

REGISTERED NUMBER: 03198330 (England and Wales)

**ROUSE & CO INTERNATIONAL LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2019**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

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31/01/2020  
COMPANIES HOUSE

**ROUSE & CO INTERNATIONAL LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the year ended 30 April 2019**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Statement of Cash Flows</b>	<b>11</b>
<b>Notes to the Statement of Cash Flows</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>13</b>
<b>Income Statement Summaries</b>	<b>27</b>

**ROUSE & CO INTERNATIONAL LIMITED**

**COMPANY INFORMATION**

**for the year ended 30 April 2019**

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**DIRECTORS:**

R A Ross-Macdonald  
S D Adams  
J D Newman  
J A McLaren

**SECRETARY:**

E A Hardcastle

**REGISTERED OFFICE:**

4th Floor  
City Tower  
40 Basinghall Street  
London  
EC2V 5DE

**REGISTERED NUMBER:**

03198330 (England and Wales)

**AUDITORS:**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**STRATEGIC REPORT**  
for the year ended 30 April 2019

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The directors present their strategic report for the year ended 30 April 2019.

**DEVELOPMENT AND FAIR REVIEW OF THE BUSINESS**

The company is as an intermediate holding company for the Rouse group and the UK trading entity for an IP consultancy and advisory business.

The company achieved turnover of £2.7m and after a large foreign exchange gain on intergroup balances and £58,947 provision against intergroup and related company balances achieved an operating profit of £250,688 (2018: operating loss of £1,212,520) is shown in these financial statements.

On a monthly basis the turnover and contribution to group results are monitored along with those of the other group entities. The company results in these financial statements are in line with the overall expectations. The company financial position is controlled locally and is reviewed in combination with the other group entities for group strategy planning.

**PRINCIPAL RISKS AND UNCERTAINTIES**

As a holding and trading company the key risks the company faces relate to cash, namely collection of debtors and exchange rate movements in respect of cash and debtors (both intergroup trading and other trading).

- Exchange rates. The principal exchange rate risk the company faces is the unrealised gains or losses on current assets; namely intercompany debtors/creditors and cash at bank. This risk is brought by the company acting as collecting agent for the Rouse Group and is managed through regular intercompany settlements. Further details regarding Financial Risk Management can be found in note 13.
- Intercompany debtors. The company faced substantial translation exposure on intergroup trading and loan balances during prior year. The company have made significant progress during the year in paying out and netting down the intergroup balances in order to reduce this exposure. The company continues to manage this going forward in order to mitigate any potential future risk of this nature.
- Brexit. The company faces minimal risk from Brexit due to the nature of our business, which is focused on consultancy services in relation to international (especially emerging) markets provided to multi-national clients.

**ANALYSIS OF THE POSITION OF THE BUSINESS**

The company has made provisions for selected intergroup and associated company balances, and all remaining amounts are believed to be recoverable.

The company acts the collections agent for the rest of the Rouse & Co. International Group as well as providing an IP consultancy and advisory business in the UK, and supporting IP services in Dubai. The outward looking business is a new proposition for the group and one that works closely with China offices to develop these new revenue streams.

Total equity has increased on prior year from £1,794,083 to £2,169,237 owing to monthly management of intercompany settlement as well as foreign exchange gains on intercompany balances.

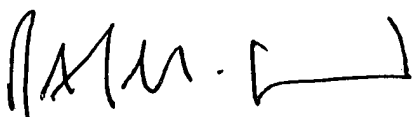
**FUTURE DEVELOPMENTS**

Plans are under discussion for the company's role to change under a corporate re-organisation of the businesses which are ultimately owned by Rouse & Co International (Holdings) LLP.

**POST BALANCE SHEET EVENT**

After the end of the financial year, Rouse & Co International Limited has acquired IPQ IP Specialists AB, a Swedish innovation law firm, now Rouse AB. The acquisition will further enhance our IP consultancy offering and help to cement our position as a preeminent provider of IP advisory services globally.

**ON BEHALF OF THE BOARD:**



R A Ross-Macdonald - Director

Date: 30/1/2020

## **ROUSE & CO INTERNATIONAL LIMITED**

### **REPORT OF THE DIRECTORS for the year ended 30 April 2019**

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The directors present their report with the financial statements of the company for the year ended 30 April 2019.

Rouse & Co International Limited is a private company, limited by shares, registered in England and Wales. Registered office is 4th Floor, City Tower, 40 Basinghall Street, London, EC2V 5DE.

Rouse & Co International (Holdings) LLP, a limited liability partnership registered in England and Wales, is the company's ultimate parent and controlling party.

#### **BRANCHES OUTSIDE THE UK**

Outside of the UK, the company has a branch operating in Dubai.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of an intermediate holding company for the Rouse group and the UK trading entity for an IP consultancy and advisory business.

#### **DIVIDENDS**

The total distribution of dividends for the year ended 30 April 2019 will be £4,779,342.

Dividends totalling £4,779,342 (2018: Nil) were received from group undertakings.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2018 to the date of this report.

R A Ross-Macdonald

S D Adams

J D Newman

Other changes in directors holding office are as follows:

J A McLaren was appointed as a director after 30 April 2019 but prior to the date of this report.

#### **FINANCIAL INSTRUMENTS**

In assessing the company assets, liabilities, financial position and profit or loss, the directors' have taken the following into consideration.

#### **FINANCIAL RISK MANAGEMENT**

The company is exposed through its operations to various risks. The main types of risks are capital risk, credit risk, foreign exchange risk and liquidity risk.

The company's risk management is coordinated by management who monitors and manages these risks through internal risk assessment which analyses exposures by degree and magnitude of risks. This is in order to minimise potential adverse effects on the company's financial performance.

Further details regarding the financial risk policies are summarised below.

#### **CAPITAL RISK**

The company's objective when maintaining capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns to its parent entity and ultimately for its members and the benefits of its other stakeholders.

**REPORT OF THE DIRECTORS  
for the year ended 30 April 2019**

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**CREDIT RISK**

The year ending 30 April 2019 is the first financial year in which the company has reported under IFRS and therefore there is no reasonable comparative, however; the basis under which our calculation is now performed presents the case that previous analysis of credit risk was slightly over-prudent.

In addition, during the year there have been substantial payments from clients who were determined to be a high credit risk; this was in part due to the addition of another Credit Controller.

The company's credit risk is primarily attributable to trade debtors, payments in advance, deposit, other debtors, amounts due from affiliates and cash at banks.

The company has no significant concentration of credit risk. In respect of trade debtors, the company is not exposed to any significant credit risk from exposure to any single counterparty as trade receivables consist of a large and growing group of counterparties in various industries and geographical areas, which reduces any potential risk concentrations.

All sales made to customers have short credit terms. The company has policies in place to ensure that sales are made to customers with an appropriate credit history. These credit evaluations focus on the customers' history of making payments when due and current ability to pay and take into account information specific to the customer. The ongoing credit risk is managed by maintaining close contact with clients and through a regular review of aging analysis where the company will make specific provisions for those balances which cannot be recovered. Normally, the company does not obtain collateral from customers. Further details regarding the credit risk associated with the trade receivables can be found in note 13.

The company determines any debtor which is over 90 days to be at risk of defaulting. Although a client may technically default on the agreed payment terms, the company has built long-standing relationships with most of our customer base which allows us to understand the true payment patterns and therefore make accurate assessments of which clients are truly defaulting. In the opinion of the directors, the default risk of the company is considered to be low.

Write-offs are generally only considered if the debt is older than 365 days unless direct communications with the client indicate otherwise. The write-off must be agreed with the client manager before it is actioned.

The company has no significant credit risk on other receivables because the company has policies in place for the control and monitoring of its credit risk. In respect of amount due from affiliate companies, the directors are of the opinion that the credit risk is low because most of these companies have high credit quality and no past default history in respect of amounts due.

The credit risk on liquid funds deposited within banks is limited because the counterparties are reputable and creditworthy banks.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the end of reporting period.

**FOREIGN EXCHANGE RISK**

The company is exposed to foreign currency exchange rate risk arising from various foreign currency exposures, primarily with respect to United States dollars (USD), Hong Kong dollars, Renminbi, Great British pounds and Euros. The exposure is predominantly driven by the contrast between the group billing currency of USD and the individual cost base currencies. There is some natural hedging as the group has business units in Dubai & Hong Kong which are linked to USD, but the main exposure is in Indonesia, China and Thailand which are also impacted by wage inflation.

This is managed through rate setting in various currencies together with a close monitoring of changes in rates on a periodical basis.

**LIQUIDITY RISK**

The company manages liquidity risk by regularly monitoring forecast and actual cash flows to ensure that it maintains sufficient cash and bank deposits to meet liquidity requirements in the short and longer term. The leadership team receives cash flow projections on a monthly basis as well as information regarding cash balances, taking account of proposed dividends and investment requirements. Accordingly, the directors are of the opinion that the company does not have significant liquidity risk.

The table in note 17 analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**CASH FLOW RISK**

Other than bank balances which carry interest at effective interest rate, the company has no other significant interest-bearing assets and liabilities. Due to the insignificance of bank interest income, the company's income, expenses and operating cash flows are substantially independent of changes in market interest rates. The directors are of the opinion that the company does not have significant cash flow and fair value interest rate risk and no sensitivity analysis is performed.

The company is not exposed to any significant fair value interest rate risk.

**REPORT OF THE DIRECTORS**  
for the year ended 30 April 2019

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**MARKET RISK**

As with many industries there is a technological element brought to the market risk of the IP industry. IP market predominantly consists of two types of work: consulting and litigation which are high value/low volume and trade mark and patents which are more administrative in nature and therefore high volume/low value.

The administrative work causes the company to consider its market risk more cautiously as improvements in technology will continue to drive down the price competitors and therefore what the market as a whole can offer. This in turn drives down margins for the market and the market as a whole moves further towards cost leadership.

There are many initiatives which the company has undertaken to mitigate this risk including investment into new IP technologies and a new consultancy service.

**GOING CONCERN**

The Leadership Team has a reasonable expectation that Rouse & Co International Limited has adequate financial resources to meet its operational needs for the foreseeable future and therefore the going concern basis has been adopted in preparing the financial statements.

**DISCLOSURE IN THE STRATEGIC REPORT**

In accordance with Section 414c of the Companies Act 2006, the development and performance of the business; principal risks and uncertainties; an analysis of the position of the business; and future developments have all been disclosed separately in the Strategic Report on page 2.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. 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 of the 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 that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**ON BEHALF OF THE BOARD:**



R A Ross-Macdonald - Director

Date:

30/1/2020

#### **Opinion**

We have audited the financial statements of Rouse & Co International Limited (the 'company') for the year ended 30 April 2019 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ROUSE & CO INTERNATIONAL LIMITED**

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**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

**Auditors' responsibilities for the audit of the financial statements**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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

*BDO LLP*

Benjamin Courts (Senior Statutory Auditor)  
for and on behalf of BDO LLP  
55 Baker Street  
London  
W1U 7EU

Date: *31 January 2010*

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

**ROUSE & CO INTERNATIONAL LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the year ended 30 April 2019

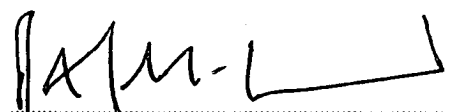
	Notes	2019 £	2018 £
Revenue	4	2,736,278	850,572
Cost of sales		<u>(155,430)</u>	<u>(163,183)</u>
<b>GROSS PROFIT</b>		<b>2,580,848</b>	<b>687,389</b>
Administrative expenses		<u>(2,330,160)</u>	<u>(1,899,909)</u>
<b>OPERATING PROFIT/(LOSS)</b>		<b>250,688</b>	<b>(1,212,520)</b>
Finance costs	6	141,105	(483,307)
Finance income	6	<u>4,827,703</u>	<u>93,168</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	7	<b>5,219,496</b>	<b>(1,602,659)</b>
Taxation	9	<u>(65,000)</u>	<u>1,509</u>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>5,154,496</b>	<b>(1,601,150)</b>
<b>OTHER COMPREHENSIVE</b>			
<b>OTHER COMPREHENSIVE FOR THE YEAR, NET OF</b>			
<b>TAXATION</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE</b>			
<b>YEAR</b>		<u><b>5,154,496</b></u>	<u><b>(1,601,150)</b></u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
30 April 2019

	Notes	2019 £	2018 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments	11	<u>36,557</u>	<u>36,557</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	4,748,063	6,484,466
Tax receivable		-	2,651,329
Cash and short-term deposits	14	<u>3,502,837</u>	<u>6,785,722</u>
		<u>8,250,900</u>	<u>15,921,517</u>
<b>TOTAL ASSETS</b>		<u><u>8,287,457</u></u>	<u><u>15,958,074</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	15	58,923	58,923
Share premium	16	1,031,834	1,031,834
Retained earnings	16	<u>1,078,480</u>	<u>703,326</u>
<b>TOTAL EQUITY</b>		<u>2,169,237</u>	<u>1,794,083</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	5,857,012	11,545,821
Financial liabilities - borrowings			
Bank overdrafts (United Arab Emirates dirhams)	18	229,367	-
Tax payable		<u>31,841</u>	<u>2,618,170</u>
		<u>6,118,220</u>	<u>14,163,991</u>
<b>TOTAL LIABILITIES</b>		<u>6,118,220</u>	<u>14,163,991</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>8,287,457</u></u>	<u><u>15,958,074</u></u>

The financial statements were approved by the Board of Directors on 30/01/2020 and were signed on its behalf by:



R A Ross-Macdonald - Director

**ROUSE & CO INTERNATIONAL LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 April 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 May 2017</b>	58,923	2,304,476	1,031,834	3,395,233
<b>Changes in equity</b>				
Total comprehensive loss	-	(1,601,150)	-	(1,601,150)
<b>Balance at 30 April 2018</b>	<u>58,923</u>	<u>703,326</u>	<u>1,031,834</u>	<u>1,794,083</u>
<b>Changes in equity</b>				
Dividends (note 10)	-	(4,779,342)	-	(4,779,342)
Total comprehensive income	-	5,154,496	-	5,154,496
<b>Balance at 30 April 2019</b>	<u>58,923</u>	<u>1,078,480</u>	<u>1,031,834</u>	<u>2,169,237</u>

The notes form part of these financial statements

**ROUSE & CO INTERNATIONAL LIMITED**

**STATEMENT OF CASH FLOWS**  
for the year ended 30 April 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,544,473	(341,618)
Interest paid		(742)	-
Tax paid		-	(83,521)
<b>Net cash from operating activities</b>		<u>2,543,731</u>	<u>(425,139)</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments		-	(2,563)
Interest received		48,361	93,168
Dividends received		<u>4,779,342</u>	<u>-</u>
<b>Net cash from investing activities</b>		<u>4,827,703</u>	<u>90,605</u>
<b>Cash flows from financing activities</b>			
Lendings from group undertakings		439,555	22,403,339
Lendings to group undertakings		(6,677,323)	(15,363,482)
Lendings from related parties		133,424	68,627
Equity dividends paid		<u>(4,779,342)</u>	<u>-</u>
<b>Net cash from financing activities</b>		<u>(10,883,686)</u>	<u>7,108,484</u>
<b>(Decrease)/Increase in cash and short-term deposits</b>		<u>(3,512,252)</u>	<u>6,773,950</u>
<b>Cash and short-term deposits at beginning of year</b>	2	<u>6,785,722</u>	<u>11,772</u>
<b>Cash and short-term deposits at end of year</b>	2	<u><u>3,273,470</u></u>	<u><u>6,785,722</u></u>

The notes form part of these financial statements

**ROUSE & CO INTERNATIONAL LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS**  
for the year ended 30 April 2019

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

	2019	2018
	£	£
Profit/(loss) before taxation	5,219,496	(1,602,659)
Provision against group undertakings	188,347	1,343,600
Provisions against related parties	(133,424)	(68,627)
Provision on investments	-	18,650
Finance costs	(141,105)	483,307
Finance income	<u>(4,827,703)</u>	<u>(93,168)</u>
	305,611	81,103
Decrease/(increase) in trade and other receivables	2,350,146	(289,025)
Decrease in trade and other payables	<u>(111,284)</u>	<u>(133,696)</u>
<b>Cash generated from operations</b>	<u><b>2,544,473</b></u>	<u><b>(341,618)</b></u>

**2. CASH AND SHORT-TERM DEPOSITS**

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

**Year ended 30 April 2019**

	30.4.19	1.5.18
	£	£
Cash and short-term deposits	3,502,837	6,785,722
Bank overdrafts (United Arab Emirates dirhams)	<u>(229,367)</u>	<u>-</u>
	<u><b>3,273,470</b></u>	<u><b>6,785,722</b></u>

**Year ended 30 April 2018**

	30.4.18	1.5.17
	£	£
Cash and short-term deposits	<u><b>6,785,722</b></u>	<u><b>11,772</b></u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

**Going concern**

The directors have reviewed the company's and parent entity's projections and are satisfied that sufficient funds are available in the company to meet liabilities as they fall due. On this basis they continue to adopt the going concern basis in the preparation of the financial statements.

**Explanation of transition to IFRS**

This is the first year that the financial statements have been presented under IFRS. There have been no transitional adjustments due to first time adoption affecting either the equity or total comprehensive income as previously presented under Financial Reporting Standard 102 (FRS 102).

**Exemption from the preparation of consolidated financial statements**

The financial statements contain information about Rouse & Co International Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Rouse & Co International (Holdings) LLP, 4th Floor, City Tower, 40 Basinghall Street, London, England, EC2V 5DE.

**Changes in accounting policies**

**New standards, interpretations and amendments not yet effective**

There are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early. The most significant of these is:

- IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019)
- IFRIC 23 Uncertainty over Income Tax Positions (effective 1 January 2019)

Rouse & Co International Limited has progressed its projects dealing with the implementation of these key new accounting standards and is able to provide the following information regarding their likely impact:

**IFRS 16 Leases**

Adoption of IFRS 16 will result in the entity recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The Board has decided it will apply the modified retrospective adoption method in IFRS 16, and, therefore, will only recognise leases on the balance sheet as at 1 May 2019. At 30 April 2019 operating lease commitments amounted to £Nil due to cheques being presented in full for the duration of the lease. Assuming the group's lease commitments remain at this level, the effect of discounting those commitments is anticipated to result in immaterial lease liabilities being recognised on 1 May 2019.

Instead of recognising an operating expense for its operating lease payments, the group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. This will increase reported EBITDA by the amount of its current operating lease cost, which for the year ended 30 April 2019 was approximately £55,000.

**IFRIC 23 Uncertainty over Income Tax**

IFRIC clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments.

2. **ACCOUNTING POLICIES - continued**  
**IFRIC 23 Uncertainty over Income Tax - continued**

The company is subject to an enquiry into its tax affairs by HMRC in the United Kingdom which is still ongoing (see note 19), however there is no uncertainty towards the treatment of any penalties nor interest payable on outstanding tax. A provision has been made for the estimated interest charge and therefore there is not expected to be a material impact of the adoption of IFRIC 23.

**Other**

The company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the company.

**Revenue recognition**

Revenue represents the fair value of services, including the stage completion of ongoing services, provided during the year and recoverable disbursements but excluding value added tax. Stage of completion is measured by reference to labour hours incurred to date less provisions for amounts not considered recoverable. Transaction prices are determined through hourly charge out rates which are determined by management and dependant on the skill of the staff involved in the contract. Intergroup revenue is determined through an agreed transfer pricing mechanism.

Where the outcome of a transaction can be estimated reliably, revenue associated with the transaction is recognised in the statement of profit or loss by reference to the stage of completion at the year-end, provided that a right to consideration has been obtained through performance. Consideration is accrued as contract activity progresses by reference to the value of work performed. Hence, the proportion of revenue recognised in the year equates to the proportion of cost incurred to total anticipated cost, less amounts recognised in previous years where relevant.

Where the outcome of a transaction cannot be estimated reliably, revenue is recognised only to the extent that the costs of providing the service are recoverable. No revenue is recognised where there are significant uncertainties regarding recovery of the consideration due or where the right to receive payment is contingent on events outside the control of the group. Costs incurred are carried within 'trade and other receivables' but appropriately provided until such a time as the contingency is removed. Expected losses are recognised as soon as they become probably based on latest estimates of revenue and costs.

Unbilled revenue is included in trade and other receivables as 'amounts recoverable on contract'. Amounts billed on account in excess of the amounts recognised as revenue are included in 'trade and other payables'.

Recoverable expenses represent out of pocket expenses incurred in respect of assignments and expected to be recovered from clients.

**Investments**

Subsidiaries are all entities over which the company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

Consolidated financial statements have not been prepared for the company and its subsidiaries as the company is a wholly owned subsidiary of another entity at the end of the financial year and the parent of the company produces consolidated financial statements available for public use that comply with International Financial Reporting Standards.

In the company's statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses. Dividends from subsidiaries are recognised in the statement of profit or loss as finance income when the company's right to receive payments is established.

**Impairment of investments in subsidiaries and non-financial assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each financial year end.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the investee's net assets including goodwill.



2. ACCOUNTING POLICIES - continued

**Taxation**

The tax expense for the year comprises current tax and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of all material timing differences (including fair value adjustments) that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is measured on a non-discounted basis.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

**Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the start of the month in which they are incurred. All differences are taken to the statement of profit or loss.

Fixed asset investments denominated in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions except when financed by borrowings denominated in foreign currencies when both the investments and the borrowings are re-translated at the rates of exchange ruling at the end of the period.

**Employee benefit costs**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of profit or loss in the period to which they relate.

**Amounts recoverable on contract**

Amounts recoverable on contract is determined on the actual time cost incurred and is written down to recoverable amount.

**Receivables**

Receivables, including trade and other receivables and amount due from group companies, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is an objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When a receivable is uncollectable, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of profit or loss.

During the year, the company reviewed its provision for doubtful debts policy of which full provision would be provided for the trade receivables ageing over 180 days. The directors are of the opinion that it is more appropriate to provide provision for doubtful debts at a specific percentage by reference to the ageing groups of debtors on monthly basis

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

2. **ACCOUNTING POLICIES - continued**

**Payables**

Payables, including trade and other payables and amount due to group companies, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. They are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability at least 12 months after the end of reporting period.

**Operating leases (as a lessee)**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the statement of profit or loss on a straight-line basis over the period of the lease term.

**Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) **Impairment loss for bad and doubtful debts**

The company makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgment and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(b) **Impairment loss for amounts recoverable on contracts**

Impairment loss for amounts recoverable on contracts is made based on the estimated net realisable value of amounts recoverable on contracts. The assessment of the impairment amount involves judgment and estimates. Where the actual outcome in the future is different from the original estimate, such difference will impact the carrying value of amounts recoverable on contracts and impairment loss charge/write-back in the period in which such estimate has been changed.

(c) **Revenue from contracts with customers**

Management have considered the criteria for the recognition of revenue from the supply of services set out in IFRS 15 Revenue from Contracts with Customers. In particular, the timings of the obligations to the client and the associated billing behaviour.

In calculating revenue from service contracts, the group and partnership make certain estimates as to the stage of completion of those contracts. In doing so the group and partnership estimate the remaining time and external costs to be incurred in completing contracts and the clients' willingness and ability to pay for the service provided. These estimates depend upon the outcome of future events and may need to be revised as circumstances change.

Certain service contracts, notably those in Commercial and Dispute Resolution, require a greater degree of estimation than others, specifically those contracts that:

- (i) are long-term, spanning a number of accounting periods, thereby extending the period over which estimation is required;
- (ii) have fee arrangements other than a simple time and materials basis, requiring an estimation as to percentage completion over time.

## 4. REVENUE

## Revenue from contracts with customers

## Disaggregation of revenue

The company has disaggregated revenue into various categories in the following tables which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date.

	2019 £	2018 £
<b>Geographic markets</b>		
United Kingdom	230,889	588,607
Europe	129,748	109,356
Rest of the World	<u>93,463</u>	<u>152,609</u>
<b>Total revenue from contracts with customers</b>	<u>454,100</u>	<u>850,572</u>
<b>Revenue</b>		
External customer	454,100	850,572
Intergroup	<u>2,282,178</u>	<u>-</u>
	2,736,278	850,572
Intergroup adjustments	<u>(2,282,178)</u>	<u>-</u>
<b>Total revenue from contracts with customers</b>	<u>454,100</u>	<u>850,572</u>

## Contract balances

Contract balances outstanding at 30 April 2019 and 30 April 2018 are set out within note 13.

## 5. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	2,541,687	413,252
Social security costs	28,615	24,706
Other pension costs	<u>67,854</u>	<u>19,637</u>
	<u>2,638,156</u>	<u>457,595</u>

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

	2019	2018
Fee earners and administration	7	6
Directors	<u>3</u>	<u>3</u>
	<u>10</u>	<u>9</u>

	2019 £	2018 £
Directors' remuneration	<u>-</u>	<u>-</u>

The key management personnel of the Company comprises its Directors'.

## 6. NET FINANCE INCOME

	2019 £	2018 £
Finance income:		
Dividends received from group undertakings	4,779,342	-
Interest received	<u>48,361</u>	<u>93,168</u>
	<u>4,827,703</u>	<u>93,168</u>

**ROUSE & CO INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 30 April 2019

**6. NET FINANCE INCOME - continued**

	2019	2018
	£	£
Finance costs:		
Other interest payable	<u>(141,105)</u>	<u>483,307</u>
Net finance income	<u>4,968,808</u>	<u>(390,139)</u>

**7. PROFIT/(LOSS) BEFORE TAXATION**

The profit before taxation (2018 - loss before taxation) is stated after charging:

	2019	2018
	£	£
Operating lease payments on land and buildings	214,040	-
(Gain)/ loss arising on foreign exchange	(1,029,950)	670,049
Provision for impairment of intergroup balances	188,347	1,343,600
Provision for impairment of other related parties	(133,424)	(68,627)
Provision for impairment of receivables from third-party contracts	<u>308</u>	<u>718</u>

**8. AUDITORS' REMUNERATION**

During the year, the company obtained the following services from the company's auditors:

	2019	2018
	£	£
Fees payable to the company's auditors for the audit of the company	<u>12,500</u>	<u>12,500</u>

**9. TAXATION**

**Analysis of tax expense/(income)**

	2019	2018
	£	£
Current tax:		
Tax	65,000	-
Over provision in prior period	<u>-</u>	<u>(1,509)</u>
Total tax expense/(income) in statement of profit or loss and other comprehensive income	<u>65,000</u>	<u>(1,509)</u>

## 9. TAXATION - continued

**Factors affecting the tax expense**

The tax assessed for the year is lower (2018 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit/(loss) before income tax	<u>5,219,496</u>	<u>(1,602,659)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	991,704	(304,505)
Effects of:		
Expenses not deductible for tax purposes	19,622	259,538
Income not taxable for tax purposes	(908,075)	-
Adjustments to tax charge in respect of previous periods	-	(477)
Change in tax rate	-	(47)
Increase in taxable losses	-	43,982
Utilisation of taxable losses	(43,982)	-
Overprovision in respect of current period	<u>5,731</u>	-
Tax expense/(income)	<u>65,000</u>	<u>(1,509)</u>

## 10. DIVIDENDS

	2019 £	2018 £
Interim	<u>4,779,342</u>	-

## 11. INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
At 1 May 2018 and 30 April 2019	<u>56,941</u>
<b>PROVISIONS</b>	
At 1 May 2018 and 30 April 2019	<u>20,384</u>
<b>NET BOOK VALUE</b>	
At 30 April 2019	<u>36,557</u>
At 30 April 2018	<u>36,557</u>

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

**Rouse & Co International (UK) Limited**

Registered office: 4th Floor, City Tower, 40 Basinghall Street, London, England, EC2V 5DE

Nature of business: Consultancy services

Class of shares:	%
Ordinary	holding 100.00

Country of incorporation: England and Wales

**ROUSE & CO INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 30 April 2019**

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**11. INVESTMENTS - continued**

**Rouse & Co. International (Overseas) Limited**

Registered office: Room 22/F., Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong

Nature of business: Consultancy services

	%
Class of shares:	holding
Ordinary	100.00

Country of incorporation: Hong Kong

**PT Rouse Consulting International**

Registered office: Wisma Pondok Indah 2, 7th Floor, Jl. Sultan Iskandar Muda, Kav V-TA, Pondok Indah, Jakarta

Nature of business: Consultancy services

	%
Class of shares:	holding
Ordinary	93.45

Country of incorporation: Indonesia

6.55% of this company is owned by Rouse & Co International (UK) Limited. The remaining balance is owned by Rouse & Co International Limited. This company has been treated as though a wholly owned subsidiary undertaking for these financial statements.

## 12. FINANCIAL ASSETS AND LIABILITIES

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Investments in unquoted shares
- Trade and other payables
- Bank overdrafts

## Financial instruments by category

## Financial assets

	2019 £	2018 £
<b>Equity instruments designated at fair value through profit and loss</b>		
Non-listed equity investments	<u>36,557</u>	<u>36,557</u>
<b>Debt instruments at amortised cost</b>		
Trade receivables	64,808	255,844
Amounts owed by group undertakings	4,403,130	3,789,389
Other receivables	28,916	2,175,209
Amounts owed by related parties	-	260,035
Cash and cash equivalents	<u>3,502,837</u>	<u>6,785,722</u>
	<u>7,999,691</u>	<u>13,266,199</u>

## Financial liabilities

	2019 £	2018 £
<b>Current interest-bearing loans and borrowings</b>		
Bank overdrafts	<u>229,337</u>	<u>-</u>
<b>Other instruments at amortised cost, other than interest-bearing loans and borrowings</b>		
Trade payables	90,031	65,734
Amounts owed to group undertakings	4,202,505	9,638,183
Other payables	<u>466,181</u>	<u>1,233,532</u>
	<u>4,758,717</u>	<u>10,937,449</u>

## 13. TRADE AND OTHER RECEIVABLES

	2019 £	2018 £
Receivables from third-party customers	64,808	255,844
Amounts owed by group undertakings	4,403,130	3,789,389
Amounts recoverable on contract	20,158	45,187
Other debtors	8,758	2,130,022
Amounts owed by related parties	-	260,035
Prepayments and accrued income	<u>251,209</u>	<u>3,989</u>
	<u>4,748,063</u>	<u>6,484,466</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 30 April 2019

## 13. TRADE AND OTHER RECEIVABLES - continued

Trade receivables are stated after an allowance for expected credit losses of £308 (2018: £1)

At 30 April 2019 the lifetime expected loss provision for trade receivables is as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	More than 180 days past due	More than 365 days past due	Total
Expected loss rate	0.14%	0.25%	0.00%	0.00%	13.47%	0.00%	0.00%	
Gross carrying amount	84,401	77,332	9,019	3,286	-	10,072	23,918	208,027
Loss provision	119	189	-	-	-	-	-	308

At 30 April 2018 the lifetime expected loss provision for trade receivables is as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	More than 180 days past due	More than 365 days past due	Total
Expected loss rate	0.14%	0.25%	0.00%	0.00%	13.47%	0.00%	0.00%	
Gross carrying amount	138,094	27,274	22,783	170	15,887	3,795	29,928	233,920
Loss provision	194	67	-	-	2,139	-	-	2,400

As at 30 April 2019 trade receivables of £208,027 (2018: £233,920) had lifetime expected credit losses of the full value of the receivables. The application of the model is based on the overall behaviour and settlement patterns of all Rouse & Co International Limited clients, and there were no clients against which specific provisions contrary to the overall model were applied. However, there were clients against which expected losses under the model were removed owing to recent communications with the client.

The client-take-on process allows for the credit risk of each potential client to be analysed as thus significantly reduce the risk of high expected credit losses. The predominant risks in late or unpaid debts are potential disputes over the works carried out and/or the failure to chase these debts; both of which are considered very low. Payment terms with customers are on a 30 day basis unless otherwise agreed.

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



**ROUSE & CO INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 30 April 2019

**14. CASH AND SHORT-TERM DEPOSITS**

	2019 £	2018 £
Bank accounts	<u>3,502,837</u>	<u>6,785,722</u>

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	2019 £	2018 £
United States dollars	2,876,251	5,916,986
Great British pounds	536,447	774,860
Euros	86,055	91,712
United Arab Emirates dirhams	<u>4,084</u>	<u>2,164</u>
	<u>3,502,837</u>	<u>6,785,722</u>

There is no material difference between the book value of cash and cash equivalents and their fair values.

**15. CALLED UP SHARE CAPITAL**

Allotted and issued:			2019	2018
Number:	Class:	Nominal value:	£	£
589,232	Ordinary	£0.10	<u>58,923</u>	<u>58,923</u>

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising from the winding up of the company.

**16. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 May 2018	703,326	1,031,834	1,735,160
Profit for the year	5,154,496	-	5,154,496
Dividends	<u>(4,779,342)</u>	<u>-</u>	<u>(4,779,342)</u>
At 30 April 2019	<u>1,078,480</u>	<u>1,031,834</u>	<u>2,110,314</u>

The following describes the nature and purpose of each reserve within equity:

Retained earnings

Cumulative profit and loss net of distributions to owners.

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

## 17. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Trade payables	90,031	65,734
Amounts owed to group undertakings	4,202,505	9,638,183
Social security and other taxes	35,171	83,927
Other creditors	431,010	1,149,515
Accruals and deferred income	<u>1,098,295</u>	<u>608,462</u>
	<u>5,857,012</u>	<u>11,545,821</u>

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

## 18. FINANCIAL LIABILITIES - BORROWINGS

	2019 £	2018 £
Bank overdrafts (United Arab Emirates dirhams)	<u>229,367</u>	<u>-</u>
Terms and debt repayment schedule		
		1 year or less £
Bank overdrafts (United Arab Emirates dirhams)		<u>229,367</u>

A bank overdraft has been noted for the Dubai branch. As at the 30 April 2019 a bank account is in credit and this position arises from the recognition of post dated cheques in relation to the office operating lease in Dubai in accordance with local practices.

## 19. CONTINGENT LIABILITIES

The company has an unlimited composite guarantee in connection with all liabilities in the UK Group undertakings with Coutts & Co PLC.

The company is subject to an enquiry into its tax affairs by HMRC in the United Kingdom which began in the financial year. Whilst the directors of the company believe the enquiry can be resolved in the company's favour, the enquiry is highly technical, it is likely to run for some time and the outcome is uncertain. If the enquiry was not resolved in the company's favour interest and potential penalties would arise on the tax amount assessed up to 31 January 2019 when the amount became repayable. At the HMRC interest rate of 1.25% - 3% the directors estimate the interest charge that could arise prior to 31 January 2019 is approximately £341,000 and the provision that was included in the 30 April 2018 financial statements of £482,000 has been updated accordingly. The penalties that would be imposed are at the discretion of HMRC and cannot be determined and no provision has been made for them.

# ROUSE & CO INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 April 2019

### 20. RELATED PARTY DISCLOSURES

At the year end the following amounts were owed by (to) related parties and the related provisions against those amounts are as follows:

		2019		2018	
		Owed by (to)	Provision	Owed by (to)	Provision
		£	£	£	£
Rouse & Co International (Overseas) Limited	Subsidiary	(598,5801)	-	(3,942,769)	-
P T Rouse Consulting International	Subsidiary	(3,064,135)	-	(5,294,065)	-
Rouse Consultancy (Shanghai) Limited	Subsidiary	(289,004)	-	(185,915)	-
Rouse Africa Pty Ltd	Subsidiary	(35,351)	-	-	-
Rouse & Co International (UK) Limited	Subsidiary	1,529,130	(1,529,130)	1,830,247	(1,559,605)
Rouse Consulting International Inc.	Subsidiary	106,119	(106,119)	83,793	(27,259)
Rouse India Private Limited	Subsidiary	318,972	(318,972)	300,683	(179,010)
Rouse & Co International (Thailand) Limited	Subsidiary	9,186	-	9,000	-
Rouse & Co International (Holdings) LLP	Parent	4,393,944	-	3,331,540	-
Rouse & Co International (Philippines) Inc	Subsidiary	-	(215,434)	-	(215,434)
Rouse IP Limited	Director in common	619,563	(619,563)	752,987	(752,987)
Rouse Legal	Directors are partners in the related party	(238)	238	260,035	-

The net expense recognised during the period in respect of doubtful debts due from related parties is £97,701 (2018: £1,293,622). Provisions are made when new information comes to light in relation to the recovery of the balance and where foreign exchange effects the amounts due.

A provision has been provided for Rouse & Co International (Philippines) Inc in respect of amounts that may fall due should the entity be unable to meet its liabilities.

Rouse Africa Pty joined the group on 7 December 2018 when the shares were fully purchased by Rouse & Co International (Overseas) Limited.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

### 21. EVENTS AFTER THE REPORTING PERIOD

In July 2019 the company acquired a 100% owned subsidiary, IPQ, subsequently renamed Rouse AB, for consideration of £425,000 plus capital in the parent entity. The entity will be fully consolidated into the ultimate parent financial statements in the subsequent financial year with distributions recognised within the statement of profit or loss of Rouse & Co International Limited.

### 22. ULTIMATE CONTROLLING PARTY

Rouse & Co International (Holdings) LLP, a limited liability partnership registered in England and Wales, is the company's ultimate parent and controlling party.

The smallest and largest group in which results of the company are consolidated is that headed by Rouse & Co International (Holdings) LLP. Copies of the consolidated financial statements of Rose & Co International (Holdings) LLP can be obtained from 4th Floor, City Tower, 40 Basinghall Street, London, EC2V 5DE.

**23. CAPITAL RISK MANAGEMENT**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholders, to procure adequate financial resources from the shareholders and to maintain an optimal capital structure to reduce the cost of capital. The company's management regularly review the attainment of capital risk management objectives as required. The company's overall strategy remains unchanged from the prior year.

*The capital structure of the company comprises issued share capital, share premium and retained earnings as set out within note 16.*

**ROUSE & CO INTERNATIONAL LIMITED**

**INCOME STATEMENT SUMMARIES**  
for the year ended 30 April 2019

	2019 £	2018 £
<b>REVENUE</b>		
Fees receivable	<u>2,736,278</u>	<u>850,572</u>
	<u>2,736,278</u>	<u>850,572</u>
<b>COST OF SALES</b>		
Group recharges	<u>155,430</u>	<u>163,183</u>
	<u>155,430</u>	<u>163,183</u>
<b>ADMINISTRATIVE EXPENSES</b>		
<b>Establishment costs</b>		
Rent and rates	346,981	-
Insurance	2,017	2,258
<b>Administrative expenses</b>		
Salaries	2,541,687	413,252
Social security	28,615	24,706
Staff pensions	67,854	19,637
Staff welfare	100,575	1,456
Stationery	-	748
Travelling	10,630	28,855
Computer maintenance	468	5,496
Consultancy fees	34,415	21,326
Conferences and courses	38,110	2,185
Subscriptions and periodicals	19,612	-
Sundry expenses	2,014	-
Legal fees	23,083	20,373
Audit and accountancy	6,925	24,915
Entertainment	4,829	3,232
Bad debts	99,575	1,294,340
(Gain)/ loss on foreign exchange	(1,029,950)	670,049
Intergroup overhead recharge	(141,354)	(681,615)
<b>Finance costs</b>		
Bank charges	<u>174,074</u>	<u>48,696</u>
	<u>2,330,160</u>	<u>1,899,909</u>
<b>FINANCE COSTS</b>		
Other interest payable	<u>(141,105)</u>	<u>483,307</u>
	<u>(141,105)</u>	<u>483,307</u>
<b>FINANCE INCOME</b>		
Dividends received from group undertakings	4,779,342	-
Interest received	<u>48,361</u>	<u>93,168</u>
	<u>4,827,703</u>	<u>93,168</u>

This page does not form part of the statutory financial statements