

Roland Berger Ltd

Annual report and financial statements

Registered number 02454242

For the year ended 31 December 2019

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Company Information

Directors

T.J.G Collot d'Escury
R.W. Thomson
A. Raghavan (resigned 31 August 2019)

Secretary and Registered Office

A.R. Ali
6th Floor,
55 Baker Street,
London
W1U 8EW

Auditor

Grant Thornton UK LLP
Chartered Accountants,
30 Finsbury Square
London
EC2A 1AG

Strategic report

The directors present their Strategic Report in accordance with The Companies Act 2006.

Principal Activities

The principal activity of the company continues to be the provision of management consultancy services. This activity is expected to continue for the foreseeable future.

Review of Business

The results for the year are shown on page 10 and the position of the company at year end is shown on page 11. The directors are satisfied with the performance of the company in 2019 and expect a positive performance in 2020.

The directors consider the key performance indicators to be turnover and operating profit for the year. Turnover increased from £13,711,682 (2018) to £14,836,457 (2019) a 8.2% rise. Operating profit remained stable £3,166,981 (2018) against £3,104,131 (2019). Still an improvement compared to 2017, £2,566,878. The company applies constant pressure to ensure costs are maintained within acceptable levels. Increase in current assets from £8,157,935 (2018) to £8,226,531 (2019) driven mainly by increase in trade debtors, as invoicing of clients was delayed to year end as the Company was awaiting completion of projects and due diligence transactions. Creditors are up, due to increases in liabilities to other Roland Berger offices and dilapidations provision. Partner headcount decreased from 4 to 3 during 2019. As noted in future developments below, we are actively searching for new partners. We have a new partner due to join us in April 2020.

Principal risks and uncertainties

The principal risk and uncertainty faced by the company is the fluctuation in the demand for management consultancy services in the UK and abroad driven by customers' confidence, investment/divestment decision making, corporate activity and marketing & sales initiatives, as well as a range of other factors

In addition, internal risks are assessed on a regular basis, such as retention of key personnel, business risk, reputation risk, plus legal, tax and financial risks. These are discussed and monitored by the local management team and where necessary the group executive committee will be asked to be involved.

With the Brexit date set at 31 January 2020 and following the transition period due to end 31 December 2020, until there is further clarity regarding the future relationship between the UK and the EU, the directors are not able to assess the impact on the Company or what impact the wider regulatory and legal consequences of the UK leaving the EU will be on the Company.

At the time of signing of the financial statements, the UK and global economy have been affected by the spread of the coronavirus (COVID-19). This has caused great uncertainty in a number of the sectors in which we work. As a consequence, there are risks to our revenue generation capabilities, with clients deferring or postponing projects, or reviewing their future consultancy spend in the short- to the mid-term. Another risk factor is the delivery of projects to the quality we and our clients expect whilst working remotely under lockdown conditions. As a result of these risk factors we have undertaken an exercise to prepare a cashflow forecast to June 2021 to test the resilience of the business under two scenarios: a base case scenario, and a second scenario foreseeing a more protracted downturn in the market. The latter forecast has helped us evolve mitigating actions to be taken should this scenario materialise. Checks and approvals for outgoing expenditure have been increased and measures taken to reduce costs.

Future developments

The UK Company remains committed to continued growth, particularly in sectors in which we may not currently have a strong presence, so as to increase the diversity of industries and sectors that we support.

By order of the board

A handwritten signature in black ink, appearing to read 'R.W. Thomson', followed by a small horizontal flourish.

R.W. Thomson

Director

25 June 2020

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Results and Dividends

The profit before tax for the financial year amounted to £3,285,438 (2018: £3,286,064). Dividends paid during the year totalled £3,062,116 and this was in respect of the previous year ended 31 December 2018. Dividend declared for 2019 amounted to £2,649,382.

Directors and Directors' indemnity

The directors who held office during the year and until the date of the approval of these financial statements are as follows:

T.J.G. Collot d'Escury
R.W. Thomson
A. Raghavan (resigned 31 August 2019)

The Company has granted indemnities in favour of its directors as it is permitted by Section 232-235 of the Companies Act 2006. It has also purchased insurance cover for the directors against liabilities arising in relation to the Company, as permitted by the Companies Act 2006.

Statement as to disclosure of information to auditor

The directors confirm that so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Political contributions

The Company did not make any political donations or incur any political expenditure during the year (2018: £nil).

Auditor

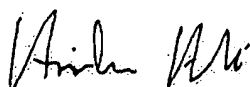
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

Post-balance sheet events

There have been no significant events between 31 December 2019 and the date of signing of this report.

The company's registration number is 02454242

The report of the Directors was approved on 25 June 2020 and signed on its behalf by:



A.R. Ali
Secretary
6th Floor,
55 Baker Street,
London, W1U 8EW

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 *Reduced Disclosure Framework*.

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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROLAND BERGER LTD

Qualified opinion

We have audited the financial statements of Roland Berger Limited (the 'company') for the year ended 31 December 2019, which comprise the profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, except for the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The company has reported Turnover of £14,836,457 in the profit and loss and other comprehensive income for the year ended 31 December 2019.

A disclaimer of opinion was issued in the prior year's audit report in respect of recorded revenue. During the procedures we performed in the prior year audit, we identified that the amount of recorded revenue on several contracts was not supported by underlying timesheet data and the timing of the recognition of certain revenue was inconsistent with contracts and other internal information. Subsequent to challenge by the auditor and group management, the revenue initially presented for audit for both the year ended 31 December 2018 and the year ended 31 December 2017 were substantially altered with resultant changes to the bad debt expense and the work in progress balance in the balance sheet. The final position recorded was based on management judgement and did not in all cases agree to the underlying records and we were unable to obtain appropriate corroborating evidence confirming the rationale for all of this recorded revenue and associated adjustments. As a result of these matters, we were unable to obtain sufficient appropriate audit evidence in respect of recorded revenue, work in progress, bad debt expense or the prior year adjustment, and the related elements making up the profit and loss, balance sheet and the statement of changes in equity.

Since opening work in progress affects the determination of the revenue in the current year, we were unable to determine whether any adjustments might be necessary in respect of recorded revenue for the current year. Our audit opinion on the financial statements for the year ended 31 December 2019 has been modified accordingly.

Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

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

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a

standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

Material uncertainty related to going concern

We draw attention to the Going concern note within the Notes to the financial statements on page 14, which indicates that as result of COVID-19 a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Other than in respect of the matter described in the basis for qualified opinion section set out above, we have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, other than in respect of the matter described in the basis for qualified opinion section set out above, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

In respect solely to the issue described in the basis for qualified opinion section of our report:

- adequate accounting records have not been kept; and
- we have not received all the information and explanations we require for our audit.

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:

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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

Use of our report

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

Grant Thornton UK LLP

Philip Sayers FCA BFP
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 25 June 2020

Profit and Loss Account and Other Comprehensive Income
for year ended 31 December 2019

	<i>Note</i>	2019 (£)	2018 (£)
Turnover	2	14,836,457	13,711,682
Cost of sales		<u>(7,756,806)</u>	<u>(7,434,852)</u>
Gross Profit		7,079,651	6,276,830
Administrative expenses		<u>(3,975,520)</u>	<u>(3,109,849)</u>
Operating profit	3	3,104,131	3,166,981
Interest payable and similar charges	6	(26)	(198)
Interest income		181,333	119,281
Profit on ordinary activities before taxation		3,285,438	3,286,064
Tax on profit	7	<u>(636,056)</u>	<u>(668,758)</u>
Profit for the financial year and total comprehensive income		<u>2,649,382</u>	<u>2,617,306</u>

There is no comprehensive income other than that included in the profit and loss account in both periods.

The notes on pages 13 to 24 form part of the financial statements.

The company's registration number is 02454242.

Roland Berger Ltd
Annual report and financial statements
For the year ended 31 December 2019

Balance Sheet
at as 31 December 2019

	<i>Note</i>	2019 (£)	2018 (£)
Fixed assets	8	38,047	69,720
Current assets			
Debtors	9	7,515,053	7,268,843
Cash at bank and in hand		711,478	889,092
		<u>8,226,531</u>	<u>8,157,935</u>
Creditors: amounts falling due within one year	10	(4,616,793)	(4,230,798)
		<u>3,609,738</u>	<u>3,927,137</u>
Net current assets		3,609,738	3,927,137
		<u>3,647,785</u>	<u>3,996,857</u>
Total assets less current liabilities		3,647,785	3,996,857
Provisions for liabilities			
Other provisions	11	(248,403)	(184,741)
		<u>3,399,382</u>	<u>3,812,116</u>
Net assets		3,399,382	3,812,116
		<u>3,399,382</u>	<u>3,812,116</u>
Capital and reserves			
Called up share capital	12	750,000	750,000
Profit and loss account		2,649,382	3,062,116
		<u>3,399,382</u>	<u>3,812,116</u>
Shareholders' funds		3,399,382	3,812,116
		<u>3,399,382</u>	<u>3,812,116</u>

The notes on pages 13 to 24 form part of the financial statements.

The company's registration number is 02454242.

These financial statements were approved by the board of directors on 25 June 2020 and were signed on its behalf by:



R.W. Thomson
Director

Roland Berger Ltd
Annual report and financial statements
For the year ended 31 December 2019

Statement of Changes in Equity

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2018	750,000	2,686,084	3,436,084
Total comprehensive income for the year			
Profit per prior year financial statements	-	2,617,306	2,617,306
Dividend	-	(2,241,274)	(2,241,274)
Balance at 31 December 2018	750,000	3,062,116	3,812,116

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2019	750,000	3,062,116	3,812,116
Total comprehensive income for the year			
Profit	-	2,649,382	2,649,382
Dividend	-	(3,062,116)	(3,062,116)
Balance at 31 December 2019	750,000	2,649,382	3,399,382

The notes on pages 13 to 24 form part of the financial statements.

Notes to the financial statements *(forming part of the financial statements)*

1 Accounting policies

Roland Berger Ltd (the "Company") is a company incorporated and domiciled in the UK.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of FRS 101 disclosure exemptions have been taken.

The Company's ultimate parent undertaking, Roland Berger Holding GmbH (a company incorporated in Germany) includes Roland Berger Ltd in its consolidated financial statements. The consolidated financial statements of Roland Berger Holding GmbH are prepared in accordance with International Financial Reporting Standards and are available to the public at Sederanger 1, 80538 Munich, Germany.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and fixed assets;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures in respect of transactions with fellow group companies.

The company proposes to continue to adopt the reduced disclosure framework of the FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Directors of the Company has undertaken detailed risk and mitigation analysis to assess the potential impact of the COVID-19 pandemic on the Company covering the period to June 2021, a 12 month period from the date of signing the financial statements. In doing so, the Directors completed an assessment as to the impact to the Company in the event of a significant deterioration in revenues. This downside scenario is currently considered by the Directors to be unlikely; however given the uncontracted nature of future revenues it is difficult to predict the overall outcome and impact of COVID-19. In the case of this downside scenario, there is a risk that the Company would not have adequate resources to meet its obligations as they fall due without the repayment of group loans owed to the Company. For this reason there exists a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have been prepared on the going concern basis and do not include the adjustments that would result if the Company was unable to continue as a going concern.

1.3 Adoption of IFRS 16

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Agreement contains a Lease', SIC 15 'Operating Leases – Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). The adoption of this new Standard has not resulted in the Company recognising a right-of-use asset or related liability in connection with all former operating leases as all leases are due to terminate within 12 months from 31 December 2019.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using effective interest method, less any impairment losses.

Notes to the financial statements (continued)

1 Accounting policies (continued)

1.6 Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of fixed assets have different useful lives, they are accounted for as separate items of fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- leasehold improvements over term of the lease
- software 1 year
- furniture & fixtures 4-6 years
- office equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Employee benefits

Defined contribution plans

The company operates a defined contribution pension plan, under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense when the company has demonstrably committed to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

If benefits are payable more than 12 months after the departing date, then they are discounted to their present value.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.9 Turnover

Turnover represents amounts receivable from customers for services performed in the normal course of business during the year, exclusive of value added tax and the net realisable value of work performed during the year but not invoiced at the year end.

Unbilled income is recognised in debtors as accrued income after provision for unrecoverable amounts.

Fees on account of work to be completed are recorded as payments on account within creditors falling due within one year.

1.10 Expenses

Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Notes to the financial statements *(continued)*

2 Turnover

	2019(£)	2018(£)
By geographical market		
UK	10,740,782	7,095,218
Europe and rest of the world	4,095,675	6,616,464
	<hr/>	<hr/>
	14,836,457	13,711,682
	<hr/>	<hr/>

All turnover is derived from management consulting services.

Notes to the financial statements *(continued)*

3 Operating profits

Included in operating profit are the following:

	2019(£)	2018(£)
Loss on foreign currency translation	67,584	26,871

Auditor's remuneration:

	2019(£)	2018(£)
Audit of these financial statements	70,000	31,500
Amounts receivable by the company's auditor and its associates in respect of: Taxation compliance services	5,200	5,000

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Professional	51	55
Administration	11	10
	<u>62</u>	<u>65</u>

Notes to the financial statements (continued)

4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2019(£)	2018(£)
Wages and salaries	6,511,733	6,324,971
Social security costs	786,095	791,783
Contributions to defined contribution plans	67,710	73,029
	<u>7,365,538</u>	<u>7,189,783</u>

5 Directors' remuneration

	2019(£)	2018(£)
Directors' remuneration	962,198	815,735
Company contributions to money purchase pension plans	919	1,140
	<u>963,117</u>	<u>816,875</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £556,198 (2018: £407,868), and company pension contributions of £919 (2018: £1,140) were made to a money purchase scheme on his behalf.

	Number of directors 2019	2018
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1
	<u>1</u>	<u>1</u>

6 Interest payable and similar charges

	2019(£)	2018(£)
Interest payable	26	198
	<u>26</u>	<u>198</u>

Notes to the financial statements (continued)

7. Taxation

Recognised in the profit and loss account

	2019(£)	2018(£)
<i>UK corporation tax</i>		
Current tax on income for the period	650,389	576,695
Adjustments in respect of prior periods	-	5,751
	<u>650,389</u>	<u>582,446</u>
Total current tax	<u>650,389</u>	<u>582,446</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(14,333)	86,312
	<u>636,056</u>	<u>668,758</u>
Tax on profit	<u>636,056</u>	<u>668,758</u>

Reconciliation of effective tax rate

	2019(£)	2018(£)
Profit for the year before taxation	<u>3,285,438</u>	<u>3,286,064</u>
Tax using the UK corporation tax rate of 19% (2018: 19 %)	624,233	624,352
Non-deductible expenses	9,953	4,243
Unrecognised deferred tax	-	(35,831)
Adjustments to losses	-	84,514
Adjustments to tax charge in respect of previous periods	252	5,751
Adjust closing deferred tax to average rate of 19%	5,579	3,893
Adjust opening deferred tax to average rate of 19%	(3,863)	(18,262)
Fixed asset differences	(98)	98
	<u>636,056</u>	<u>668,758</u>
Total tax credit	<u>636,056</u>	<u>668,758</u>

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Deferred tax asset

The deferred tax asset relates to the following.

	2019(£)	2018(£)
Tax losses		
Short term timing differences, including capital allowances	47,420	33,087
	<u>47,420</u>	<u>33,087</u>

A reduction to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset recognised at 31 December 2019 has been calculated based on these rates.

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Notes to the financial statements (continued)

8 Fixed assets

	Leasehold Improvements £	Software £	Furniture, Fixtures & Office Equipment £	Total £
Cost				
Balance at 1 January 2019	299,462	17,054	537,176	853,692
Additions	-	-	7,957	7,957
Disposal	-	-	-	-
Balance at 31 December 2019	299,462	17,054	545,133	861,649
Depreciation				
Balance at 1 January 2019	299,462	17,054	467,456	783,972
Depreciation charge for the year	-	-	39,630	39,630
Disposal	-	-	-	-
Balance at 31 December 2019	299,462	17,054	507,086	823,602
Net book value				
At 1 January 2019	-	-	69,720	69,720
At 31 December 2019	-	-	38,047	38,047

9 Debtors

	2019(£)	2018(£)
Trade debtors	4,748,782	1,887,654
WIP	314,238	1,017,927
Amounts owed by group undertakings	2,078,557	4,109,485
Other debtors	17,333	19,029
Called up share capital not paid	2	2
Prepayments and accrued income	308,721	201,659
Deferred tax asset (see note 7)	47,420	33,087
	7,515,053	7,268,843

10 Creditors: amounts falling due within one year

	2019(£)	2018(£)
Trade creditors	361,972	861,843
Amounts owed to group undertakings	774,881	103,271
Taxation and social security	1,498,356	825,325
Accruals and deferred income	1,981,584	2,440,359
	4,616,793	4,230,798

Notes to the financial statements *(continued)*

11 Other Provisions

	2019(£)	2018(£)
Balance at 1 January	184,741	184,741
Provisions made during the year	63,662	-
	<u> </u>	<u> </u>
Balance at 31 December	248,403	184,741
	<u> </u>	<u> </u>

Provisions relate to dilapidations in respect of leased premises and will crystallise at the end of the lease which is 19 October 2020.

12 Called up share capital

	2019(£)	2018(£)
Allotted, called up and fully paid (749,998 ordinary shares of £1 each)	749,998	749,998
Called up and unpaid (2 ordinary shares of £1 each)	2	2
	<u> </u>	<u> </u>
On issue at 31 December 2019 – paid	750,000	750,000
	<u> </u>	<u> </u>

All shares rank equally in respect of all shareholder rights.

Notes to the financial statements (continued)

13 Financial assets

	2019(£)	2018(£)
Cash in bank and in hand	711,478	889,092
Trade debtors	4,748,782	1,887,654
Amounts owed by group undertakings	2,078,557	4,019,485
	<u>7,538,817</u>	<u>6,796,231</u>

14 Financial liabilities

	2019(£)	2018(£)
Trade creditors	361,972	861,843
Amounts owed by group undertakings	774,881	103,271
	<u>1,136,853</u>	<u>965,114</u>

15 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Roland Berger Holding GmbH which is the ultimate parent company incorporated in Germany.

The smallest and largest group in which the results of the Company are consolidated is that headed by Roland Berger Holding GmbH, incorporated in Germany. The consolidated financial statements of the group are available to the public at Sederanger 1, 80538 Munich, Germany.

16 Post balance sheet event

In light of the information available as at the reporting date, the COVID-19 outbreak is considered a non-adjusting event. The Company has considered the impact of this pandemic on the business and this is set out within the Strategic Report, see page 3, under the heading "Principal risks and uncertainties" and the going concern note (1.2) see page 14.