

Registered number: 10055316

## RINA CONSULTING DEFENCE LIMITED

### UNAUDITED DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## **RINA CONSULTING DEFENCE LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	A Crocker MD Bairstow S Socci
<b>Company secretary</b>	A Crocker
<b>Registered number</b>	10055316
<b>Registered office</b>	Cleeve Road Leatherhead Surrey KT22 7SA

## **RINA CONSULTING DEFENCE LIMITED**

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## **RINA CONSULTING DEFENCE LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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

#### **Principal activities and review of the business**

The profit for the year, after taxation, amounted to £822,000 (2018 - £22,000).

The directors do not recommend a final dividend (2018 - £nil).

The principal activity of the Company is that of the provision of specialist engineering consultancy services to owners and operators of large-value capital assets and systems; helping clients to reduce risk, improve operational performance and comply with functional safety and regulatory requirements.

#### **Directors**

The directors who served during the year were:

A Bombardi (resigned 15 January 2019)  
A Crocker  
MD Bairstow  
S Socci (appointed 15 January 2019)

#### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



**A Crocker**  
Director

Date: 18/12/2020 .

## **RINA CONSULTING DEFENCE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

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 the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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 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.

## RINA CONSULTING DEFENCE LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £000	2018 £000
Turnover	8,450	6,707
Cost of sales	(6,152)	(5,508)
<b>Gross profit</b>	<b>2,298</b>	<b>1,199</b>
Administrative expenses	(1,471)	(1,177)
<b>Operating profit</b>	<b>827</b>	<b>22</b>
Tax on profit	(5)	-
<b>Profit for the financial year</b>	<b>822</b>	<b>22</b>

There was no other comprehensive income for 2019 (2018 - £NIL).

The notes on pages 6 to 13 form part of these financial statements.

**RINA CONSULTING DEFENCE LIMITED**  
**REGISTERED NUMBER:10055316**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	4	542	680
Tangible assets	5	17	7
		<u>559</u>	<u>687</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	2,585	4,264
Cash at bank and in hand	7	1,085	351
		<u>3,670</u>	<u>4,615</u>
Creditors: amounts falling due within one year	8	(1,593)	(5,116)
<b>Net current assets/(liabilities)</b>		<u>2,077</u>	<u>(501)</u>
<b>Total assets less current liabilities</b>		<u>2,636</u>	<u>186</u>
Creditors: amounts falling due after more than one year	9	(1,628)	-
<b>Net assets</b>		<u><u>1,008</u></u>	<u><u>186</u></u>
<b>Capital and reserves</b>			
Profit and loss account		1,008	186
		<u><u>1,008</u></u>	<u><u>186</u></u>

**RINA CONSULTING DEFENCE LIMITED**  
**REGISTERED NUMBER:10055316**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



**A Crocker**  
Director

Date: 14/12/2020

The notes on pages 6 to 13 form part of these financial statements.



## **RINA CONSULTING DEFENCE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. General information**

RINA Consulting Defence Limited (the Company) is a limited company incorporated in the United Kingdom. The address of its principal place of business is Cleeve Road, Leatherhead, Surrey, KT22 7SA.

The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of RINA S.p.A as at 31 December 2019 and these financial statements may be obtained from the Chamber of Commerce of Genoa, Piazza de Ferrari 2, Genoa, Italy.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. Accounting policies (continued)**

**2.3 Going concern**

The directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the directors have given due consideration to the impact of the worldwide Covid-19 pandemic on future operations and the ability of the Company to continue to as a going concern. The directors recognise that the situation remains highly fluid and as a result making accurate forecasts on the likely implications is difficult but the directors do recognise that trading over the coming months is likely to be adversely affected.

Despite this, the directors remain confident that the Company can continue to operate as a going concern. This assessment is based on the understanding that the Company and the wider group will continue to trade over the coming months, albeit it at a potentially reduced level than was initially anticipated. This, along with making use of government measures to support businesses and retained reserves will allow the Company to continue to meet it's obligations as they fall due and operate as a going concern. The Company is part of a group which has access to a revolving credit facility with the bank and believes that it will continue to operate within this facility.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

**2.4 Related party transactions**

As the Company is a wholly owned subsidiary of RINA S.p.A, the Company has taken advantage of the exemption contained in Section 1AC.35 of FRS 102 and has therefore not disclosed transactions with wholly owned subsidiaries which form part of the RINA Group of companies.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. Accounting policies (continued)**

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

**2.6 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.7 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. Accounting policies (continued)**

**2.8 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.9 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.10 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**2.11 Intangible assets**

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

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

**2.12 Tangible fixed assets**

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

## **RINA CONSULTING DEFENCE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. Accounting policies (continued)**

##### **2.12 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Plant and machinery	- 3 to 10 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### **2.13 Debtors**

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

##### **2.14 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.15 Creditors**

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

##### **2.16 Financial instruments**

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

## RINA CONSULTING DEFENCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3. Employees

The average monthly number of employees, including directors, during the year was 83 (2018 - 83).

#### 4. Intangible assets

	Development expenditure £000
<b>Cost</b>	
At 1 January 2019	870
Additions	198
At 31 December 2019	<u>1,068</u>
<b>Amortisation</b>	
At 1 January 2019	190
Charge for the year on owned assets	336
At 31 December 2019	<u>526</u>
<b>Net book value</b>	
At 31 December 2019	<u>542</u>
At 31 December 2018	<u>680</u>

# **RINA CONSULTING DEFENCE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **5. Tangible fixed assets**

	Plant and machinery £000
<b>Cost or valuation</b>	
At 1 January 2019	11
Additions	15
	<hr/>
At 31 December 2019	26
	<hr/>
<b>Depreciation</b>	
At 1 January 2019	4
Charge for the year on owned assets	5
	<hr/>
At 31 December 2019	9
	<hr/>
<b>Net book value</b>	
At 31 December 2019	17
	<hr/>
At 31 December 2018	7
	<hr/>

### **6. Debtors**

	2019 £000	2018 £000
Trade debtors	722	1,350
Amounts owed by group undertakings	480	1,678
Other debtors	1	5
Prepayments and accrued income	1,382	1,231
	<hr/>	<hr/>
	2,585	4,264
	<hr/>	<hr/>

### **7. Cash and cash equivalents**

	2019 £000	2018 £000
Cash at bank and in hand	1,085	351
	<hr/>	<hr/>

# **RINA CONSULTING DEFENCE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **8. Creditors: Amounts falling due within one year**

	2019 £000	2018 £000
Trade creditors	89	124
Amounts owed to group undertakings	421	4,072
Other taxation and social security	543	416
Other creditors	79	80
Accruals and deferred income	461	424
	<u>1,593</u>	<u>5,116</u>

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

	2019 £000	2018 £000
Amounts owed to group undertakings	<u>1,628</u>	<u>-</u>

### **10. Share capital**

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
100 (2018 - 100) Ordinary shares of £1.00 each	<u>-</u>	<u>-</u>

### **11. Ultimate parent undertaking and controlling party**

The Company is a subsidiary undertaking of RINA Tech UK Limited (previously RINA Consulting Limited) which is incorporated in England and Wales. The Company's ultimate parent undertaking is Registro Italiano Navale which is incorporated in Italy.

The largest and smallest group in which the Company are consolidated is that headed by RINA S.p.A incorporated in Italy. The group financial statements of this group are available from the Chamber of Commerce of Genoa, Piazza de Ferrari 2, Genoa, Italy.