

RSM Employer Services Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2020



RSM Employer Services Limited

DIRECTORS AND OFFICERS

for the year ended 31 March 2020

Directors

D C Buxton
M J A Holland
R M Ross
S C Sweetlove
J R Taylor

Company number

06463594 (England and Wales)

Registered office

6th Floor
25 Farringdon Street
London
EC4A 4AB

Auditor

Moore Kingston Smith LLP
Charlotte Building
17 Gresse Street
London
W1T 1QL

RSM Employer Services Limited

DIRECTORS' REPORT

for the year ended 31 March 2020

The directors submit their report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company is the provision of outsourced back office services. RSM Employer Services Limited utilises cloud technology and specialises in providing its clients with an integrated range of online and outsourced services including payroll, company secretarial, human resources and timesheet/billing systems. The company develops and supports its own payroll and time and billing applications as well as licencing other application software that it uses to deliver services to its client base.

Review of the business

The results for the company show a profit before taxation of £469,000 (2019: £713,000) for the year and turnover of £13,415,000 (2019: £13,184,000).

Approximately £500,000 annual revenue was transferred to a different group entity at the start of the financial year. Notwithstanding this transfer the company has shown further growth in activity during the year with profitability being impacted by the full-year costs of the investments in senior personnel made last year to ensure that service quality is enhanced to our clients. Early indications for the current year are that market conditions remain reasonably stable, but uncertainty continues to exist around the potential impact of the Covid-19 pandemic in both the short and medium terms.

A dividend of £400,000 representing £400 per share, was approved in the year (2019: £250,000, representing £250 per share).

The company uses key performance indicators such as clients secured, margin performance, actual overheads against budget and new software developed against the planned development roadmap to monitor the performance of the business.

Principal risks and uncertainties

The principal risks to the business arise mainly from the failure to retain clients and win new work. The impact of the Covid-19 pandemic is also a key uncertainty and the directors continue to monitor government advice, as released, to ensure that staff are protected and that client delivery is maintained during these uncertain times. The company manages the risks associated with client retention and new work winning by providing a value added, client focused service and maintaining strong relationships with its clients.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by the company's activities.

Directors

The directors who served the company during the year were as follows:

D C Buxton
M J A Holland
J M Jones
R M Ross
S C Sweetlove
J R Taylor
N J Tristem

(appointed 15 January 2020 and resigned 22 June 2020)

(resigned 15 January 2020)

RSM Employer Services Limited

DIRECTORS' REPORT (continued)
for the year ended 31 March 2020

Auditor

The auditor, Moore Kingston Smith LLP, Chartered Accountants, has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any audit information and to establish that it has been communicated to the auditor.

The company has taken advantage of the small companies exemption not to prepare a Strategic Report.

On behalf of the board



J R Taylor
Director

4 September 2020

RSM Employer Services Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102).

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. 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 to enable them to ensure that the financial statements comply with the requirements of 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.

RSM Employer Services Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSM EMPLOYER SERVICES LIMITED

for the year ended 31 March 2020

Opinion

We have audited the financial statements of RSM Employer Services Limited for the year ended 31 March 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity 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 FRS 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 31 March 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.

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.

RSM Employer Services Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSM EMPLOYER SERVICES LIMITED (continued) for the year ended 31 March 2020

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from preparing a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

RSM Employer Services Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSM EMPLOYER SERVICES LIMITED (continued) for the year ended 31 March 2020

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

John Staniforth (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Charlotte Building
17 Gresse Street
London
W1T 1QL

Date: 9 September 2020

RSM Employer Services Limited

INCOME STATEMENT

for the year ended 31 March 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|--|-------|---------------|---------------|
| Turnover | 1 | 13,415 | 13,184 |
| Cost of sales | | (5,658) | (5,266) |
| Gross profit | | 7,757 | 7,918 |
| Administrative expenses | | (7,276) | (7,192) |
| Operating profit | | 481 | 726 |
| Finance costs | 2 | (12) | (13) |
| Profit on ordinary activities before taxation | 3 | 469 | 713 |
| Taxation | 5 | (78) | (132) |
| Profit on ordinary activities after taxation | | 391 | 581 |

The profit before taxation for the year arises from the company's continuing operations.

The company had no items of other comprehensive income in either the current or previous year.

RSM Employer Services Limited


STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

(Company Registration Number: 06463594)

| | Notes | 2020 £'000 | 2019 £'000 |
|---|-------|---------------|---------------|
| Current assets | | | |
| Debtors | 7 | 2,556 | 2,428 |
| Creditors: amounts falling due within one year | 8 | (1,981) | (1,661) |
| Net current assets | | 575 | 767 |
| Total assets less current liabilities | | 575 | 767 |
| Provisions | 9 | (13) | (196) |
| Net assets | | 562 | 571 |
| Capital and reserves | | | |
| Called up share capital | 10 | 1 | 1 |
| Profit and loss account | | 561 | 570 |
| Shareholders' funds | | 562 | 571 |

The financial statements on pages 7 to 16 were approved by the board of directors and authorised for issue on 4 September 2020 and are signed on its behalf by:



J R Taylor
Director

RSM Employer Services Limited

STATEMENT OF CHANGES IN EQUITY

as at 31 March 2020

| | Notes | Share capital £'000 | Profit and loss account £'000 | Total £'000 |
|---|-------|------------------------|-------------------------------------|----------------|
| Balance at 1 April 2018 | | 1 | 239 | 240 |
| Profit for the year | | - | 581 | 581 |
| Total comprehensive income for the year | | - | 581 | 581 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends | 6 | - | (250) | (250) |
| Total transactions with owners in their capacity as owners | | - | (250) | (250) |
| Balance at 31 March 2019 | | 1 | 570 | 571 |
| Profit for the year | | - | 391 | 391 |
| Total comprehensive income for the year | | - | 391 | 391 |
| Transactions with owners in their capacity as owners: | | | | |
| Dividends | 6 | - | (400) | (400) |
| Total transactions with owners in their capacity as owners | | - | (400) | (400) |
| Balance at 31 March 2020 | | 1 | 561 | 562 |

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

RSM Employer Services Limited

ACCOUNTING POLICIES

for the year ended 31 March 2020

General information

RSM Employer Services Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales.

The registered office address of the Company is 6th Floor, 25 Farringdon Street, London, EC4A 4AB.

The principal activity of the Company is disclosed in the Directors' Report.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 and under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the limited company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds sterling.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statements of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – 11.42 Disclosure of terms and conditions of related party debt.

The financial statements of the Company are consolidated in the financial statements of RSM UK Holdings Limited. The consolidated financial statements are available from the registered office, 6th Floor, 25 Farringdon Street, London, EC4A 4AB.

Going concern

The impact of the Covid-19 pandemic, and the government advice provided, is being continually monitored by the directors to ensure that staff are protected, and that client delivery is maintained during these uncertain times. The company manages the risks associated with client retention and new work winning by providing a value added, client focused service and maintaining strong relationships with its clients. Along with the above a review of detailed budgets and cash flow forecasts has been completed and the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

Turnover

Turnover represents amounts chargeable to clients for professional services provided during the year, inclusive of direct expenses incurred on client assignments but excluding value added tax. Turnover is recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of the work performed.

Turnover is not recognised where the right to receive payment is contingent on events outside the control of the Company. Unbilled revenue is included in debtors as 'Amounts recoverable on client services'. Amounts billed on account in excess of the amounts recognised as revenue are included in creditors as 'Payments received on account'.

RSM Employer Services Limited

ACCOUNTING POLICIES (continued) for the year ended 31 March 2020

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax is based on taxable profit for the year. Current tax liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 balance sheet date. Timing differences are differences between the taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised 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 substantively enacted by the balance sheet date.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

The Company only has basic financial assets and liabilities and does not enter into financing transactions. They are measured initially at transaction price and subsequently at amortised cost, being transaction price less amounts settled and (in respect of debtors) any impairment losses.

Trade debtors

Trade debtors are initially recognised at fair value. They are subsequently measured at amortised cost less any provision for impairment. A provision for impairment is made where there is objective evidence (such as customers with financial difficulties or in default on payments) that amounts will not be recovered in accordance with the original terms of the agreement.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Company makes provisions for any known professional indemnity claims based on an estimate of likely economic outflow arising for each claim.

In the prior year an error in the application of the Group's and company accounting policy was noted affecting 2019 and earlier year-ends. This arose from an error in the calculation of the professional liability claims provision. The directors have reviewed the impact upon the company of amending retrospectively and deemed the adjustment to be immaterial. The directors have therefore amended this error prospectively. The impact of this adjustment is an increase of £0.144m in the profit for the current year along with a decrease of £0.169m in the professional indemnity provision and a decrease of £0.025m in other debtors.

RSM Employer Services Limited

ACCOUNTING POLICIES (continued)

for the year ended 31 March 2020

Critical accounting estimates and areas of judgement

Estimates and judgements 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.

A key area of judgement relates to the professional indemnity claims provision. At 31 March 2020 the professional indemnity provision totals £13,000 (2019: £196,000). The timing of settlement of this liability is uncertain.

RSM Employer Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. Turnover

The company's turnover was all derived from the principal activity, carried on substantially within the UK.

2. Finance Costs

| | 2020 £'000 | 2019 £'000 |
|--------------|---------------|---------------|
| Bank charges | (12) | (13) |
| | <u>(12)</u> | <u>(13)</u> |

3. Profit on ordinary activities before taxation

The auditor's remuneration is paid by and charged to the ultimate controlling undertaking, RSM UK Holdings Limited.

4. Employees

| | 2020 Number | 2019 Number |
|---|----------------|----------------|
| Number of employees: The average monthly number of employees (including directors) during the period was: | | |
| Directors | <u>6</u> | <u>5</u> |

None of the directors received any remuneration from the company during the year (2019: £nil).

A management charge has been made by RSM UK Management Limited and RSM UK Tax and Accounting Limited, both related businesses, for the provision of staff services to the company.

5. Taxation

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Current tax: UK Corporation tax | 66 | 100 |
| Total current tax charge | <u>66</u> | <u>100</u> |
| Deferred tax: Origination and reversal of timing differences | 26 | 32 |
| Effect of tax rate change on opening balance | (14) | - |
| Total deferred tax charge | <u>12</u> | <u>32</u> |
| Tax charge on profit on ordinary activities | <u>78</u> | <u>132</u> |

RSM Employer Services Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

5. Taxation (continued)

A reduction to the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. On the 17 March 2020 the Finance Bill 2020 was substantively enacted which confirmed that the UK corporation tax rate would remain at 19%.

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2019: 19%).

Factors affecting the tax charge for the year:

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before taxation | 473 | 713 |
| Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19% (2019: 19%) | 90 | 135 |
| Expenses not deductible for tax purposes | 2 | 1 |
| Difference in deferred tax rate to reconciliation rate | (14) | (4) |
| Total tax charge | 78 | 132 |

The company has tax losses carried forward of £376,747 (2019: £520,797).

6. Dividends

A dividend of £400,000 was approved this year representing £400 per share (2019: £250,000 representing £250 per share).

7. Debtors

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Amounts due within one year: | | |
| Trade debtors | 2,322 | 2,158 |
| Amounts recoverable on client services | 126 | 125 |
| Other debtors | - | 25 |
| | 2,448 | 2,308 |
| Amounts due after more than one year: | | |
| Deferred tax | 108 | 120 |
| | 2,556 | 2,428 |

RSM Employer Services Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

7. Debtors (continued)

The balance for deferred tax is calculated as follows:

| | | |
|--|-------|-------|
| Accelerated capital allowances | 36 | 31 |
| Tax losses carried forward | 72 | 89 |
| | <hr/> | <hr/> |
| Provision for deferred tax | 108 | 120 |
| | <hr/> | <hr/> |
| Balance brought forward | 120 | 147 |
| Deferred tax charge in the income statement for the year | (12) | (32) |
| Deferred tax transfer | - | 5 |
| | <hr/> | <hr/> |
| Balance carried forward | 108 | 120 |
| | <hr/> | <hr/> |

8. Creditors: amounts falling due within one year

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Amounts owed to group and related undertakings | 1,558 | 1,236 |
| Taxes and social security costs | 193 | 189 |
| Corporation tax | 66 | 100 |
| Payments received on account | 130 | 112 |
| Other creditors | 34 | 24 |
| | <hr/> | <hr/> |
| | 1,981 | 1,661 |
| | <hr/> | <hr/> |

9. Provisions

| | |
|------------------------------------|-------|
| Professional indemnity provisions: | £'000 |
| At 1 April 2019 | 196 |
| Provision utilised in year | (81) |
| Credit to the income statement | (77) |
| Credit to other debtors | (25) |
| | <hr/> |
| At 31 March 2020 | 13 |
| | <hr/> |

The professional indemnity provision represents the estimated cost of defending and concluding claims. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain.

RSM Employer Services Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2020

10. Share capital

| | 2020 £'000 | 2019 £'000 |
|--------------------------------------|---------------|---------------|
| Authorised: | | |
| 1,000 Ordinary 'A' shares of £1 each | 1 | 1 |
| 1,000 Ordinary 'B' shares of £1 each | 1 | 1 |
| | <u>2</u> | <u>2</u> |
| Allotted, called up and fully paid: | | |
| 850 Ordinary 'A' shares of £1 each | 1 | 1 |
| 150 Ordinary 'B' shares of £1 each | - | - |
| | <u>1</u> | <u>1</u> |

The 'A' and 'B' shares rank pari passu in all respects.

The ordinary shares do not carry any rights to fixed income and there are no restrictions on the distribution of dividends and repayments of capital.

11. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

12. Control

The company is controlled by Arrandco Investments Limited, registered in England and Wales, which owns 100% of the issued share capital. In turn, Arrandco Investments Limited is a wholly owned subsidiary of RSM UK Holdings Limited, which is incorporated in England and Wales, and is the ultimate controlling party.

The largest and smallest group preparing group accounts that include the results of the company is RSM UK Holdings Limited and copies are available from 6th Floor, 25 Farringdon Street, London, EC4A 4AB.

13. Post balance sheet events and Covid-19

Consideration has been given by the directors in relation to the ongoing Covid-19 pandemic. Further detail has been provided in accounting policies under going concern. There have been no material post balance sheet events to note.