

**Hakluyt & Company Limited**

Registered number: 03481321

**Company Statement of Financial Position  
as at 30 June 2021**

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Intangible assets	14	547,322	-
Tangible fixed assets	15	9,070,581	9,127,364
Investments	16	1,671,553	1,466,232
		<u>11,289,456</u>	<u>10,593,596</u>
<b>Current assets</b>			
Debtors	17	21,073,123	15,980,369
Cash and cash equivalents	18	7,427,134	12,756,242
		<u>28,500,257</u>	<u>28,736,611</u>
Creditors: amounts falling due within one year	19	(42,879,325)	(40,712,780)
<b>Net current liabilities</b>		<u>(14,379,068)</u>	<u>(11,976,169)</u>
<b>Total assets less current liabilities</b>		<u>(3,089,612)</u>	<u>(1,382,573)</u>
Creditors: amounts falling due after more than one year	20	(39,406)	(39,406)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(1,175,139)	(615,433)
		<u>(1,175,139)</u>	<u>(615,433)</u>
<b>Net liabilities</b>		<u><u>(4,304,157)</u></u>	<u><u>(2,037,412)</u></u>

**Hakluyt & Company Limited**

Registered number: 03481321

**Company Statement of Financial Position (continued)**  
as at 30 June 2021

	Note	2021 £	As restated 2020 £
<b>Capital and reserves</b>			
Share capital	23	29,500	29,500
Share premium account	25	1,335,900	1,335,900
Revaluation reserve	25	4,599,408	4,677,074
Capital redemption reserve	25	19,700	19,700
Profit and loss account	25	67,849,973	57,496,578
		<u>73,834,481</u>	<u>63,558,752</u>
Own shares - Employee Benefit Trust	24	(78,138,638)	(65,596,164)
<b>Shareholders' funds</b>		<u>(4,304,157)</u>	<u>(2,037,412)</u>

The company has taken advantage of the exemptions under section 408 of the Companies Act 2006 not to prepare an individual Statement of Comprehensive Income for the parent company. The profit for the year of the parent company was £9,983,316 (2020 - £7,328,297).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
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**V Chandra**  
Director

Date: 24 December 2021

The notes on pages 28 to 54 form part of these financial statements.

## Hakluyt & Company Limited

### Consolidated Statement of Changes in Equity for the Year Ended 30 June 2021

	Share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Own shares - Employee Benefit Trust	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 July 2020	29,500	1,335,900	19,700	5,337,234	(65,596,164)	71,361,877	12,488,047
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	17,398,479	17,398,479
Currency translation differences	-	-	-	-	-	(1,756,107)	(1,756,107)
Deferred tax on leasehold property revaluations	-	-	-	(737,826)	-	-	(737,826)
<b>Contributions by and distributions to owners</b>							
Dividends	-	-	-	-	-	(2,048,573)	(2,048,573)
Loss on sale of own shares - EBT	-	-	-	-	-	(1,117,636)	(1,117,636)
Recognition of equity settled share based payments and contributions	-	-	-	-	-	3,536,288	3,536,288
Movement on own shares - Employee Benefit Trust	-	-	-	-	(12,542,474)	-	(12,542,474)
<b>At 30 June 2021</b>	<b>29,500</b>	<b>1,335,900</b>	<b>19,700</b>	<b>4,599,408</b>	<b>(78,138,638)</b>	<b>87,374,328</b>	<b>15,220,198</b>

The notes on pages 28 to 54 form part of these financial statements.

## Hakluyt & Company Limited

### Consolidated Statement of Changes in Equity for the Year Ended 30 June 2020

	Share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Own shares - Employee Benefit Trust	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 July 2019	29,500	1,335,900	19,700	5,337,234	(60,760,787)	61,682,664	7,644,211
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	9,732,642	9,732,642
Currency translation differences	-	-	-	-	-	600,039	600,039
<b>Contributions by and distributions to owners</b>							
Dividends	-	-	-	-	-	(2,169,027)	(2,169,027)
Loss on sale of own shares - EBT	-	-	-	-	-	(1,159,441)	(1,159,441)
Recognition of equity settled share based payments and contributions	-	-	-	-	-	2,675,000	2,675,000
Movement on own shares - Employee Benefit Trust	-	-	-	-	(4,835,377)	-	(4,835,377)
<b>At 30 June 2020</b>	<u>29,500</u>	<u>1,335,900</u>	<u>19,700</u>	<u>5,337,234</u>	<u>(65,596,164)</u>	<u>71,361,877</u>	<u>12,488,047</u>

The notes on pages 28 to 54 form part of these financial statements.

## Hakluyt & Company Limited

### Company Statement of Changes in Equity for the Year Ended 30 June 2021

	Share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Own shares - Employee Benefit Trust	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 July 2020	29,500	1,335,900	19,700	4,677,074	(65,596,164)	57,496,578	(2,037,412)
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	9,983,316	9,983,316
Deferred tax on leasehold property revaluations	-	-	-	(77,666)	-	-	(77,666)
<b>Contributions by and distributions to owners</b>							
Dividends	-	-	-	-	-	(2,048,573)	(2,048,573)
Loss on sale of own shares - EBT	-	-	-	-	-	(1,117,636)	(1,117,636)
Recognition of equity settled share based payments and contributions	-	-	-	-	-	3,536,288	3,536,288
Movement on own shares - Employee Benefit Trust	-	-	-	-	(12,542,474)	-	(12,542,474)
<b>At 30 June 2021</b>	<b>29,500</b>	<b>1,335,900</b>	<b>19,700</b>	<b>4,599,408</b>	<b>(78,138,638)</b>	<b>67,849,973</b>	<b>(4,304,157)</b>

The notes on pages 28 to 54 form part of these financial statements.

## Hakluyt & Company Limited

### Company Statement of Changes in Equity for the Year Ended 30 June 2020

	Share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Own shares - Employee Benefit Trust	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 July 2019 (as previously stated)	29,500	1,335,900	19,700	5,337,234	(60,760,787)	50,821,749	(3,216,704)
Prior year adjustment	-	-	-	(660,160)	-	-	(660,160)
At 1 July 2019 (as restated)	29,500	1,335,900	19,700	4,677,074	(60,760,787)	50,821,749	(3,876,864)
<b>Comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	7,328,297	7,328,297
<b>Contributions by and distributions to owners</b>							
Dividends	-	-	-	-	-	(2,169,027)	(2,169,027)
Loss on sale of own shares - EBT	-	-	-	-	-	(1,159,441)	(1,159,441)
Recognition of equity settled share based payments and contributions	-	-	-	-	-	2,675,000	2,675,000
Movement on own shares - Employee Benefit Trust	-	-	-	-	(4,835,377)	-	(4,835,377)
<b>At 30 June 2020</b>	29,500	1,335,900	19,700	4,677,074	(65,596,164)	57,496,578	(2,037,412)

The notes on pages 28 to 54 form part of these financial statements.

# Hakluyt & Company Limited

## Consolidated Statement of Cash Flows for the Year Ended 30 June 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	17,398,479	9,732,642
<b>Adjustments for:</b>		
Depreciation of tangible assets	422,122	433,565
Interest paid	264,451	336,856
Interest received	(1,198)	-
Taxation charge	5,301,491	3,040,393
(Increase)/decrease in debtors	(6,583,101)	918,577
Increase/(decrease) in creditors	10,178,724	(2,029,415)
Corporation tax paid	(4,367,960)	(4,149,040)
Equity share based payments	3,536,288	2,675,000
Foreign exchange	(780,351)	325,403
<b>Net cash generated from operating activities</b>	<u>25,368,945</u>	<u>11,283,981</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(547,322)	-
Purchase of tangible fixed assets	(262,924)	(169,981)
Sale of tangible fixed assets	1,116	-
Purchase of unlisted and other investments	(205,018)	-
Interest received	1,198	-
<b>Net cash used in investing activities</b>	<u>(1,012,950)</u>	<u>(169,981)</u>
<b>Cash flows from financing activities</b>		
Buy back of ordinary shares	(9,275,054)	(5,994,818)
Dividends paid	(2,048,573)	(2,169,027)
Interest paid	(264,451)	(336,856)
<b>Net cash used in financing activities</b>	<u>(11,588,078)</u>	<u>(8,500,701)</u>
<b>Net increase in cash and cash equivalents</b>	<u>12,767,917</u>	<u>2,613,299</u>

## Hakluyt & Company Limited

### Consolidated Statement of Cash Flows (continued) for the Year Ended 30 June 2021

	2021 £	2020 £
Cash and cash equivalents at beginning of year	916,271	(1,957,428)
Effects of exchange rate changes on cash and cash equivalents	(891,147)	260,400
<b>Cash and cash equivalents at the end of year</b>	<b>12,793,041</b>	<b>916,271</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash and cash equivalents	22,149,393	17,944,389
Bank overdrafts	(9,356,352)	(17,028,118)
	<b>12,793,041</b>	<b>916,271</b>

The notes on pages 28 to 54 form part of these financial statements.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

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### 1. General information

Hakluyt & Company Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Group's operations and its principal activities are set out in the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the Group's accounting policies (see note 3).

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

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- 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:

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The Board acknowledges the uncertainty that continues to exist economically and commercially as a result of the COVID-19 pandemic.

The directors have therefore assessed the principal risks and considered the impact of a plausible downside scenario covering the next 12 months, the viability period, and the longer term. They have performed an extensive series of stress tests to consider various combinations of impacts across a range of possible outcomes, covering scenarios including a material decline in sales and a material reduction in the level of cash collection. In addition they have modelled a break-even analysis to show that the Group would be able to cover costs on a materially reduced EBITDA. EBITDA, together with covenants on borrowing facilities, are the key performance measures at this time. Those stress tests indicate that the Group could sustain a reduction of up to 60% in budgeted sales for the remainder of the fiscal year 2021/22 and the full fiscal year 2022/23, before failing to meet its banking covenants. Given the robust start to the current financial year, the directors believe that the likelihood of this downside revenue scenario is very low; and in any event, if it did happen, there are a number of cost-cutting measures that could be implemented to mitigate the effects. The borrowing facilities utilised in the going concern forecast are due for renewal within the going concern period, there are no indicators from discussion with the provider that this will not occur.

With specific regard to COVID-19, the Group's performance has been strongly ahead of forecast since the start of the pandemic. Hakluyt's blue-chip client base is very strong and workload has in many instances increased during the pandemic from opportunities that would not otherwise have existed.

The Board's belief therefore is that it will be able to navigate through the pandemic and continue with its planned strategies as intended. In the interim, it will do all it is able to continue to service its clients at the highest possible level, in as safe and secure a manner as possible with the safety of its employees paramount, whilst securing and managing the cash resources of the business as effectively as possible.

Performance since the start of the pandemic together with the results of the stress testing exercise suggests that the Group will be able to operate within the cash facilities available to it, enabling the directors, making informed judgements from the business data compiled, to conclude as best they are able that the Group is a going concern for a period of not less than 12 months from the date of approval of these financial statements. Accordingly they continue to adopt the going concern basis of accounting in preparing the financial statements.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.4 Foreign currency translation

##### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Sterling', which is the company's functional and the Group's presentation currency.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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

#### 2.5 Turnover

Turnover represents the amounts derived from the provision of research and information supply services which fall within the company's ordinary activities stated net of value added tax.

Turnover is recognised on the following basis:

Fees are recognised over the period of the relevant assignment or agreements. Where jobs are incomplete at year end, an estimate of the percentage completed is recorded within Turnover.

#### 2.6 Interest income

Interest income is recognised in the consolidated statement of profit and loss using the effective interest method.

#### 2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.8 Pensions

##### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

#### 2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.10 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

#### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 2. Accounting policies (continued)

#### 2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- Shorter of life of lease or 10% straight line
Fixtures and fittings	- 20%
Office equipment	- 25%
Computer equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.13 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

#### 2.14 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

#### 2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### 2.17 Creditors

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

#### 2.18 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and accrued income.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 2. Accounting policies (continued)

#### 2.19 Dividends

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

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

In preparing these financial statements, the directors have made judgements in applying accounting policies and acknowledge the below key source of estimation uncertainty:

- Determination of whether there are indicators of impairment of leasehold property in between the experts' report performed every three years. The last valuation by an expert took place in 2019.
- The directors have derived functional currencies of overseas subsidiaries with reference to the transactions undertaken within each entity.

Other key estimates

- Turnover

Turnover is recognised on the following basis: fees are recognised over the period of the relevant assignment or agreement. Where jobs are incomplete at year end, an estimate of the percentage completed is recorded within turnover by reference to the stage of completion of that project (normally with reference to days worked).

### 4. Turnover

Turnover is wholly attributable to the principal activity of the Group.

	2021 £	2020 £
Europe	37,372,717	26,896,548
USA	26,628,385	19,831,426
Rest of the world	20,886,840	20,474,214
	<u>84,887,942</u>	<u>67,202,188</u>

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 5. Operating profit

The operating profit is stated after charging:

	<b>2021</b>	2020
	£	£
Depreciation of tangible fixed assets	422,122	433,565
Operating lease expense	1,731,789	1,773,174
Defined contribution pension costs	882,700	904,353
Exchange differences	(433,105)	766,768
	<u>                    </u>	<u>                    </u>

### 6. Auditor's remuneration

	<b>2021</b>	2020
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	76,750	73,100
Fees payable to the associates of the Group's auditor for the audit of the overseas entities	16,532	14,300
	<u>                    </u>	<u>                    </u>

#### **Fees payable to the Group's auditor and its associates in respect of:**

Taxation compliance services	126,000	116,400
Other services relating to taxation	20,000	31,400
All other services	43,850	40,700
	<u>                    </u>	<u>                    </u>

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 7. Employees

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

	<b>Group 2021</b>	Group 2020	<b>Company 2021</b>	Company 2020
	£	£	£	£
Wages and salaries	27,682,171	19,430,336	16,470,823	10,349,568
Social security costs	3,128,255	2,261,951	2,194,694	1,359,697
Equity-settled share based payments	3,536,288	2,471,283	1,720,000	1,450,000
Cost of defined contribution scheme	882,700	904,353	564,912	676,681
	<u>35,229,414</u>	<u>25,067,923</u>	<u>20,950,429</u>	<u>13,835,946</u>

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

	<b>2021 No.</b>	2020 No.
Fee earning staff	74	57
Non-fee earners	38	42
	<u>112</u>	<u>99</u>

### 8. Directors' remuneration

	<b>2021 £</b>	2020 £
Directors' emoluments	3,173,898	1,786,006
Company contributions to defined contribution pension schemes	51,246	33,050
	<u>3,225,144</u>	<u>1,819,056</u>

During the year no retirement benefits were accruing to directors (2020 - Nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £2,008,484 (2020 - £1,206,516).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24,922 (2020 - £20,096).

The directors received dividends in aggregate, on the same terms as the other shareholders, of £725,276 (2020 - £305,843).

During the year one of the directors received shares under the long term incentive schemes (2020 - Nil). During the year one director exercised options over 47,900 shares of £0.001 each at a valuation of £149,927 (2020 - 1,659 shares of £0.10 each).

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 9. Key management personnel

Key management personnel include all directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £7,668,536 (2020 - £7,373,752). During the year, five (2020 - five) key management personnel exercised options over 239,500 (2020 - 119,800) shares of £0.001 each.

### 10. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	1,198	5,185

### 11. Interest payable and similar expenses

	2021 £	2019 £
Bank interest payable	45	(576)
Other interest payable	264,406	337,432
	<u>264,451</u>	<u>336,856</u>

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 12. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	2,312,402	1,784,277
Adjustments in respect of prior periods	46,198	-
Double taxation relief	(97,212)	(17,120)
	<u>2,261,388</u>	<u>1,767,157</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	2,525,634	1,409,425
Foreign tax in respect of prior periods	146,577	(171,834)
	<u>4,933,599</u>	<u>3,004,748</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	193,962	(85,929)
Changes to tax rates	(44,943)	(6,112)
Adjustments in respect of prior periods	218,873	127,686
	<u>367,892</u>	<u>35,645</u>
	<u>5,301,491</u>	<u>3,040,393</u>
<b>Taxation on profit on ordinary activities</b>		

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 12. Taxation (continued)

#### Factors affecting tax charge for the year

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

	<b>2021</b> £	2020 £
Profit on ordinary activities before tax	22,699,970	12,773,035
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	4,312,994	2,426,877
<b>Effects of:</b>		
Fixed assets differences	38,464	37,994
Expenses not deductible for tax purposes	493,586	654,965
Income not taxable for tax purposes	(127,133)	(14,942)
Other permanent differences	(322,684)	(329,612)
Foreign tax	489,773	31,148
Prior year adjustment	192,774	(47,065)
Prior year adjustment (deferred tax)	(44,943)	-
Deferred tax not recognised	(7,936)	281,028
Remeasurement of deferred tax for changes in tax rates	276,596	-
<b>Total tax charge for the year</b>	<b>5,301,491</b>	<b>3,040,393</b>

### 13. Dividends

	<b>2021</b> £	2020 £
Interim dividends paid of £0.0737 (2020 - £4.02 per share)	1,102,633	676,188
Second interim dividend paid of: A shares £0.0865, B shares £0.0433 (2020 - A shares £5.68) per share	945,940	853,051
Third interim dividend paid of £nil (2020 - £4.26 per share)	-	639,788
	<b>2,048,573</b>	<b>2,169,027</b>

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 14. Intangible assets

#### Group and Company

	<b>Development costs £</b>
<b>Cost</b>	
At 1 July 2020	602,074
Additions	547,322
At 30 June 2021	<u>1,149,396</u>
<b>Amortisation</b>	
At 1 July 2020	602,074
At 30 June 2021	<u>602,074</u>
<b>Net book value</b>	
At 30 June 2021	<u><u>547,322</u></u>
At 30 June 2020	<u><u>-</u></u>

All intangible costs relate to the installation of, and enhancements to, the company's IT systems.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 15. Tangible fixed assets

#### Group

	Long-term leasehold property £	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 July 2020	8,183,838	2,826,465	784,611	298,374	1,317,749	13,411,037
Additions	44,510	-	101,223	15,162	102,029	262,924
Disposals	-	-	(164,842)	(92,996)	(811,756)	(1,069,594)
Exchange adjustments	-	(113,443)	(50,858)	(8,141)	(23,703)	(196,145)
At 30 June 2021	8,228,348	2,713,022	670,134	212,399	584,319	12,408,222
<b>Depreciation</b>						
At 1 July 2020	-	1,552,870	682,224	272,331	1,247,699	3,755,124
Charge for the year	-	306,530	42,553	12,725	60,314	422,122
Disposals	-	-	(164,842)	(92,996)	(810,640)	(1,068,478)
Exchange adjustments	-	(64,675)	(48,676)	(7,714)	(23,439)	(144,504)
At 30 June 2021	-	1,794,725	511,259	184,346	473,934	2,964,264
<b>Net book value</b>						
At 30 June 2021	8,228,348	918,297	158,875	28,053	110,385	9,443,958
At 30 June 2020	8,183,838	1,273,595	102,387	26,043	70,050	9,655,913

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 15. Tangible fixed assets (continued)

#### Company

	Long-term leasehold property £	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 July 2020	8,183,838	1,717,345	357,100	212,894	1,090,244	11,561,421
Additions	44,510	-	101,223	14,199	56,188	216,120
Disposals	-	-	(130,990)	(92,996)	(772,160)	(996,146)
At 30 June 2021	8,228,348	1,717,345	327,333	134,097	374,272	10,781,395
<b>Depreciation</b>						
At 1 July 2020	-	926,015	287,369	192,670	1,028,003	2,434,057
Charge for the year	-	194,154	23,439	8,922	46,388	272,903
Disposals	-	-	(130,990)	(92,996)	(772,160)	(996,146)
At 30 June 2021	-	1,120,169	179,818	108,596	302,231	1,710,814
<b>Net book value</b>						
At 30 June 2021	8,228,348	597,176	147,515	25,501	72,041	9,070,581
At 30 June 2020	8,183,838	791,330	69,731	20,224	62,241	9,127,364

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 16. Fixed asset investments

#### Group

	Unlisted investments £	Manuscripts and antiques £	Total £
<b>Cost or valuation</b>			
At 1 July 2020	73,753	87,297	161,050
Additions	193,735	11,283	205,018
At 30 June 2021	<u>267,488</u>	<u>98,580</u>	<u>366,068</u>
<b>Net book value</b>			
At 30 June 2021	<u>267,488</u>	<u>98,580</u>	<u>366,068</u>
At 30 June 2020	<u>73,753</u>	<u>87,297</u>	<u>161,050</u>

The unlisted investments include investments in Half Brother Capital Limited, Adjuvo Limited, Viz.ai Inc and PsiQuantum Corp.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 16. Fixed asset investments (continued)

#### Company

	Investments in subsidiary companies £	Unlisted investments £	Manuscripts and antiques £	Total £
<b>Cost or valuation</b>				
At 1 July 2020	1,305,853	73,753	86,626	1,466,232
Additions	303	193,735	11,283	205,321
At 30 June 2021	<u>1,306,156</u>	<u>267,488</u>	<u>97,909</u>	<u>1,671,553</u>
<b>Net book value</b>				
At 30 June 2021	<u>1,306,156</u>	<u>267,488</u>	<u>97,909</u>	<u>1,671,553</u>
At 30 June 2020	<u>1,305,853</u>	<u>73,753</u>	<u>86,626</u>	<u>1,466,232</u>

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

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### 16. Fixed asset investments (continued)

Investments in direct subsidiaries during the year consisted of 100% of the issued share capital of Hakluyt & Company (Asia) Pte. Limited, Hakluyt & Company (North America) Limited, Hakluyt & Company (Germany) GmbH, Chai Consulting Limited, Hakluyt & Company Japan K.K, Hakluyt & Company (Canada) Limited, Hakluyt & Company Middle East FZE, Voyager Business Consulting Limited, Holdingham Group Limited, Pelorus Research Limited and Hakluyt Cyber Limited.

Investments in indirect subsidiaries during the year consisted of 100% of the issued share capital of Hakluyt & Company (Australia) PTY Limited and Hakluyt India LLP.

Hakluyt & Company (Asia) Pte. Limited is registered in Singapore and the address of the registered office is 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore, 049315.

Hakluyt & Company (North America) Limited is registered in the United States of America and the address of the registered office is United Corporate Services Inc, 874 Walker Road, Suite C, City of Dover, Kent, Delaware, 19904.

Hakluyt & Company Japan K.K is registered in Japan and the address of the registered office is Shin-Kojimachi Building, 5th Floor, 4-3-3 Kojimachi, Chiyoda-ku, Tokyo, 102-0083.

Hakluyt & Company (Australia) PTY Limited is registered in Australia and the address of the registered office is Level 11, 1 Margaret Street, Sydney, NSW 2000.

Hakluyt India LLP (formerly Holdingham Group India LLP) is registered in India and the address of the registered office is 3rd Floor, 6 Homji Street, Fort, Mumbai, 400 001.

Voyager Business Consulting Limited, Holdingham Group Limited (formerly Hakluyt & Company Limited), Pelorus Research Limited and Hakluyt Cyber Limited are all registered in the United Kingdom and the address of the registered office is 34 Upper Brook Street, London, W1K 7QS.

Hakluyt & Company (Germany) GmbH is registered in Germany and the address of the registered office is Opernturm 2419, Bockenheimer Landstrasse 2-4, 60306 Frankfurt am Main.

Hakluyt & Company (Canada) Limited is registered registered in Canada and the address of the registered office is c/o 1100-1055 West Georgia Street, Vancouver, British Columbia V6E 3P3.

Hakluyt & Company Middle East FZE is registered in Dubai and the address of the registered office is Desk #08-112-020, WeWork Middle East DWTC, Level 9, The Offices 4, One Central, Dubai World Trade Centre.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 17. Debtors

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>As restated Company 2020 £</b>
Trade debtors	19,226,994	12,127,564	10,585,072	7,421,414
Amounts owed by group undertakings	-	-	7,117,178	5,946,061
Corporation tax recoverable	1,046,233	636,599	784,717	132,843
Other debtors	601,736	689,604	38,842	73,572
Prepayments and accrued income	4,844,300	4,986,219	2,547,314	2,406,479
Deferred taxation (note 22)	-	278,889	-	-
	<u>25,719,263</u>	<u>18,718,875</u>	<u>21,073,123</u>	<u>15,980,369</u>

All debtors are due within one year.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

### 18. Cash and cash equivalents

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Cash at bank and in hand	22,149,393	17,944,389	7,427,134	12,756,242
Less: bank overdrafts	(9,356,352)	(17,028,118)	(9,356,352)	(17,028,118)
	<u>12,793,041</u>	<u>916,271</u>	<u>(1,929,218)</u>	<u>(4,271,876)</u>

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	9,356,352	17,028,118	9,356,352	17,028,118
Trade creditors	2,161,434	843,702	2,027,314	764,620
Amounts owed to group undertakings	-	-	10,496,085	12,750,605
Corporation tax	1,373,296	420,274	-	-
Other taxation and social security	972,393	824,854	936,097	581,317
Other creditors	5,401,363	1,028,944	5,493,627	1,113,611
Accruals and deferred income	22,852,482	13,806,882	14,569,850	8,474,509
	<u>42,117,320</u>	<u>33,952,774</u>	<u>42,879,325</u>	<u>40,712,780</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. The bank overdraft is part of a £20m revolving facility with Lloyds Bank plc which runs until August 2022. The facility carries interest at 1.8% over LIBOR and is secured by a fixed and floating charge over the assets of the company.

### 20. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Preference share capital - authorised, issued and fully paid *	39,406	39,406	39,406	39,406
	<u>39,406</u>	<u>39,406</u>	<u>39,406</u>	<u>39,406</u>

\* The 10% preference shares of £0.10 are non-redeemable. Shareholders are entitled to a dividend at 10p per annum payable on 31 July each year and the shares have accordingly been classified as a financial liability. These shares do not carry any voting rights. On winding up of the company, non-redeemable preference shareholders will receive £49 per share for shares issued in the year ended 30 June 2011, £64 per share for shares issued in the year ended 30 June 2012, £82 per share for shares issued in the year ended 30 June 2013, £95 per share for shares issued in the year ended 30 June 2014, £126 per share for shares issued in the year ended 30 June 2015 and £155 per share for shares issued in the year ended 30 June 2016 prior to any repayment to Ordinary shareholders. The holders of the preference shares have waived their right to receive the dividend.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 21. Financial instruments

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	43,370,959	32,396,089	25,501,982	26,627,976
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(35,593,243)	(29,848,766)	(40,223,579)	(38,975,956)

Financial assets that are debt instruments measured at amortised cost comprise cash, trade debtors, other debtors, amounts owed by group undertakings and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, other creditors, amounts owed to group undertakings and accruals.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 22. Deferred taxation

#### Group

	2021 £	2020 £
At beginning of year	278,889	311,647
Charged to profit or loss	(392,974)	(35,645)
Charged to other comprehensive income	(737,826)	-
Foreign exchange movement	2,831	2,887
<b>At end of year</b>	<b>(849,080)</b>	<b>278,889</b>

#### Company

	2021 £	As restated 2020 £
At beginning of year	(615,433)	(608,210)
Charged to profit or loss	(482,040)	(7,223)
Charged to other comprehensive income	(77,666)	-
<b>At end of year</b>	<b>(1,175,139)</b>	<b>(615,433)</b>

	Group 2021 £	Group 2020 £	Company 2021 £	As restated Company 2020 £
Fixed asset timing differences	(431,004)	(320,036)	(370,186)	(238,818)
Short term timing differences	552,747	598,925	165,870	283,545
Tax losses carried forward	(970,823)	-	(970,823)	(660,160)
	<b>(849,080)</b>	<b>278,889</b>	<b>(1,175,139)</b>	<b>(615,433)</b>

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 23. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
29,500,000 (2020 - 295,000) Ordinary shares of £0.001 each (2020 - £0.10 each)	29,500	29,500
	<u>29,500</u>	<u>29,500</u>

On 28 July 2020, the company's shareholders approved a resolution that the issued 295,000 Ordinary shares of £0.10 each in the capital of the company be sub-divided into 29,500,000 Ordinary shares of £0.001 each in the capital of the company.

### 24. Employee Benefit Trust (Group and Company)

	2021 £	2020 £
Own shares - Employee benefit Trust	78,138,638	65,596,164
	<u>78,138,638</u>	<u>65,596,164</u>

The Employee Benefit Trust holds shares primarily for distribution to employees. During the year the Trust purchased 4,902,831 (2020 – 2,619,500) shares in the company, distributed 930,952 (2020 – 826,600) shares to employees and converted Nil (2020 - Nil) to preference shares. At 30 June 2021 the Trust held 18,444,179 ordinary shares of £0.001 each and 394,060 preference shares of £0.001 each (2020 – 14,472,300 ordinary shares and 394,060 preference shares) which had not vested in the employees and in accordance with the provisions of FRS 102 the cost of those shares held is deducted from shareholders' funds.

### 25. Reserves

#### Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Revaluation reserve

The revaluation reserve includes the increase or decrease in valuation of the leasehold property.

#### Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

#### Own shares - Employee Benefit Trust

The Employee Benefit Trust holds shares primarily for distribution to employees.

#### Profit and loss account

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

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 26. Equity settled share based payment transactions

Certain employees hold options to subscribe for shares in the company at prices ranging from £0.00 to £176.00 under share options granted up until 30 June 2021.

Details of the two share option plans are as follows:

	<b>Weighted average exercise price (pence) 2021</b>	<b>Number 2021</b>	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	0.95	104,800	54.20	2,778
Granted during the year		606,400	-	4,880
Forfeited during the year		-	-	-
Exercised during the year		(606,400)	7.67	(6,610)
<b>Outstanding at the end of the year</b>	<b>0.95</b>	<b>104,800</b>	<b>95.30</b>	<b>1,048</b>
Exercisable at the end of the year	0.49	51,000	49.00	510

The weighted average remaining contractual life of share options outstanding at 30 June 2021 was 2.1 years (2020 - 1.7 years).

The remaining options outstanding under unapproved schemes at 30 June 2021 are shown below:

<b>2021</b>	<b>2020</b>	<b>Option exercise price</b>	<b>Date granted</b>	<b>Option exercise period</b>
51,000	510	£0.49 (2020 - £49.00)	December 2010	December 2010 - December 2023
39,600	396	£1.26 (2020 - £126.00)	June 2017	June 2017 - December 2022
14,200	142	£1.76 (2020 - £176.00)	June 2017	June 2017 - December 2023
<b>104,800</b>	<b>1,048</b>			

The options granted in both years to 30 June 2021 and 30 June 2020 have an immaterial value and no charge has been recorded in the financial statements in relation to these.

### 27. Prior year adjustment - company only

During the financial year, the directors reviewed the deferred tax treatment in relation to property held by the Group that had been revalued in the previous years. It was noted that as the amount was material, an adjustment was required to the 2020 opening figures to record a deferred tax liability totalling £660,160 that had not been recorded in relation to prior year revaluations carried out. The adjustment reduces both the deferred tax balance and the revaluation reserve previously recorded in the company's financial statements by £660,160.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 28. Pension commitments

The company contributes to various Personal Pension Plans including a Group scheme. The pension cost charge represents contributions payable by the company to the Plans and amounted to £882,700 (2020 - £904,353). At 30 June 2021 pension contributions of £26,862 were outstanding (2020 - £42,869).

### 29. Commitments under operating leases

At 30 June 2021 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2021</b>	<b>Group 2020</b>	<b>Company 2021</b>	<b>Company 2020</b>
	£	£	£	£
Not later than one year	1,788,974	1,779,951	758,825	758,825
Later than one year and not later than five years	4,151,666	5,041,723	2,584,199	3,035,300
Later than five years	2,474,267	2,871,991	2,474,267	2,781,991
	<u>8,414,907</u>	<u>9,693,665</u>	<u>5,817,291</u>	<u>6,576,116</u>

The company's operating lease for land and buildings relates to rent for premises in London. The Group operating lease commitment includes the rent of serviced office and other accommodation in Singapore, Japan, India, Australia and the USA.

### 30. Post balance sheet events

Since the year end, the company has opened new offices in Dubai and Washington DC. It has also paid a further dividend to the owners of £3.05m.

### 31. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1 A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

### 32. Controlling party

There is no ultimate controlling party. The ultimate parent company is Hakluyt & Company Limited.

# Hakluyt & Company Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 33. Analysis of net debt

	At 1 July 2020 £	Cash flows £	Foreign exchange movement £	At 30 June 2021 £
Cash at bank and in hand	17,944,389	5,096,151	(891,147)	22,149,393
Bank overdrafts	(17,028,118)	7,671,766	-	(9,356,352)
	<u>916,271</u>	<u>12,767,917</u>	<u>(891,147)</u>	<u>12,793,041</u>