

**International Resources Group  
Limited**

Report and Financial Statements

Year Ended

30 April 2020

Company Number 03478039

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# **International Resources Group Limited**

## **Report and financial statements for the year ended 30 April 2020**

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### **Contents**

#### **Page:**

1	Strategic report
2	Directors' report
3	Directors' responsibilities statement
4	Independent auditor's report
7	Statement of comprehensive income and retained earnings
8	Balance sheet
9	Notes forming part of the financial statements

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### **Directors**

Baroness Bottomley of Nettlestone  
Peter Hearn  
Simon Murphy  
David Peters  
Christopher Scrope

### **Secretary and registered office**

David Peters, 20 Cannon Street, London, EC4M 6XD

### **Company number**

03478039

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# International Resources Group Limited

## Strategic report for the year ended 30 April 2020

The directors present their strategic report together with the audited financial statements for the year ended 30 April 2020.

### Principal activities, trading review and future developments

The principal activity of the Company is that of an intermediate parent company with investments in IRG Advisors LLP and overseas subsidiaries as set out below. These investments continue to operate in the area of executive recruitment and interim management.

The Company holds investments in operating entities in Australia, China, Hong Kong, India, Japan, Singapore, Switzerland and the United States.

The results of all the operating subsidiaries, where appropriate, are consolidated into the Odgers Group Limited accounts.

Profit after tax for the year was £3.9m compared to £8.8m for the year ended 30 April 2019. This profit arises out of the interest that the Company has in its subsidiaries as well as performance in IRG Advisors LLP.

### Key Performance Indicators and Going concern

The main key performance indicator is the profit in the subsidiaries owned by the company. These profits underpin the carrying value of the investment in the subsidiaries.

IRG Limited is a subsidiary of Odgers Group Limited and as such its going concern considerations are linked to that of the Group.

The Directors have prepared base case financial forecasts for the subsidiaries for the period ending 31 October 2021. The uncertainty as to the future impact of the COVID-19 pandemic has been considered as part of the Company's adoption of the going concern basis.

Forecast stress testing scenarios, in light of COVID-19, have demonstrated that the subsidiaries could withstand both a material and prolonged decrease in revenue and maintain a positive cash position. For example, the subsidiaries could withstand a 50% drop in revenue for the 18 month period forecast and have at their disposal, further cost saving levers to reduce their cost base, especially relating to staff costs. The Group's bankers have indicated that they would be supportive of the subsidiaries' banking facilities available throughout this period. The next review of the facility is due in March 2021. On this basis, the Directors have a reasonable expectation, that the Company will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval of these financial statements.

At 30 April 2020, the Company's investments had a carrying value of £8.6m (2019 - £8.6m). The director's assessment of the recoverability of the Company's investments, based on its subsidiaries financial position, their performance during the financial year and current projected performance, led to a provision against amounts due from the intercompany balance with Hong Kong of £782k (2019 - £264k), Switzerland of £173k (2019 - £363k), India of £500k (2019 - £Nil) and Shanghai of £Nil (2019- £626k).

### Principal Risks and Uncertainties

The main financial risks arising from the Company's activities relate to the performance in the operating subsidiaries which are reported in each of those individual entities accounts.

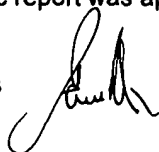
As an intermediate parent company, the principal risk that the Company faces is that of the carrying value of its investments in subsidiaries is not fully realisable.

The directors regularly monitor the carrying value of the Company's investments against the position and performance of its subsidiaries to ascertain whether there are any indicators for potential impairments. Where appropriate, impairment charges are applied in accordance with good practice. As part of this review, the Directors have considered the impact of the COVID-19 pandemic on its subsidiaries as detailed above.

### Approval

This strategic report was approved by order of the Board on 14th August 2020.

David Peters  
Secretary



# **International Resources Group Limited**

## **Report of the directors for the year ended 30 April 2020**

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The directors present their report together with the audited financial statements for the year ended 30 April 2020.

### **Results and dividends**

The statement of comprehensive income and retained earnings is set out on page 7 and shows the profit for the year.

The directors paid no dividend during the year (2019 - £Nil).

### **Directors**

The directors of the Company during the year were:

Baroness Bottomley of Nettlestone  
Peter Hearn (Non-Executive)  
Simon Murphy (Non-Executive)  
David Peters  
Christopher Scrope

### **Auditors**

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

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **By order of the Board**

  
David Peters

### **Secretary**

Date 14th August 2020

# **International Resources Group Limited**

## **Directors' responsibilities statement for the year ended 30 April 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit 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; and
- 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.

# International Resources Group Limited

## Independent auditor's report

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### TO THE MEMBERS OF INTERNATIONAL RESOURCES GROUP LIMITED

#### Opinion

We have audited the financial statements of International Resources Group Limited ("the Company") for the year ended 30 April 2020 which comprise the statement of comprehensive income and retained earnings, the balance sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2020 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 opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

# **International Resources Group Limited**

## **Independent auditor's report(continued)**

### **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.

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

- adequate accounting records have not been kept, 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.

### **Responsibilities of Directors**

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

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

# International Resources Group Limited

## Independent auditor's report(*continued*)

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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

*BDO LLP*

Andrew Radford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

17 August 2020

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



# International Resources Group Limited

## Statement of comprehensive income and retained earnings for the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
Turnover	3	3,644	3,312
Cost of sales		-	-
<b>Gross profit</b>		<b>3,644</b>	<b>3,312</b>
Administrative expenses		(6,992)	(5,691)
<b>Operating loss</b>	6	<b>(3,348)</b>	<b>(2,379)</b>
Other income		8,082	12,242
Other interest receivable and similar income	7	427	259
<b>Profit on ordinary activities before taxation</b>		<b>5,161</b>	<b>10,122</b>
Taxation on profit from ordinary activities	8	(1,228)	(1,325)
<b>Profit for the financial year and total comprehensive income</b>		<b>3,933</b>	<b>8,797</b>
Retained earnings at the beginning of the reporting year		33,217	24,420
Dividends		-	-
<b>Retained earnings at the end of the reporting year</b>		<b>37,150</b>	<b>33,217</b>

All amounts relate to continuing activities.

All recognised gains or losses in either year are included in the profit and loss account.

The notes on pages 9 to 19 form part of these financial statements.

# International Resources Group Limited

## Balance sheet at 30 April 2020

<b>Company number 03478039</b>	<b>Note</b>	<b>2020 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>	<b>2019 £'000</b>
<b>Fixed assets</b>					
Tangible assets	9		-		-
Intangible assets	10		3,052		1,723
Investments	11		8,636		8,636
			11,688		10,359
<b>Current assets</b>					
Debtors	12	35,974		30,536	
Cash at bank and in hand		838		1,086	
		36,812		31,622	
<b>Creditors: amounts falling due within one year</b>	13	(9,276)		(6,690)	
<b>Net current assets</b>			27,536	24,932	
<b>Total assets less current liabilities</b>			39,224	35,291	
<b>Provision for liabilities</b>	14		(452)		(452)
<b>Net assets</b>			38,772	34,839	
<b>Capital and reserves</b>					
Called up share capital	15		26		26
Share premium account			1,596		1,596
Profit and loss account			37,150		33,217
<b>Shareholders' funds</b>			38,772	34,839	

The financial statements were approved by the Board of Directors and authorised for issue on 14th August 2020.

  
Christopher Scrope  
Director

The notes on pages 9 to 19 form part of these financial statements.

# International Resources Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2020

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

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

The factors considered by the Directors in exercising their judgement of the Company's ability to operate in the foreseeable future are set out in the Strategic and Directors reports. The Directors have prepared base case financial forecasts for the period ending 31 October 2021. The uncertainty as to the future impact of the COVID-19 pandemic has been considered as part of the Company's adoption of the going concern basis.

Forecast stress testing scenarios, in light of COVID-19, have demonstrated that the Company and its subsidiaries could withstand both a material and prolonged decrease in revenue and maintain a positive cash position. For example, the subsidiaries could withstand a 50% drop in revenue for the 18 month period forecast and have at their disposal, further cost saving levers to reduce their cost base, especially relating to its staff costs. The Group's bankers have indicated that they would be supportive of the subsidiaries' banking facilities available throughout this period. The next review of the facility is due in March 2021. On this basis, the Directors have a reasonable expectation, that the Company and its subsidiaries will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

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

The company has applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017. The policies applied by the company under the previous edition of FRS 102 are not materially different to FRS 102 (March 2018) and have not impacted on equity or profit or loss.

#### Exemption from preparing consolidated accounts

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirements to prepare group financial statements as these financial statements are included in the consolidated financial statements of the parent, which are publicly available. These financial statements present information about the company as an individual and not about its group. As such, the following disclosure exemptions have been taken:

#### Company disclosure exemptions

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

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

# International Resources Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

### 1 Accounting policies (continued)

The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents amounts receivable for services provided, net of value added tax and rental income received from a subsidiary company.

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

#### *Impairment of fixed assets*

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

#### *Software under development*

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

#### *Foreign currency*

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Intangible fixed assets*

Trademarks and Software under development are carried at cost and are amortised evenly over their useful economic lives. The carrying values of intangibles are revised for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The Directors believe that the best estimate for the useful economic life of its intangible assets are as follows:

Trademarks	-	7 years
Software under development	-	7 years

#### *Tangible fixed assets*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Leasehold	-	20.0% per annum straight line
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#### *Trade debtors*

Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

# International Resources Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

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### 1 Accounting policies (continued)

#### *Other income*

Other income comprises the company's share of profits from its investment in IRG Advisors LLP.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations rather than the financial instrument's legal form. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### *Trade creditors*

Trade payables are not interest bearing and are stated at their nominal value.

#### *Pensions*

There were no Company contributions to pension schemes in either the current or the prior period.

The Company operated, prior to the transfer of its business to IRG Advisors LLP in 2010 when the obligation passed to that entity, a Stakeholder Pension Scheme. The assets of that scheme are managed independently of the Company.

#### *Dividends*

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

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Operating leases*

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 May 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 May 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

# International Resources Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

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

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

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining the carry value of investments and whether there are any impairments in relation to the carrying value. These decisions depend on a number of performance factors which are used to form a judgement about the recoverability of the investment value.

*Other key sources of estimation uncertainty*

- *Dilapidations*

Provisions for dilapidations are based on management's estimations taking into account the terms of the leases, the rental value of the property and any other market information available.

- *Intangible fixed assets*

Intangible assets that are subject to amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. The impairment reviews are based on the expected useful life of the assets and the future discounted economic benefits arising from the assets. These are based on judgements regarding market conditions and estimated useful lives.

### 3 Turnover

	2020 £'000	2019 £'000
<i>Analysis by geographical market</i>		
United Kingdom	2,976	2,773
Rest of the World	668	539
	<u>3,644</u>	<u>3,312</u>

### 4 Employees

There are no staff costs in either the current or prior periods.

There were no employees in either the current or prior periods.

### 5 Directors

Directors remuneration was borne by the parent company, Odgers Group Limited.

### 6 Operating loss

	2020 £'000	2019 £'000
This has been arrived at after charging:		
Depreciation	-	2
Amortisation - intangibles	13	13
(Gain) on foreign exchange	(11)	(56)
	<u></u>	<u></u>

The auditor's remuneration is borne by Odgers Group Limited.

# International Resources Group Limited

Notes forming part of the financial statements  
for the year ended 30 April 2020 (continued)

## 7 Interest receivable and similar charges

	2020 £'000	2019 £'000
Loan interest receivable	427	259

## 8 Taxation on profit from ordinary activities

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<i>Current tax</i>				
UK corporation tax on profits of the period	1,062		1,571	
Adjustment in respect of previous periods	349		(213)	
Total current tax		1,411		1,358
<i>Deferred tax</i>				
Origination and reversal of timing differences	(173)		(12)	
Adjustment in respect of prior years	(10)		(21)	
Movement in deferred tax		(183)		(33)
Taxation on profit on ordinary activities		1,228		1,325

The tax assessed for the period differs to the standard rate of corporation tax in the UK. The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	5,161	10,122
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019 – 19%)	981	1,923
Effects of:		
Expenses not deductible for tax purposes	1,935	169
Income not subject to tax	(1,535)	(126)
Group relief surrendered for nil consideration	(319)	(395)
Adjustment to tax charge in respect of previous periods	349	(234)
Timing differences not recognised in the computation	(173)	(16)
Adjustment on opening and closing deferred tax	(10)	4
Current tax charge for period	1,228	1,325

# International Resources Group Limited

Notes forming part of the financial statements  
for the year ended 30 April 2020 (*continued*)

## 9 Tangible assets

	Leasehold £'000
<b>Cost</b>	
At 1 May 2019 and 30 April 2020	716
<b>Depreciation</b>	
At 1 May 2019 and 30 April 2020	716
<b>Net book value</b>	
At 1 May 2019 and 30 April 2020	-

## 10 Intangible assets

	Trademarks £'000	Software under development £'000	Total £'000
<b>Cost</b>			
At 1 May 2019	170	1,634	1,804
Additions	63	1,279	1,342
<b>At 30 April 2020</b>	<b>233</b>	<b>2,913</b>	<b>3,146</b>
<b>Amortisation</b>			
At 1 May 2019	81	-	81
Provided for the period	13	-	13
<b>At 30 April 2020</b>	<b>94</b>	<b>-</b>	<b>94</b>
<b>Net book value</b>			
At 30 April 2020	139	2,913	3,052
At 30 April 2019	89	1,634	1,723



# International Resources Group Limited

Notes forming part of the financial statements  
for the year ended 30 April 2020 (continued)

## 11 Fixed asset investments

	2020 £'000	2019 £'000
<b>Cost</b>		
<b>At 1 May and 30 April</b>	<b>8,636</b>	<b>8,636</b>

*Subsidiary undertakings, associated undertakings and other investments*

The undertakings in which the Company has an interest at the period end are as follows:

Name	Proportion of voting rights and ordinary share capital held	Nature of business
Odgers Berndtson (Hong Kong) Company Limited	100%	Recruitment
* Odgers Berndtson (Shanghai) Company Limited	100%	Recruitment
IRG Advisors LLP	99.9%	Recruitment
OB International Search Limited	51%	Management Company
IRG Holdings Inc.	100%	Management Company
*Odgers Berndtson LLC	29.4%	Recruitment
Odgers Berndtson Switzerland	47%	Recruitment
Odgers Berndtson India	100%	Recruitment
Odgers Group Pty Limited	100%	Management Company
*Braithwaite Steiner & Pretty Pte Ltd	100%	Recruitment
*Braithwaite, Steiner Pretty Japan K.K.	100%	Recruitment
*Braithwaite, Steiner & Pretty Pte Ltd	100%	Recruitment
The Berwick Group Ltd.	100%	Dormant
Ray & Berndtson Limited	100%	Dormant
Thomson Partners Ltd.	100%	Dormant

\* held indirectly

# International Resources Group Limited

Notes forming part of the financial statements  
for the year ended 30 April 2020 (continued)

## 11 Fixed asset investments (continued)

Name	Address
*Odgers Berndtson (Hong Kong) Company Limited	1602, Wheelock House, 20 Pedder St, Central, Hong Kong
*Odgers Berndtson (Shanghai) Company Limited	Room 2504, 5 Corporate Avenue, 150 Hubin Road Huangpu District, Shanghai 200021, China
*IRG Advisors LLP	20 Cannon Street, London, EC4M 6XD, United Kingdom.
*OB International Search Limited	20 Cannon Street, London, EC4M 6XD, United Kingdom.
IRG Holdings Inc.	Grand Central Tower, 2, 140 E 45th St 44th Floor, New York, NY 10017, United States
*Odgers Berndtson LLC	Grand Central Tower, 2, 140 E 45th St 44th Floor, New York, NY 10017, United States
*Odgers Berndtson Switzerland	Uraniastrasse 18, 8001 Zürich, Switzerland
*Odgers Berndtson India Private Limited	Unit No.422, 4th Floor, Time Tower, M. G. Road, Gurgaon – 122002, Haryana, India
*Odgers Group Pty Limited	Level 2, 2 Bulletin Place, Sydney, NSW 2000, Australia
*Braithwaite, Steiner & Pretty Pte Ltd	Level 2, 2 Bulletin Place, Sydney, NSW 2000, Australia
*Braithwaite, Steiner Pretty Japan K.K.	1-28 Toranomom 1 - chome, Minato-ku, Tokyo 105-0001 Toyo Property Toranomom Building, 6th Floor, Minato-ku, Tokyo
*Braithwaite, Steiner & Pretty Pte Ltd	158 Cecil Street #06-02, Singapore, 069545
*IRG Employment Services Limited	20 Cannon Street, London, EC4M 6XD, United Kingdom.
Berwick Selection Limited	20 Cannon Street, London, EC4M 6XD, United Kingdom.
The Berwick Group Ltd.	20 Cannon Street, London, EC4M 6XD, United Kingdom.
Ray & Berndtson Limited	20 Cannon Street, London, EC4M 6XD, United Kingdom.
Thomson Partners Ltd.	20 Cannon Street, London, EC4M 6XD, United Kingdom.

\* held indirectly

## 12 Debtors

	2020 £'000	2019 £'000
Trade debtors	1	-
Prepayments and accrued income	833	867
Other debtors	796	140
Amounts owed by subsidiary undertakings	30,800	27,352
Amounts owed from associated companies	480	353
Other tax and social security costs	2,795	1,739
Deferred tax asset	269	85
	<b>35,974</b>	<b>30,536</b>

Included with amounts shown above are £Nil (2019 - £Nil) of debtors due in greater than one year.

Provisions have been made in the year against amounts owed by subsidiary undertakings as follows: Odgers Berndtson Hong Kong £792k (2019 – £264k), Odgers Berndtson India £500k (2019 – £Nil) and Odgers Berndtson Switzerland £173k (2019 – £363k).

The deferred tax asset relates to accelerated capital allowances.

# International Resources Group Limited

Notes forming part of the financial statements  
for the year ended 30 April 2020 (continued)

## 13 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	506	486
Corporation tax	4,969	3,558
Amounts owed to subsidiary undertakings	3,020	2,193
Accruals	781	453
	<u>9,276</u>	<u>6,690</u>

## 14 Provision for liabilities

	Dilapidations £'000
At 1 May 2019	452
Charged to profit and loss account	-
	<u>452</u>
<b>At 30 April 2020</b>	<b><u>452</u></b>

The dilapidations provision represents management's best estimate of the cost of repairs to the group's premises in accordance with the terms of its leases.

## 15 Share capital

	2020 Number	Allotted, called up and fully paid 2019 Number	2020 £'000	2019 £'000
Original ordinary shares of 1p each	1,394,272	1,394,272	14	14
Ordinary shares of 1p each	1,231,767	1,231,767	12	12
	<u>2,626,039</u>	<u>2,626,039</u>	<u>26</u>	<u>26</u>

# International Resources Group Limited

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

### 16 Commitments under operating leases

As at 30 April 2020, the Company had minimum lease commitments under non-cancellable operating leases a set out below:

	Land and buildings 2020 £'000	Land and buildings 2019 £'000
Operating leases which expire:		
Not later than 1 year	2,481	2,610
Later than 1 year and not later than 5 years	3,570	5,985
After 5 years	64	122
	<hr/>	<hr/>
	6,115	8,717
	<hr/>	<hr/>

### 17 Reserves

#### Share capital

The balance of share capital represents the aggregate nominal value of all ordinary shares in issue.

#### Share premium

The balance on the share premium reserve represents the amounts received in excess of the nominal value of the ordinary shares.

#### Profit and loss account

The balance held on this reserve is the accumulated retained profits in the Group.

# International Resources Group Limited

Notes forming part of the financial statements  
for the year ended 30 April 2020 (continued)

## 18 Related party transactions

The Company has taken advantage of the exemption conferred by FRS102 not to disclose transactions between wholly owned group companies.

The following receivables balances relating to group companies which are not wholly owned subsidiaries of International Resources Group Limited is given below:

	2020 £'000	2019 £'000
<b>Odgers Berndtson Switzerland</b>		
Short-term loans	536	363
<b>Odgers Berndtson LLC</b>		
Short-term loans	481	463

## 19 Ultimate parent company

At 30 April 2020, the Company's ultimate parent company was Odgers Group Limited which is the parent of both the smallest and largest groups of which the Company is a member.

Copies of the consolidated financial statements of Odgers Group Limited are available from Companies House.

In the opinion of the directors there is no one controlling party.

# International Resources Group Limited

**Report and financial statements  
for the year ended 30 April 2020**

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## **Contents**

### **Page:**

1	Strategic report
2	Directors' report
3	Directors' responsibilities statement
4	Independent auditor's report
7	Statement of comprehensive income and retained earnings
8	Balance sheet
9	Notes forming part of the financial statements

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## **Directors**

Baroness Bottomley of Nettlestone  
Peter Hearn  
Simon Murphy  
David Peters  
Christopher Scrope

## **Secretary and registered office**

David Peters, 20 Cannon Street, London, EC4M 6XD

## **Company number**

03478039

## **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **IRG Advisors LLP**

## **Report of the Members for the year ended 30 April 2020 (continued)**

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### **Transactions with Members**

The Members participate fully in the LLP's profits.

An individual Member's capital requirement is £1. There is no opportunity for the appreciation of the capital subscribed. Just as new Members introduce their capital at 'par' so retiring Members are repaid their capital at 'par'. Full details of the rights of Members are contained in the LLP Members Agreement.

The LLP's drawings policy allows each member to draw a proportion of their profits (Base Profit Share) in twelve monthly instalments with the balance of their profits, paid in the subsequent year. A tax retention is made on all payments to Members. Members have a high degree of variability in their profit allocations from year to year depending on both personal and overall business performance. Members can, and do, see their draws and allocations reduced if performance so warrants. In addition the members agreement provides for the repayment of draws made to members should circumstances so warrant. The allocation of profits to members is discretionary and, until profits are allocated to members, they belong to the LLP.

All payments are made subject to the cash requirements of the LLP.

Tax retentions are paid to HMRC on behalf of Members with any excess being released to Members as appropriate.

### **Modern Slavery**


The Group continues to monitor its business and supply chain to ensure only the highest ethical standards apply in relation to the employment of individuals. We take all reasonable steps to ensure ethical sourcing of services and goods associated with our work that promotes appropriate standards in respect of legal, ethical and social issues including the security and application of employment rights, payment of a minimum or living wage, equality, corruption, fair trade and the elimination of modern slavery in the supply chain, particularly in low cost and/or developing countries where appropriate to our business.

### **Auditors**

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

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

Approved by the Members of the Limited Liability Partnership on 14th August 2020.

  
David Peters

**Designated member**

# **IRG Advisors LLP**

## **Report of the Members for the year ended 30 April 2020**

The Management Committee of IRG Advisors LLP (the "LLP") present their report together with the audited financial statements for the year ended 30 April 2020.

The profit for the LLP's 2020 financial year was £27.7 m (2019 - £34.2m).

The Management Committee considers the financial position of the LLP at the end of the period as stable. The financial year saw two major events. The first of these was Brexit. The malaise which circled the UK economy contributed to a decline in activity, for the LLP, in the third quarter with the uncertainty over the political debate. The general election at the end of 2019 and the decisive nature of the result helped to return clarity in the short term but with business looking over its shoulder at the timetabled end of the transitional period investment decisions and consequently recruitment for a lot of firms remains on hold. The negative sentiment weighed on the LLP's performance and we were, as a result unable to capitalise on the investments made in new fee earners in the year.

The second major event, the Coronavirus pandemic came late in the financial year and did not significantly impact results.

Whilst not as we would have liked, turnover and profitability were good, even if down on 2018/19 reflecting demand for the LLP's executive recruitment services. In the UK our leading brand, Odgers Berndtson was once again the number one search firm in 2019/20 (Source: Executive Grapevine). We won and transacted many senior searches in the commercial, public and third sectors enhancing our reputation in all areas.

### **Principal activity, review of business and future developments**

The principal activity of the LLP is that of executive search, selection and interim management.

Turnover in the year at £92.5 m was, previous year at £102.1m.

Operating profits were £27.7m (2019 - £34.1m).

IRG Advisors LLP is a subsidiary of Odgers Group Limited and as such it's going concern considerations are linked to that of the Group.

The management committee recognise that there will be continuing volatility for some time to come from the pandemic as well as further uncertainty relating to Brexit as the year progresses. Accordingly, as we always do, we will monitor performance and take appropriate measures and adjust the cost base, again, should this become necessary.

The management committee have prepared base case financial forecasts for the LLP for the period ending 31 October 2021. The uncertainty as to the future impact of the COVID-19 pandemic has been considered as part of the LLP's adoption of the going concern basis.

Forecast stress testing scenarios, in light of COVID-19, have demonstrated that the LLP could withstand both a material and prolonged decrease in revenue and maintain a positive cash position. For example, the LLP could withstand a 50% drop in revenue for the 18 month period forecast and has at its disposal, further cost saving levers to reduce its cost base, especially relating to staff costs. The Group's bankers have indicated that they would be supportive of the LLP's banking facilities available throughout this period. The next review of the facility is due in March 2021. On this basis, the management committee have a reasonable expectation, that the LLP will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval of these financial statements.

### **Designated Members**

The Designated Members during the year were:

David Peters  
Christopher Scrope



## **IRG Advisors LLP**

### **Members' responsibilities statement for the year ended 30 April 2020**

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The members are responsible for preparing the members' report and financial statements in accordance with applicable law and regulation.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **IRG Advisors LLP**

## **Independent auditor's report to the Members of IRG Advisors LLP**

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### **Opinion**

We have audited the financial statements of IRG Advisors LLP ("the Limited Liability Partnership") for the year ended 30 April 2020 which comprise the statement of comprehensive income and retained earnings, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 30 April 2020 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Limited Liability Partnership 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 Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Limited Liability Partnership'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.

## **IRG Advisors LLP**

### **Independent auditor's report to the Members of IRG Advisors LLP (continued)**

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#### **Other information**

The Members 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.

We have nothing to report in this regard.

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

**We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Members**

As explained more fully in the Members' responsibilities statement, the Members 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 Members 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 Members are responsible for assessing the Limited Liability Partnership'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 Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

# IRG Advisors LLP

## Independent auditor's report to the Members of IRG Advisors LLP(continued)

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership'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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

Andrew Radford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
Date 17 August 2020

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

## IRG Advisors LLP

### Statement of comprehensive income and retained earnings for the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
<b>Turnover</b>	3	<b>92,501</b>	102,072
Cost of sales		<b>(30,778)</b>	(33,413)
<b>Gross profit</b>		<b>61,723</b>	68,659
Administrative expenses		<b>(34,056)</b>	(34,526)
<b>Operating profit</b>	4	<b>27,667</b>	34,133
Interest receivable		<b>64</b>	31
<b>Total comprehensive income for the year available for discretionary division among members</b>	10	<b>27,731</b>	34,164

There are no other recognised gains or losses other than the profit for the period.  
All amounts relate to continuing activities.

The notes on pages 9 to 16 form part of these financial statements

# IRG Advisors LLP

## Balance sheet at 30 April 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Fixed assets</b>					
Tangible assets	7		1,547		1,910
<b>Current assets</b>					
Debtors	8	48,463		46,491	
Amounts owed by Members	10	6,761		7,902	
Cash at bank and in hand		17,080		14,207	
		<u>72,304</u>		<u>68,600</u>	
<b>Creditors: amounts falling due within one year</b>	9	<b>(38,720)</b>		<b>(28,946)</b>	
<b>Net current assets</b>			<b>33,584</b>		<b>39,654</b>
<b>Net assets attributable to Members</b>			<b>35,131</b>		<b>41,564</b>
<b>Represented by:</b>					
<b>Loans and other debts due to Members within one year</b>					
Members capital classified as a liability	10		7,400		7,400
<b>Equity</b>					
Members' interests classified as equity	10		27,731		34,164
<b>Total Members' interest</b>			<b>35,131</b>		<b>41,564</b>
<b>Total Members' interest</b>					
Loans and other debts due to Members	10		7,400		7,400
Loans and other debts due from Members	10		(6,761)		(7,902)
Members' other interests	10		27,731		34,164
			<u>28,370</u>		<u>33,662</u>

The financial statements were approved and authorised for issue by the Members of the Limited Liability Partnership on and signed on behalf of the members of IRG Advisors LLP by

  
Christopher Scrope  
Designated member

14th August 2020.

The notes on pages 9 to 16 form part of these financial statements

# IRG Advisors LLP

## Notes forming part of the financial statements for the year ended 30 April 2020

### 1 Accounting policies

#### *Accounting convention*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Limited Liability Partnerships.

The address of the registered office is given on the contents page and the nature of the partnerships' operations and its principal activities are set out in the report of the members. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The factors considered by the members in exercising their judgement of the LLP's ability to operate in the foreseeable future are set out in the Strategic and members reports. The members have prepared base case financial forecasts for the period ending 31 October 2021. The uncertainty as to the future impact of the COVID-19 pandemic has been considered as part of the LLP's adoption of the going concern basis.

Forecast stress testing scenarios, in light of COVID-19, have demonstrated that the LLP could withstand both a material and prolonged decrease in revenue and maintain a positive cash position. For example, the LLP could withstand a 50% drop in revenue for the 18 month period forecast and have at their disposal, further cost saving levers to reduce their cost base, especially relating to its staff costs. The Group's bankers have indicated that they would be supportive of the LLP's banking facilities available throughout this period. The next review of the facility is due in March 2021. On this basis, the members have a reasonable expectation, that the LLP will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval of these financial statements. Accordingly, the LLP continues to adopt the going concern basis in preparing its financial statements.

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

The partnership has applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017. The policies applied by the partnership under the previous edition of FRS 102 are not materially different to FRS 102 (March 2018) and have not impacted on equity or profit or loss.

#### **Exemption from preparing consolidated accounts**

The partnership is exempt by virtue of s400 of the Companies Act 2006 from the requirements to prepare group financial statements as these financial statements are included in the consolidated financial statements of the parent, which are publicly available. These financial statements present information about the partnership as an individual and not about its group. As such, the following disclosure exemptions have been taken:

#### **Partnership disclosure exemptions**

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

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

# IRG Advisors LLP

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

### 1 Accounting policies (continued)

The following principal accounting policies have been applied:

#### *Turnover*

Turnover represents amounts receivable for services provided, net of value added tax. Revenue is recognised on completion of defined stages of work in accordance with specific terms of business agreed with the entity's clients and includes revenue from Interim contracts and advertising revenue billed to clients.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets to write off the cost or valuation, less estimated residual values, evenly over their estimated useful lives. It is calculated at the following annual rates on a straight-line basis:

Computer equipment	-	33 $\frac{1}{3}$ %
Fixtures and fittings	-	10-20%
Office equipment	-	20%

#### *Foreign currency*

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Income tax*

Income tax payable on the LLP's profits is solely the personal liability of the individual Members and consequently is not dealt with in these financial statements.

#### *Allocation of profits and drawings*

The firm's drawing policy allows each member to draw a proportion of their profit in twelve monthly instalments net of tax retention with the balance of their profits, net of tax retention, paid in the subsequent year. All payments are made subject to cash requirements of the business. Tax retentions are paid to HM Revenue and Customs on behalf of the Members, with any excess being released to Members as appropriate. To the extent that interim profit allocations exceed drawings then the excess profit is included in the balance sheet under "Loans and other debts due to Members". Where drawings exceed the allocated profits then the excess is included in Debtors.

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

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

- *Leases*

Determine whether leases entered into by the partnership either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- *Bad debt expense*

The Group assesses the need for a bad debt expense taking into account the credit terms and credit worthiness of the trade debtors held on the balance sheet. If there are indicators that the debt will not be paid, then appropriate provision is made.



# IRG Advisors LLP

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

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

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

- *Tangible assets (see note 7)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Bonus accruals*

The bonus accruals which are recognised at the balance sheet date are management's best estimates of the bonuses payable to employees. However if debtors are not recovered or the employee leaves the amounts of bonuses may vary. The methodology applied by management is based on their historical experience and is consistently applied.

- *Revenue recognition*

Revenue is recognised according to clear milestones agreed with clients. Revenue is only recognised where there is clear evidence from the client that the terms of the assignment have been agreed and the milestones achieved. One off fixed fee contracts are recognised over the period of the contract.

### 3 Turnover

	2020 £'000	2019 £'000
<i>Analysis by geographical market</i>		
United Kingdom	83,802	93,167
Rest of Europe	3,038	3,138
Rest of the World	5,661	5,767
	<u>92,501</u>	<u>102,072</u>

### 4 Operating profit

	2020 £'000	2019 £'000
This has been arrived at after charging/(crediting):		
Depreciation	548	605
Foreign exchange gain	(6)	(37)
Operating lease rentals	2,544	2,548
	<u>2,544</u>	<u>2,548</u>

Auditor's remuneration has been borne by Odgers Group Limited.

# IRG Advisors LLP

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

### 5 Members' share of profits

Profits and losses are shared by the Members at the end of the period in accordance with agreed profit and loss sharing arrangements governed by the Partnership Agreement. Members are required to make their own provision for pensions and other benefits from their profit shares.

	2020 Number	2019 Number
Average number of Members	73	73
	£'000	£'000
Average profit per member	373	453

The profit allocation of the highest paid member was £1.9m relating to the prior year distribution.

### 6 Employees

	2020 £'000	2019 £'000
Staff costs consist of:		
Wages and salaries	20,707	20,610
Social security costs	2,616	2,515
Other pension costs	872	773
	24,195	23,898
	2020 Number	2019 Number
Average number of employees		
Sales	104	99
Sales support	192	183
Administration	55	52
	351	334

# IRG Advisors LLP

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

### 7 Tangible assets

	Computer equipment £'000	Computer software £'000	Fixtures and fittings £'000	Office equipment £'000	Total £'000
<b>Cost</b>					
At 1 May 2019	1,073	441	4,629	280	6,423
Additions	173	-	12	-	185
<b>At 30 April 2020</b>	<b>1,246</b>	<b>441</b>	<b>4,641</b>	<b>280</b>	<b>6,608</b>
<b>Depreciation</b>					
At 1 May 2019	910	435	2,894	274	4,513
Provided for the year	126	3	414	5	548
<b>At 30 April 2020</b>	<b>1,036</b>	<b>438</b>	<b>3,308</b>	<b>279</b>	<b>5,061</b>
<b>Net book value</b>					
At 30 April 2020	210	3	1,333	1	1,547
At 30 April 2019	163	6	1,735	6	1,910

### 8 Debtors

	2020 £'000	2019 £'000
Trade debtors	13,701	17,126
Other debtors	318	610
Amount due from group undertakings	32,233	26,351
Amount owed from related parties	-	104
Prepayments and accrued income	2,211	2,300
	<b>48,463</b>	<b>46,491</b>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the profit or loss for the period in respect of bad and doubtful trade debtors was £306k (2019 - £256k). The impairment loss recognised in the profit or loss for the period in respect of bad and doubtful trade debts was £Nil (2019 - £Nil).

## IRG Advisors LLP

Notes forming part of the financial statements  
for the year ended 30 April 2020 (*continued*)

9 Creditors: amounts falling due within one year	2020 £'000	2019 £'000
Trade creditors	6,508	7,356
Other tax and social security	6,976	4,391
Other creditors	762	387
Amount due to group undertakings	18,272	11,274
Amount due to related parties	478	290
Accruals and deferred income	5,724	5,248
	<u>38,720</u>	<u>28,946</u>

# IRG Advisors LLP

## Notes forming part of the financial statements for the year ended 30 April 2020 (continued)

### 10 Members' interest

	Members' equity interests £'000	Members' capital and Other Amounts classified as liabilities £'000	Total £'000
Amounts due to Members	26,829	7,400	34,229
Amounts due from Members	-	(7,781)	(7,781)
Members' interest at 30 April 2018	26,829	(381)	26,448
Profit for the financial year available for discretionary division among Members	33,164	-	34,164
Members' interest after profit for the year	60,993	(381)	60,612
Allocated during the year	(26,829)	26,829	-
Drawings	-	(26,448)	(26,448)
Amounts due to Members	33,164	7,400	41,564
Amounts due from Members	-	(7,902)	(7,902)
Members' interest at 30 April 2019	34,164	(502)	33,662
Profit for the financial year available for discretionary division among Members	27,731	-	27,731
Members' interest after profit for the year	61,895	(502)	61,393
Allocated during the year	(34,164)	34,164	-
Drawings	-	(33,662)	(33,662)
Amounts due to Members	27,731	7,400	35,131
Amounts due from Members	-	(6,761)	(6,761)
Members' interest at 30 April 2020	27,731	639	28,370

Capital is repayable in accordance with the terms set out in the Partnership Agreement.

Members' capital and other debts rank after unsecured creditors in the event of a winding up.

# IRG Advisors LLP

Notes forming part of the financial statements  
for the year ended 30 April 2020 (continued)

## 11 Reserves

### Members' interests classified as equity

The balance held on this reserve is the accumulated retained profits to be allocated to the members of the LLP.

## 12 Related party transactions

	2020 £'000	2019 £'000
<b>Odgers Berndtson Switzerland</b>		
Net sales and purchases of goods and services	90	11
<b>Odgers Berndtson LLC</b>	£'000	£'000
Net sales and purchases of goods and services	225	308

The following receivables balances relating to group companies which are not wholly owned subsidiaries of IRG Advisors LLP is given below:

	2020 £'000	2019 £'000
<b>Odgers Berndtson Switzerland</b>		
Trading balances	(11)	104
<b>Odgers Berndtson LLC</b>	£'000	£'000
Trading balances (payable)	(467)	(290)

The Limited Liability Partnership has taken advantage of the exemption conferred by FRS 102, not to disclose transactions with Members of the group headed by Odgers Group Limited where 100% of the voting rights in the entities are controlled within that group and included in consolidated financial statements.

## 13 Ultimate controlling parties

The immediate parent is International Resources Group Limited. The ultimate parent company is Odgers Group Limited.

In the opinion of the members, there is no one controlling party.