

Registered number: 09592767

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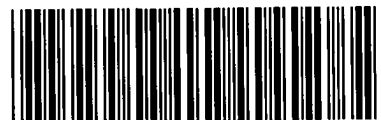
**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**COMPANY INFORMATION**

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<b>Directors</b>	T S Prabhu J B Grady Lady B S Judge J Wild
<b>Company secretary</b>	L S Roberts
<b>Registered number</b>	09592767
<b>Registered office</b>	5 Manchester Square London W1U 3PD
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**CONTENTS**

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	Page
<b>Group strategic report</b>	<b>1 - 3</b>
<b>Directors' report</b>	<b>4 - 5</b>
<b>Independent auditor's report</b>	<b>6 - 8</b>
<b>Consolidated statement of comprehensive income</b>	<b>9</b>
<b>Consolidated statement of financial position</b>	<b>10 - 11</b>
<b>Company statement of financial position</b>	<b>12</b>
<b>Consolidated statement of changes in equity</b>	<b>13 - 14</b>
<b>Company statement of changes in equity</b>	<b>15</b>
<b>Notes to the financial statements</b>	<b>16 - 43</b>

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## RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Introduction

The principal activity of the group during the year was all disciplines of architecture, consulting engineering and project management including specialist areas such as mechanical and electrical, building structures, civil engineering, land development and regeneration infrastructure, traffic & transportation rail, intelligent transportation systems, fire engineering, waste management, power including nuclear power, water, wastewater and environmental engineering, sustainable development, facilities management and property services.

RSBG Infrastructure expanded the services during 2018 to include architectural design and delivery services through a newly acquired subsidiary Leslie Jones Architects.

#### Business review

Our successes to date have been the result of targeting and winning medium term contracts with high quality clients, many being blue chip companies or government or public sector bodies both in the UK and overseas. In the UK, our focus is on existing clients with whom we have a history of repeat business. Overseas, we are working on World Bank and Sovereign Fund sponsored projects, often with the same clients with whom we work in the UK.

Each of our principal UK offices has medium term framework contracts, which provide core profitability and cash flow. Our framework clients include: South West Water, Homes & Communities Agency, Transport for London, Highways England, West Midlands Passenger Transport Executive as well as various Local Authorities. In London, we are working for Land Securities, Oxford University, McLaren Construction (South) Ltd and Yoo Capital on high profile building structures projects.

We performed extremely well on a number of big projects in the United Kingdom that have assisted in our growth over and above our 2017 turnover levels. Most notably this would include the Midland Metro project, Specialist, Professional and Technical Services (SPATS) framework with Highways England, Luton Century Park project, and promising starts with Kensington Olympia and Winstanley/Yorke Road. Our Water sector grew with additional revenue from the Wessex Water contract.

Our cash flows for the foreseeable future are therefore highly visible, and this together with our existing balance sheet strength puts us in a strong position to benefit from a wide variety of market opportunities. As a result of the economic upturn and, in line with the industry as a whole, we have undertaken a recruitment drive to reflect our burgeoning order book. However, we continue to monitor resource utilisation, job profitability, invoicing and cash collection very closely.

The outlook for the Group for the next financial year and beyond is stable, reflecting a core level order book in the UK and overseas. Following the upturn in worldwide economic growth, our successful orientation towards overseas markets means we are well placed to win further work in the growing markets of India and the Middle East.

Finally, RSBG Infrastructure subsidiaries will capitalise on the opportunities derived through being part of the RSBG group of companies, including synergies and investments in joint initiatives such as 5D BIM and digitalisation. These initiatives will keep RSBG Infrastructure group at the forefront of technological progress in the industry.

#### Results and dividends

RSBG Infrastructure group results for 2018 displayed a positive financial year. Growth in turnover throughout 2018 provided steady revenue and profits. Turnover for 2018 was £75.2m (£55.9m: 2017), with Gross Profit at £23.7m (£17.7m: 2017) and pre-tax profits at £2.1m (£370k: 2017). On the back of these results, dividends of £2.9m (£1.7m: 2017) were declared and paid in the year. Throughout the year the company maintained a strong cash flow position, reflecting the high level of financial management controls which our systems and processes

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## RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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underpin.

#### Principal risks and uncertainties

**Economic environment:** We monitor economic indicators and sentiment in the markets in which we operate. The company is a subsidiary of a strong group, capable of withstanding economic instability working in a diverse portfolio of sectors, markets and regions, monitoring our staffing levels, job profitability and cash flows and by building realism and flexibility into future plans.

**Environmental:** The nature of the construction industry naturally impacts on the natural environment. As consultants, we have a responsibility to minimise and mitigate any damage to the environment and improve it for the benefit of all concerned. The business had identified its aspects and subsequent impacts on the natural world. We employ a dedicated environmental team who provide advice as required to clients and staff. All our staff have received environmental awareness training.

**Financial:** Where possible the group manages risk of foreign exchange rate movements by the natural hedge of employing local staff, or by taking out forward exchange rate contracts where the future receipt rate of foreign exchanging monies is known. When working for an overseas government client represents a potential counter party risk we have taken out the relevant credit insurance to mitigate that risk.

**Geo political:** Political instability in the regions within which we operate can threaten our ability to deliver contractual services and receive payment as well as endangering the safety of our staff. We obtain the latest professional risk and security information before engaging in contracts in new geographies and continue to monitor the stability and seek professional advice in respect of the markets in which we trade.

**Government Policy:** We operate in a fluid competitive environment which may be altered by government changes in the regulatory environment, changes in public sector procurement practices, or by any significant industry consolidation. We seek to mitigate this risk by regularly monitoring market developments and competitor activity and undertaking benchmarking processes.

**Health and safety:** Our business is concerned with the build environment and this entails significant safety and health risks. Should the group's policy or practice in this area prove inadequate, there would be a consequent risk to employees, clients, contractors and third parties. We take safety and health seriously and ensure that all staff are appropriately trained, and procedures are continuously reviews and improved. We have recently introduced a series of Corner interactive training and assessment modules for use by all staff.

**Markets:** The nature of the contracting environment inevitably changes over time. More and more clients seek to transfer risk to consultants; contractors will also seek to share risks. We only accept risks that are sufficiently well understood and evaluated, and to facilitate this we have implemented a companywide training programme in contract risk management review procedures which forces contract terms to be subject to appropriate scrutiny and manageable risks to be reduced.

**Physical and data security:** Our business is dependent on the secure storage and transmission of data in either physical or electronic form. However, the risk remains that confidential client business or personal data is mishandled, resulting in breach of contract, the inappropriate release of commercially sensitive information or the loss of personal information of our clients or employees. In addition, our business systems are always a target for hackers and viruses. We use appropriate physical security, secure networks and encryption in order to protect data. We train staff on best practice in formation security and confidentiality. The directors seek to ensure best practice and raise the profile of security across the business.

**Project management:** Managing projects is core to our business. Inadequate project management skills could lead to financial and reputational loss. Our internal processes mitigate these risks with mandatory adherence to internal project management systems and processes linked to our internal quality control processes and augmented by, regular audit, ongoing training and selective recruitment.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Reputation risk:** Our group of business's has been built on repeat business with core clients to whom we deliver our services on budget and on time. There is a risk that a major failure from poor design, poor project management or delivery could impact our ability to win future work. We mitigate this risk by managing our contractual commitments and ensuring we have robust cost and project management systems linked to our internal quality processes.

**Staff recruitment and retention:** Our staff and sub consultants are our key resource. Failure to recruit and retain top quality staff would constrain our growth and prevent us achieving our potential. We have to compete with a large number of other organisations to secure the best of the available talent. There has been a noticeable increase in the level of activity within the private sector in the UK. This, coupled with more buoyant markets and therefore good opportunities overseas, particularly in the Middle East, continues to result in competition for the best people and the whole industry sector has seen an increase in voluntary turnover from previous years. We therefore continue to focus on all of our people policies, including a continued investment in training and employee communications. We continue to participate in external salary and benefit surveys to ensure we remain competitive. We continue to improve the range of benefits available under our flexible benefits package. We have also continued to make a number of strategic appointments to improve the business.

**Technical design and consultancy contracts:** The group has an un quantified contingent liabilities arising in the normal course of business under engineering design and consultancy contracts, however the company is covered by professional indemnity insurance in respect of any claims.

**Financial key performance indicators**

The Directors use a range of performance measures to monitor and manage the business. Certain of these are particularly important in the generation of shareholder value and are considered key performance indicators (KPIs). Our KPIs measure past performance and also provide information to allow us to manage the business in the future. Turnover, gross profit %, EBITDA and operating cash flow indicate the activity of the company, and the efficiency with which we have turned operating performance into cash. KPIs for the year ended 31 December 2018 are turnover of £75.2m (2017: £55.9m), gross profit % of 31.5% (2017: 31.6%) and EBITDA of £7.5m (2017: £4.2m).

This report was approved by the board on

26/04/2019

and signed on its behalf.

  
J B Grady  
Director

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## **RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £837,699 (2017 - loss £748,744).

The Company paid a dividend amounting to £2,941,176 (2017: £1,700,000).

#### **Directors**

The directors who served during the year were:

T S Prabhu  
J B Grady  
Lady B S Judge  
J Wild

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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, including FRS 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 and profit or loss of the Group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### **Employee involvement**

The Group attaches considerable importance to ensuring that all its employees are provided with information concerning them as employees. The Group's policies and processes allow this to take place by direct discussion and face to face meetings. The Group will continue to develop information and consultation processes to continue to meet its employee and communication goals.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Qualifying third party indemnity provisions**

The Company has made an indemnity for the benefit of the directors which is a qualifying indemnity provision for the purposes of Section 234 of the Companies Act 2006.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Matters covered in the strategic report**

The directors have reviewed the Group's performance in the strategic report for the year ended 31 December 2018.

**Disclosure of information to auditor**

The directors confirm that:

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

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

26/04/2019

and signed on its behalf.

  
**J B Grady**  
Director





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSBG INFRASTRUCTURE LTD  
(FORMERLY RSBG INVESTMENT LTD)**

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**Opinion**

We have audited the financial statements of RSBG Infrastructure Ltd (formerly RSBG Investment Ltd) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2018, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's 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 Group 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 Group's or the parent 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSBG INFRASTRUCTURE LTD  
(FORMERLY RSBG INVESTMENT LTD) (CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Strategic report and Directors' 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

**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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
  - the parent Company 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.
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSBG INFRASTRUCTURE LTD  
(FORMERLY RSBG INVESTMENT LTD) (CONTINUED)**

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 4, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

David White BA FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
Date: 29/4/19

RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	75,201,260	55,927,705
Cost of sales		(51,529,818)	(38,277,672)
<b>Gross profit</b>		<b>23,671,442</b>	<b>17,650,033</b>
Administrative expenses		(22,141,186)	(17,918,273)
Other operating income	5	609,173	719,832
<b>Operating profit before depreciation, amortisation and loss on disposal of tangible fixed assets (adjusted EBITDA)</b>		<b>7,522,547</b>	<b>4,201,180</b>
Depreciation and amortisation	6	(5,374,228)	(3,748,550)
Loss on disposal of tangible fixed assets	6	(8,990)	(1,038)
<b>Operating profit</b>	6	<b>2,139,429</b>	<b>451,592</b>
Interest receivable and similar income	10	126,635	4,059
Interest payable and expenses	11	(160,672)	(86,038)
<b>Profit before taxation</b>		<b>2,105,392</b>	<b>369,613</b>
Tax on profit	12	(1,267,693)	(1,118,357)
<b>Profit/(loss) for the financial year</b>		<b>837,699</b>	<b>(748,744)</b>
Foreign exchange reserve movement		(87,254)	(65,790)
<b>Other comprehensive income for the year</b>		<b>(87,254)</b>	<b>(65,790)</b>
<b>Total comprehensive income for the year attributable to owners of the parent company</b>		<b>750,445</b>	<b>(814,534)</b>

The notes on pages 16 to 43 form part of these financial statements.

All results relate to continuing operations

**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**  
**REGISTERED NUMBER:09592767**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	14	58,959,767	55,798,655
Tangible assets	15	1,338,517	1,001,291
		<u>60,298,284</u>	<u>56,799,946</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	30,328,503	20,749,758
Cash at bank and in hand	18	5,023,519	4,095,180
		<u>35,352,022</u>	<u>24,844,938</u>
Creditors: amounts falling due within one year	19	(51,953,165)	(33,544,331)
<b>Net current liabilities</b>		<u>(16,601,143)</u>	<u>(8,699,393)</u>
<b>Total assets less current liabilities</b>		<u>43,697,141</u>	<u>48,100,553</u>
Creditors: amounts falling due after more than one year	20	(508,955)	(2,920,000)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(5,862,031)	(5,509,765)
Other provisions	23	(548,550)	(702,452)
		<u>(6,410,581)</u>	<u>(6,212,217)</u>
<b>Net assets</b>		<u><u>36,777,605</u></u>	<u><u>38,968,336</u></u>

**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**  
**REGISTERED NUMBER:09592767**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Capital and reserves</b>			
Called up share capital	24	3,457	3,457
Share premium account	25	7,199,443	7,199,443
Foreign exchange reserve	25	28,213	115,467
Other reserve	25	36,136,274	36,136,274
Profit and loss account	25	(6,589,782)	(4,486,305)
		<u>36,777,605</u>	<u>38,968,336</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £2,902,422 (2017: £1,875,475).

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

  
**J B Grady**  
 Director

26/04/2019

The notes on pages 16 to 43 form part of these financial statements.

**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**  
**REGISTERED NUMBER:09592767**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	16	35,070,992	13,695,534
		<u>35,070,992</u>	<u>13,695,534</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	3,905,151	13,884,737
Cash at bank and in hand	18	1,583,241	365
		<u>5,488,392</u>	<u>13,885,102</u>
Creditors: amounts falling due within one year	19	(33,318,086)	(18,380,584)
<b>Net current liabilities</b>		<u>(27,829,694)</u>	<u>(4,495,482)</u>
<b>Total assets less current liabilities</b>		<u>7,241,298</u>	<u>9,200,052</u>
Creditors: amounts falling due after more than one year	20	-	(1,920,000)
<b>Net assets</b>		<u><u>7,241,298</u></u>	<u><u>7,280,052</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	3,457	3,457
Share premium account	25	7,199,443	7,199,443
Profit and loss account	25	38,398	77,152
		<u><u>7,241,298</u></u>	<u><u>7,280,052</u></u>

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

  
**J B Grady**  
 Director

26/04/2019

The notes on pages 16 to 43 form part of these financial statements.

**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Called up share capital £</b>	<b>Share premium account £</b>	<b>Foreign exchange reserve £</b>	<b>Other reserve £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>At 1 January 2018</b>	<b>3,457</b>	<b>7,199,443</b>	<b>115,467</b>	<b>36,136,274</b>	<b>(4,486,305)</b>	<b>38,968,336</b>
<b>Comprehensive Income for the year</b>						
Profit for the year	-	-	-	-	837,699	837,699
Foreign exchange reserve movement	-	-	(87,254)	-	-	(87,254)
<b>Contributions by and distributions to owners</b>						
Dividends paid	-	-	-	-	(2,941,176)	(2,941,176)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,941,176)</b>	<b>(2,941,176)</b>
<b>At 31 December 2018</b>	<b>3,457</b>	<b>7,199,443</b>	<b>28,213</b>	<b>36,136,274</b>	<b>(6,589,782)</b>	<b>36,777,605</b>

The notes on pages 16 to 43 form part of these financial statements.



**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Other reserve £	Profit and loss account £	Total equity £
At 1 January 2017	3,457	7,199,443	181,257	36,136,274	(2,037,561)	41,482,870
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(748,744)	(748,744)
Foreign exchange reserve movement	-	-	(65,790)	-	-	(65,790)
<b>Contributions by and distributions to owners</b>						
Dividends paid	-	-	-	-	(1,700,000)	(1,700,000)
<b>Total transactions with owners</b>	-	-	-	-	(1,700,000)	(1,700,000)
<b>At 31 December 2017</b>	<b>3,457</b>	<b>7,199,443</b>	<b>115,467</b>	<b>36,136,274</b>	<b>(4,486,305)</b>	<b>38,968,336</b>

The notes on pages 16 to 43 form part of these financial statements.

**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2018	3,457	7,199,443	77,152	7,280,052
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,902,422	2,902,422
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(2,941,176)	(2,941,176)
<b>Total transactions with owners</b>	-	-	(2,941,176)	(2,941,176)
<b>At 31 December 2018</b>	<b>3,457</b>	<b>7,199,443</b>	<b>38,398</b>	<b>7,241,298</b>

The notes on pages 16 to 43 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2017	3,457	7,199,443	(98,323)	7,104,577
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,876,475	1,875,475
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(1,700,000)	(1,700,000)
<b>Total transactions with owners</b>	-	-	(1,700,000)	(1,700,000)
<b>At 31 December 2017</b>	<b>3,457</b>	<b>7,199,443</b>	<b>77,152</b>	<b>7,280,052</b>

The notes on pages 16 to 43 form part of these financial statements.

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## **RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1. General Information**

RSBG Infrastructure Ltd (formerly RSBG Investment Ltd) is a limited liability company incorporated in England and Wales. Its registered office address is 5 Manchester Square, London, W1U 3PD.

#### **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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 3).

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

The Group 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 RAG-Stiftung Beteiligungsgesellschaft GmbH, a company registered in Germany, as at 31 December 2018 and these financial statements may be obtained from RAG-Stiftung, Rüttenscheider Strasse 1 - 3, 45128 Essen, Germany.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.3 Basis of consolidation**

The financial statements consolidate other subsidiary undertakings drawn up to 31 December and include the share of the results of subsidiaries and businesses acquired or sold during the period, up to their effective date of acquisition or disposal. Profits or losses on intra group transactions are eliminated in full. On acquisition of a subsidiary undertaking's assets and liabilities which exist at the date of the acquisition are recorded at their fair values reflecting the conditions at that date.

Under merger accounting, a difference arises on consolidation between the value at which the company carries its investment and the aggregate of the nominal value of the company ordinary shares that the parent acquires. This difference is recorded within "a merger reserve" within the consolidated financial statements of the entity. Accordingly, the companies are consolidated as if they had always been part of the Group.

All other acquisitions are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. Both positive and negative goodwill are amortised over 14 to 17 years being management's assessment of the useful economic life of those assets..

**2.4 Going concern**

The directors have prepared cash flow forecasts and considered the cash flow requirement for the Group for a period not less than 12 months after the date of the approval of these financial statements. The forecasts show that, based on the cash expected to be generated from the Group's operations, the Group has sufficient resources available in order to continue trading for a period of at least 12 months from the date of the approval of these accounts.

As a result of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**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 Group 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.

**2.6 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

**Other 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.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.7 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as below.

Depreciation is provided on the following basis:

Short-term leasehold property	- over the term of the lease
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

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 Consolidated statement of comprehensive income.

**2.8 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.9 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.

**2.10 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.

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## **RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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

### **2.11 Financial Instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **2.12 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.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.13 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 Consolidated 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 Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.14 Finance costs**

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.15 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.



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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.16 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.17 Interest income**

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

**2.18 Borrowing costs**

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

**2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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## RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.21 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.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are as follows:

**Contingent consideration**

As part of the acquisition process, a forecast is prepared which projects the financial performance of the business over the expected earn out period. These forecasts are reviewed and updated based on actual performance. Part of the cost of the acquisition is sometimes dependent on the trading performance of the acquired business following the transaction. The contingent consideration is based on these estimates of the future performance of the acquired business at the date of acquisition. The contingent consideration is classified as a financial liability, measured at fair value.

**Business combinations**

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent changes in these estimates would affect the amount of goodwill recognised.

**Intangible asset valuation**

In attributing value to intangible assets arising on acquisition, management has made certain assumptions in terms of cash flows attributable to intellectual property and customer relationships. The key assumptions relate to the trading performance of the acquired business, royalty rates applied in the royalty relief calculation and discount rates applied to calculate the present value of future cash flows.

**Goodwill and intangible asset amortisation**

The Group recognises a significant amount of goodwill and intangible assets. Management have estimated the useful economic life to be between 14 to 17 years. This is based on forecasting prepared for the cash generating unit to which the assets relate.

**Revenue recognition**

Revenue arising from contracts to provide services is based on an assessment of the percentage completion of the contract and is therefore subject to certain estimations made by management

**Trade debtors**

An allowance for doubtful debts is maintained for estimated losses resulting from the inability of the Company's customers to make required payments.

**Provisions**

The settlement of claims arising in the course of business is uncertain. The directors estimate provisions necessary based on the latest information available.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**4. Turnover**

The whole of the turnover is attributable to the group's principal activity.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	68,207,873	48,869,547
Rest of Europe	430,346	8,052
Rest of the world	6,563,041	7,050,106
	<u>75,201,260</u>	<u>55,927,705</u>

**5. Other operating income**

	2018 £	2017 £
Other operating income	<u>609,173</u>	<u>719,832</u>

**6. Operating profit**

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	495,560	320,000
Amortisation of intangible assets	4,878,668	3,428,550
Loss on disposal of tangible fixed assets	8,990	1,038
Exchange differences	24,358	183,782
Other operating lease rentals	<u>2,440,407</u>	<u>2,024,405</u>

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. Auditor's remuneration**

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>123,450</u>	<u>94,162</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	10,645	11,000
All other services	76,690	78,202
	<u>87,335</u>	<u>89,202</u>

**8. Employees**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	38,887,997	25,439,377
Social security costs	2,992,496	1,810,821
Cost of defined contribution scheme	1,812,333	1,168,639
	<u>43,692,826</u>	<u>28,418,837</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Management	25	37
Administration	158	143
Engineering	929	869
	<u>1,112</u>	<u>1,049</u>

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL)

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**9. Directors' remuneration**

	2018 £	2017 £
Directors' emoluments	525,525	408,122
Company contributions to defined contribution pension schemes	31,250	26,925
	<u>556,775</u>	<u>435,047</u>

During the year retirement benefits were accruing to 2 directors (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £324,899 (2017: £257,692).

The value of the Group's contributions paid to a defined contribution scheme in respect of the highest paid director amounted to £20,500 (2017: £18,409).

**10. Interest receivable**

	2018 £	2017 £
Other interest receivable	<u>126,635</u>	<u>4,059</u>

**11. Interest payable and similar expenses**

	2018 £	2017 £
Bank interest payable	16,597	2,790
Other loan interest payable	9,292	16,912
Loans from group undertakings	44,038	3,357
Other interest payable	90,745	62,979
	<u>160,672</u>	<u>86,038</u>

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,419,090	614,282
Adjustments in respect of previous periods	46,794	46,332
Double taxation relief	(11,080)	-
	<u>1,454,804</u>	<u>660,614</u>
<b>Total current tax</b>	<u>1,454,804</u>	<u>660,614</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(187,111)	457,743
<b>Total deferred tax</b>	<u>(187,111)</u>	<u>457,743</u>
<b>Taxation on profit on ordinary activities</b>	<u>1,267,693</u>	<u>1,118,357</u>

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than ~~(2017 - higher than)~~ the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>2,105,392</u>	<u>369,613</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	400,024	71,151
Effects of:		
Expenses not deductible for tax purposes	546,012	300,768
Adjustments to tax charge in respect of prior periods	46,794	46,332
Effect of change in tax rates on deferred tax	111,673	137,740
Non-taxable income	(38,557)	(6,681)
Double taxation relief	157,353	289,439
Deferred tax not recognised	(10,246)	342,820
Group relief surrendered/(claimed)	63,633	(31,120)
Research and development expenditure credits	(8,993)	(32,092)
<b>Total tax charge for the year</b>	<u><u>1,267,693</u></u>	<u><u>1,118,357</u></u>



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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12. Taxation (continued)**

**Factors that may affect future tax charges**

Following substantive enactment in 2015, the main rate of corporation tax will reduce from 19% (effective 1 April 2017) to 17% (effective 1 April 2020). This will impact the Group's future tax charges accordingly.

**13. Dividends**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Dividends paid	<b><u>2,941,176</u></b>	<b><u>1,700,000</u></b>

RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

14. Intangible assets

Group

	Order book £	Customer relationship £	Trademarks £	Goodwill £	Computer software £	Assets under course of construction £	Total £
<b>Cost</b>							
At 1 January 2018	1,521,253	19,832,779	15,154,997	25,002,668	310,452	842,525	62,664,674
Additions	205,124	3,953,754	847,103	2,585,545	2,187	446,067	8,039,780
Transfer of asset in use	-	-	-	-	1,288,592	(1,288,592)	-
At 31 December 2018	1,726,377	23,786,533	16,002,100	27,588,213	1,601,231	-	70,704,454
<b>Amortisation</b>							
At 1 January 2018	680,920	1,597,855	1,570,500	2,725,842	290,902	-	6,866,019
Charge for the year	670,471	1,401,338	991,499	1,682,823	132,537	-	4,878,668
At 31 December 2018	1,351,391	2,999,193	2,561,999	4,408,665	423,439	-	11,744,687
<b>Net book value</b>							
At 31 December 2018	<u>374,986</u>	<u>20,787,340</u>	<u>13,440,101</u>	<u>23,179,548</u>	<u>1,177,792</u>	<u>-</u>	<u>58,959,767</u>
At 31 December 2017	<u>840,333</u>	<u>18,234,924</u>	<u>13,584,497</u>	<u>22,276,826</u>	<u>19,550</u>	<u>842,525</u>	<u>55,798,655</u>

**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**15. Tangible fixed assets**

**Group**

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2018	815,896	140,288	1,827,703	2,116,277	4,900,164
Additions	48,547	-	320,840	390,777	760,164
Disposals	(297,484)	(9,050)	(578,756)	(941,089)	(1,826,379)
At 31 December 2018	566,959	131,238	1,569,787	1,565,965	3,833,949
<b>Depreciation</b>					
At 1 January 2018	468,573	118,269	1,616,795	1,695,236	3,898,873
Charge for the year	81,907	10,415	152,136	251,102	495,560
Disposals	(292,221)	(8,257)	(570,414)	(1,028,109)	(1,899,001)
At 31 December 2018	258,259	120,427	1,198,517	918,229	2,495,432
<b>Net book value</b>					
At 31 December 2018	308,700	10,811	371,270	647,736	1,338,517
At 31 December 2017	347,323	22,019	210,908	421,041	1,001,291

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**16. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Principal activity</b>
Frischmann Prabhu India Project Management Consultancy Services Pvt	India	99.9 %	Consulting engineers
Frischmann Prabhu India Design Services Pvt	India	99.9 %	Consulting engineers
Pell Frischmann Information Technology Limited*	UK	99.9 %	Dormant
Pell Frischmann Consultants Limited*	UK	100 %	Consulting engineers
Pell Frischmann Consulting Engineers Limited	UK	100 %	Consulting engineers
Pell Frischmann Brown Beech Consulting Engineers Limited	UK	100 %	Dormant
Desco (2011) Ltd*	UK	100 %	Holding company
Desco (Design and Consultancy) Ltd*	UK	100 %	Consulting engineers
Desco Qatar Mechanical and Electrical Consulting Engineers WLL*	Qatar	49 %	Consulting engineers
Decad (Asia) Inc*	Philippines	100 %	Consulting engineers
4way Holding Ltd*	UK	100 %	Holding company
4way Consulting Ltd*	UK	100 %	Consulting engineers
MBC Group Limited	UK	100 %	Holding company
McBains Consulting Limited*	UK	100 %	Holding company
McBains Cooper International Limited*	UK	100 %	Holding company
McBains Cooper Limited*	UK	100 %	Holding company
McBains Cooper Consulting Limited*	UK	100 %	Dormant
McBains Limited*	UK	100 %	Consulting engineers
McBains Cooper Mexico, S.A. de C.V.*	Mexico	100 %	Consulting engineers
McBains Cooper Hellas Technical Consulting S.A.*	Greece	100 %	Consulting engineers
McBains Cooper Colombia SAS*	Colombia	100 %	Dormant
McBains (Scotland) Limited*	UK	100 %	Dormant
Urban:Kind Limited	UK	100 %	Holding company
Leslie Jones Architects Limited*	UK	100 %	Consulting engineers

\* Indirectly held

All holdings in subsidiary undertakings are ordinary classes of shares.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**16. Fixed asset investments (continued)**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2018	<b>13,695,534</b>
Additions	<b>21,375,458</b>
At 31 December 2018	<b>35,070,992</b>
<b>Net book value</b>	
At 31 December 2018	<b>35,070,992</b>
At 31 December 2017	<b>13,695,534</b>

On the 31 January 2018 the Company acquired 100% of the share capital of Leslie Jones Holdings Ltd for consideration of £7,025,902.

During the year Pell Frischmann Consulting Engineers issued shares to RSBG Infrastructure Limited totalling £14,349,555.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**17. Debtors**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Trade debtors	15,221,580	11,922,460	-	-
Amounts owed by group undertakings	-	13,395	3,864,308	13,836,085
Other debtors	768,069	783,861	-	8,109
Prepayments	1,536,769	1,337,599	40,843	40,543
Amounts recoverable on long term contracts	11,851,100	5,109,735	-	-
Tax recoverable	793,876	1,089,379	-	-
Deferred taxation	157,109	493,329	-	-
	<u>30,328,503</u>	<u>20,749,758</u>	<u>3,905,151</u>	<u>13,884,737</u>

Amounts owed by group undertakings are unsecured and are repayable on demand. No interest is charged on these amounts as there is no fixed term of repayment.

**18. Cash and cash equivalents**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Cash at bank and in hand	5,023,519	4,095,180	1,583,241	365
	<u>5,023,519</u>	<u>4,095,180</u>	<u>1,583,241</u>	<u>365</u>

**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**19. Creditors: Amounts falling due within one year**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Bank loans (note 21)	218,655	426,163	-	-
Other loans (note 21)	3,625	6,849	-	-
Trade creditors	3,921,948	1,770,502	318,014	-
Deferred consideration	5,620,000	2,600,000	4,120,000	-
Amounts owed to group undertakings	23,603,662	16,599,992	24,979,046	15,844,213
Amounts owed to related parties	1,865,706	1,215,060	1,865,706	1,215,060
Corporation tax	826,376	722,228	-	-
Other taxation and social security	3,727,157	3,140,678	144,942	-
Other creditors	2,535,460	1,888,682	1,866,085	1,263,811
Accruals and deferred income	9,630,576	5,174,177	24,293	57,500
	<b>51,953,165</b>	<b>33,544,331</b>	<b>33,318,086</b>	<b>18,380,584</b>

Amounts owed by group undertakings are unsecured and are repayable on demand. No interest is charged on these amounts as there is no fixed term of repayment.

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

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Other loans (note 21)	508,955	-	-	-
Deferred consideration	-	2,920,000	-	1,920,000
	<b>508,955</b>	<b>2,920,000</b>	<b>-</b>	<b>1,920,000</b>

**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**21. Loans**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
<b>Amounts falling due within one year</b>		
Bank loans	218,655	426,163
Other loans	3,625	6,849
	<u>222,280</u>	<u>433,012</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	508,955	-
	<u>731,235</u>	<u>433,012</u>

**Bank loans**

£117,961 (2017: £Nil) of the bank loans outstanding relate to a fixed sum loan, payable over 48 months with effect from 23 April 2017. The loan is unsecured.

£Nil (2017: £426,163) related to a cash credit facility obtained from a bank in India which was secured by hypothecation of entire assets and trade debtors of the Group's India companies. The cash credit facility was repayable on demand and carried interest of 4.5% above the India base rate.

The remainder of the loans outstanding at the end of the current year had the following terms and security:

In January 2018, the Group entered into a bank loan of £400,000 over a fixed term of 4 years. Repayments of £8,494 are payable monthly. Interest rate applied to the loan is 3% per annum over the Base Rate. The loan is secured by a debenture comprising of fixed and floating charges over all the assets and undertakings of the Company.

In August 2018, the Group entered into a bank loan of £300,000 over a fixed term of 4 years. Repayments of £6,641 are payable monthly. Interest rate applied to the loan is 3% per annum over the Base Rate. The loan is secured by a debenture comprising of fixed and floating charges over all the assets and undertakings of the Company.

**Other loans**

Relates to a vehicle loan from a bank. The loan is secured against the vehicles to which the loan relates to and carries an interest of 9.35%.



**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**22. Deferred taxation**

**Group**

	2018 £	2017 £
At beginning of year	(5,016,436)	(2,852,057)
Credited/(charged) to profit and loss	183,452	(53,706)
Arising on business combinations	(871,938)	(2,095,145)
Utilised in year	-	(15,528)
<b>At end of year</b>	<b>(5,704,922)</b>	<b>(5,016,436)</b>

The deferred tax balance is made up as follows:

	Group 2018 £	Group 2017 £
Accelerated capital allowances	(72,840)	(52,733)
Short term differences	16,635	56,165
Other timing differences in relation to pension scheme	-	279,318
Acquisitions	(5,805,159)	(5,466,740)
Employee benefits expense	156,442	47,427
Other timing differences	-	120,127
	<b>(5,704,922)</b>	<b>(5,016,436)</b>

**Comprising:**

Asset - due within one year	157,109	493,329	-	-
Liability	(5,862,031)	(5,509,765)	-	-
	<b>(5,704,922)</b>	<b>(5,016,436)</b>	<b>-</b>	<b>-</b>

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**23. Provisions**

**Group**

	<b>Dilapidations £</b>	<b>Contract provisions £</b>	<b>Other provisions £</b>	<b>Total £</b>
At 1 January 2018	352,690	252,157	97,605	702,452
Charged/(credited) to profit and loss	133,115	(175,000)	92,410	50,525
Arising on business combinations	-	35,000	-	35,000
Utilised in year	(75,000)	(77,157)	(87,270)	(239,427)
<b>At 31 December 2018</b>	<b>410,805</b>	<b>35,000</b>	<b>102,745</b>	<b>548,550</b>

**24. Share capital**

	<b>2018 £</b>	<b>2017 £</b>
<b>Authorised, allotted, called up and fully paid</b>		
29,382,800 (2017 - 29,382,800) Ordinary A shares of £0.0001 each	2,938	2,938
4,350,000 (2017 - 4,350,000) Ordinary B1 shares of £0.0001 each	435	435
835,200 (2017 - 835,200) Ordinary B2 shares of £0.0001 each	84	84
	<b>3,457</b>	<b>3,457</b>

All shares rank equally for dividends, entitlement to vote and to participate in a winding up.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**25. Reserves**

**Share premium account**

The share premium account contains any amounts paid in excess of the nominal value of the share capital.

**Foreign exchange reserve**

This reserve contains any exchange differences captured on retranslation of subsidiaries reserves.

**Profit and loss account**

The profit and loss account contains all current and prior period retained earnings.

**Other reserve**

This reserve contains differences arising on consolidation between the value at which the parent company carries its investment and the aggregate of the nominal value of the company ordinary shares that the parent acquires where acquisition accounting has been applied

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**26. Business combinations**

On 13 February 2018, the Company acquired 100% of the issued share capital of Urban:Kind Limited and Leslie Jones Architects Limited for a consideration of £7,025,902.

	Book value £	Fair value adjustment £	Fair value £
<b>Fixed assets</b>			
Tangible	238,402	-	238,402
Intangible	-	5,005,980	5,005,980
	<u>238,402</u>	<u>5,005,980</u>	<u>5,244,382</u>
Debtors	2,020,763	-	2,020,763
Cash at bank and in hand	421,980	-	421,980
	<u>2,681,145</u>	<u>5,005,980</u>	<u>7,687,125</u>
<b>Total assets</b>			
<b>Creditors</b>			
Due within one year	(1,064,246)	-	(1,064,246)
Loan payable	(1,120,000)	-	(1,120,000)
Deferred tax	(20,921)	(851,017)	(871,938)
	<u>475,978</u>	<u>4,154,963</u>	<u>4,630,941</u>
<b>Total identifiable net assets</b>			
Goodwill			2,394,961
<b>Total purchase consideration</b>			<u>7,025,902</u>
<b>Satisfied by:</b>			
			£
Cash			4,480,000
Acquired net debt balance			293,035
Contingent consideration			2,200,000
Directly attributable costs			52,867
<b>Total purchase consideration</b>			<u>7,025,902</u>

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**26. Business combinations (continued)**

The results of Urban:Kind Limited and Leslie Jones Architects Limited since its acquisition are as follows:

	<b>Current period since acquisition £</b>
Turnover	<b>5,634,328</b>
Profit for the year	<b>1,687,192</b>

**27. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,802,676 (2017: £1,168,639). Contributions totalling £169,734 (2017: £41,632) were payable to the fund at the reporting date and are included in creditors.

**28. Commitments under operating leases**

At 31 December 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Not later than 1 year	<b>1,289,332</b>	<b>1,572,512</b>
Later than 1 year and not later than 5 years	<b>2,574,211</b>	<b>4,392,151</b>
Later than 5 years	<b>225,585</b>	<b>-</b>
	<b>4,089,128</b>	<b>5,964,663</b>

The Company had no commitments under the non-cancellable operating leases as at the reporting date.

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**RSBG INFRASTRUCTURE LTD (FORMERLY RSBG INVESTMENT LTD)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**29. Related party transactions**

The Group has taken advantage of the requirements of Section 33 Related Party Disclosures 1A.

During the year the Company was charged interest and paid a dividend to RSBG Investment Holding Limited, a fellow group undertaking, totalling £44,038 and £2,500,000 respectively (2017: £6,714 and £1,445,000).

The Group recharged expenses during the year totalling £107,880 (2017: £14,810) to Dorsch Holding GmbH a fellow group undertaking.

Amounts owed by and to group undertakings are disclosed in notes 17 and 19.

During the year the Group received loans from a director amounting to £1,865,706 (2017: £1,215,060). These amounts were outstanding at the end of the year. There were no formal terms set with these loans and no interest was payable.

**30. Controlling party**

The ultimate controlling party is RAG-Stiftung Beteiligungsgesellschaft GmbH, a company registered in Germany.

The parent Company, RAG-Stiftung Beteiligungsgesellschaft GmbH, prepares consolidated financial statements. These financial statements may be obtained from RAG-Stiftung, Ruttenscheider Strasse 1 - 3, 45128 Essen, Germany.