

RSBG UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2022



Company Registration No. 09592767 (England and Wales)

RSBG UK Limited

Company Information

Directors	J B Grady S Carter
Secretary	L S Roberts
Company number	09592767
Registered office	5th Floor 85 Strand London WC2R 0DW
Auditor	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP

RSBG UK Limited

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RSBG UK Limited

Strategic Report

For the year ended 31 December 2022

The directors present the strategic report for the year ended 31 December 2022.

The principal activities of the group during the year encompassed all disciplines of architecture, consulting, engineering and project management, including specialist areas such as economic analysis, mechanical and electrical, building structures, civil engineering, land development and regeneration infrastructure, traffic & transportation, rail, intelligent transportation systems, waste management, water, wastewater, environmental, sustainability, facilities management and property services. The group also undertook research, brand strategy and design consultancy services.

Fair review of the business

The performance of the group in the financial year is considered successful in an uncertain economic climate with EBITDA of £5,835k (2021: £5,328k).

Our strategic goal over the previous three years (2019 to 2021) has been one of business improvement; strengthening the underlying foundations of our businesses in preparation for a period of significant growth. These improvement activities have focused on a combination of our internal business services (employee-relations, learning and development, communications), our operational structures (digital delivery investments, quality assurance and innovation practices), and our corporate social responsibility (sustainability, net zero carbon, diversity, and inclusion). The reinforcement of these underlying values and principles, sets the tone for our next step, looking increasingly externally at our clients, markets, and sectors to grow.

Externally, despite some sectors seeing considerable disruption over the past 12 months due to threats from inflation and the war in Ukraine; our primary markets remain strong. Our business model focuses on the provision of professional consultancy services, primarily within the UK and Europe. We generate and preserve value through the provision of high-quality advice and gaining a truly in-depth understanding of our clients and supporting them through the delivery and realisation of their strategic objectives. We seek to maintain a blend of public and private sector workstreams, diversified across sectors, disciplines, and regions. We continue to focus on key clients with whom we have a strong history of repeat business; underpinning our value proposition.

In the 2022 period, we added to our group via the acquisition of The BCS Consulting Group Ltd – the digital built asset consultancy. The primary focus of BCS is on project management and cost management in the datacentre and technical real estate sectors. Established in 2016, and with a desire to make a difference to their clients and people, BCS work globally with hubs across Europe and have experience in delivering mission critical facilities across the Americas, Europe, the Middle East, Asia and Africa.

Our key clients include Homes England, National Highways, Network Rail, Crown Commercial Services, West Midlands Combined Authority, Transport for Greater Manchester, Notting Hill Genesis, Severn Trent Water, Wessex Water, NHS Shared Business Services, UKAEA, BAE as well as various Local Authorities.

Over the 2022 period, we have worked on several large-scale projects, most notably the Midland Metro Alliance, Hoo Station for Medway Council, O2 Finchley Road for Landsec, York Outer Ring Road for the City of York Council, Seymour Leisure Centre for Westminster CC, the Envision Gigafactory for Wates, Asset Management Plan (AMP) 7 for Severn Trent, a new 60,000m² datacentre in Frankfurt for CloudHQ, the development of a new brand for the Langham Estate who own some of the most valuable real estate in the country, the revitalization of Freshney Place Shopping Centre for North-East Lincolnshire Council, the new Eden Project North in Morecambe, Kidderminster Town Centre Transformation and Aerodrome Surveys for the DIO.

RSBG UK Limited

Strategic Report (Continued)

For the year ended 31 December 2022

Overall, our businesses have performed well during the year, largely due to the dedication and resilience of our staff and our inclusive and engaging culture. The outlook for the next financial year and beyond is stable, reflecting a strong order book. As previously mentioned, beginning in 2022 we wished to focus on growth, and this has been successfully achieved in the year with our turnover increasing by 14%. This topic continues to remain our focus, including asset life extension, environmental engineering, climate change and sustainability consulting as well as societal and demographic change (the effect of the 'new normal' and an increased awareness of social value and wellbeing on transport, urban/town centres, logistics and land development priorities). In maximising the potential of these opportunities, we will continue to build upon and add to our successful collaborative relationships, differentiating ourselves from our competitors through our high-quality and innovative service offering.

Principal risks and uncertainties

The primary trends and factors with the potential for affecting the business primarily arise from external factors. The effect of COVID-19, Brexit, the war in Ukraine and considerable inflation remains the greatest risk to short term investment in both public and private sector markets. The government's commitment to spending – in particular with regards to the north of England (i.e., 'levelling up') – was challenged in 2022 at both national and regional levels and we foresee difficult decisions for the government across 2023. This presents both a risk and opportunity to our business and our response must be to retain an agile, efficient and well-diversified business model and strategy to weather such uncertainty. A cornerstone of our strategy is supporting our staff: as a professional consultancy, we believe a motivated, knowledgeable and empowered talent pool helps them, and by extension our firm, excel in a fast-changing world. Similarly, longer-term, the climate and biodiversity emergency present a significant threat to our business, the construction industry, the UK and the wider world. This means organisations such as ours must act now as well as challenging our peers and partners on their own practices and commitments.

Corporate Social Responsibility (CSR)

We are committed to corporate transparency on broader matters and believe it indicates our ability to generate and preserve value over the long term, and to assess the management of risks which may impact the sustainability of our businesses or affect society more broadly. We present below the development, performance, and position of our business on these key matters.

- **Corporate Social Responsibility:** The current policy remains in place, but in 2022 it will be refreshed to bring together the strands of CSR, developed over the past 18 months.
- **Equality, Diversity & Inclusion (EDI):** Our Equal Opportunities policy was reviewed, refreshed and re-launched in 2021 as an EDI Policy to reflect the EDI strategy, launched late in 2020. Since then, an employee-led EDI Action Group has been set up, empowered to develop, and deliver initiatives to improve EDI in the business and our industry more widely.
- **Social Value:** In 2021 we launched our social value strategy and commenced working on the development and delivery of procedures and process to support the business and its people in delivering a positive impact on the communities within which we work. The new Social Value policy is due to be launched in 2022.
- **Health & Wellbeing:** Operation of a wellbeing strategy to support our people, including access to independent advisors and specialists via an EAP service continues, along with the provision of mental health first aiders.
- **Sustainability, Environment & Carbon:** Sustainability strategy, refreshed sustainability policy, and a Carbon Reduction Plan, were all launched in 2021 with the focus of the 2022 activities being on the prioritisation, planning and delivery of actions to further these commitments and support our people.

We continue to operate, monitor, and review the corporate policies of our businesses in this space, including: Alcohol, Drug & Substance Abuse, Anti-Bribery, Anti-Slavery & Human Trafficking, Criminal Facilitation of Tax Evasion, Fatigue Management & Working Hours, Modern Slavery and Whistle Blowing.

RSBG UK Limited

Strategic Report (Continued)

For the year ended 31 December 2022

Key Performance Indicators (KPIs)

The directors use a range of performance measures to monitor and manage the business. A number of these measures are particularly important in the generation of shareholder value, thus are considered KPIs. Our KPIs monitor past performance which not only provides us with information to manage the business in the present, but also enables us to make informed choices regarding future strategic decisions. Turnover, gross profit margin and EBITDA are monitored closely. KPIs for the year ended 31 December 2022 are turnover of £87.2m (2021: £76.8m), gross profit margin of 29.7% (2021: 31.9%) and EBITDA of £5.8m (2021: £5.3m), with the growth in Turnover being supported by our strategic investments and converted effectively into EBITDA through good resource and cost management across the Group.

Statement by the directors relating to their statutory duties under section 172(1) of the Companies Act 2006

The directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term;
- Interests of the group's employees;
- Need to foster the group's business relationships with suppliers, customers and others;
- Impact of the group's operations on the community and the environment;
- Desirability of the group maintaining a reputation for high standards of business conduct;
- Need to act fairly as between members of the group.

Stakeholders

The directors understand the importance of engagement with all of their stakeholders and give appropriate weighting to the outcome of their decisions for the relevant stakeholder in weighing up how best to promote the success of the group. The directors regularly discuss issues concerning customers, suppliers, employees, community and environment and their shareholders, which it takes into account in its discussions and in its decision-making process. In addition to this, the directors seek to understand the interests and views of the group's stakeholders by engaging with them directly when required. The below summarises the key stakeholders and the engagement with each:

Customers

The directors are in regular contact with their customers, including to obtain feedback on matters such as quality of customer service. The group works closely with its customers to achieve long term client satisfaction through bespoke service delivery.

Suppliers

The group works with a range of suppliers and remains committed to being fair and transparent in dealings with all suppliers. The group has, where relevant, procedures in place requiring due diligence of suppliers as to their internal governance, including for example, their anti-bribery and corruption practices, data protection policies and modern slavery matters. The group has systems and processes in place to ensure suppliers are paid in a timely manner.

Employees

The group has a well-established management reporting structure which encourages employee engagement in an open working environment. The directors are responsible for ensuring that this structure enables effective communication and feedback between employees and management.

Community and environment

The directors are aware of the impact its activities can have on the environment, and is committed to minimising the group's environmental footprint.

RSBG UK Limited

Strategic Report (Continued)

For the year ended 31 December 2022

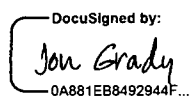
Shareholders

The directors also seek to behave in a responsible manner towards its shareholders. The directors communicate information relevant to its shareholders, such as its financial reporting information, in the form and frequency agreed between the parties.

Streamlined Energy and Carbon Reporting

The group and company are exempt from disclosing information relating to energy and carbon reporting on the basis that no individual subsidiary qualifies as large and the parent company has emissions under 40,000 kWh per year.

On behalf of the board

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J B Grady

Director

10 March 2023

RSBG UK Limited

Directors' Report

For the year ended 31 December 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J B Grady
S Carter

Results and dividends

Ordinary dividends were paid amounting to £2,500,005 (2021: £2,000,000). The directors do not recommend payment of a further dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

RSBG UK Limited

Directors' Report (Continued)

For the year ended 31 December 2022

Statement of directors' responsibilities

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

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

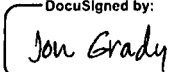
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the group is aware of that information.

On behalf of the board

DocuSigned by:

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J B Grady

Director 30-Mar-2023 | 20:05:52 BST

Date:

RSBG UK Limited

Independent Auditor's Report

To the Members of RSBG UK Limited

Opinion

We have audited the financial statements of RSBG UK Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

RSBG UK Limited

Independent Auditor's Report (Continued)

To the Members of RSBG UK Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and 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.

RSBG UK Limited

Independent Auditor's Report (Continued)

To the Members of RSBG UK Limited

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

RSBG UK Limited

Independent Auditor's Report (Continued)

To the Members of RSBG UK Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

Rebecca Shields (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

Date:

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

RSBG UK Limited

Group Statement of Comprehensive Income

For the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	3	87,234,718	76,758,935
Cost of sales		(61,311,871)	(52,247,253)
Gross profit		25,922,847	24,511,682
Administrative expenses		(26,693,019)	(25,540,519)
Other operating income		1,017,809	887,176
Operating profit/(loss)	4	247,637	(141,661)
Comprising of:			
Operating profit before depreciation and amortisation (EBITDA)		5,834,842	5,328,376
Depreciation and amortisation		(5,587,205)	(5,470,037)
		247,637	(141,661)
Interest receivable and similar income	8	62,826	62,431
Interest payable and similar expenses	9	(6)	(46,490)
Loss on disposal of subsidiary		-	(450,000)
Fair value (loss)/gain on financial instruments	10	(16,683)	(112,719)
Profit/(loss) before taxation		293,774	(688,439)
Tax on profit/(loss)	11	(205,057)	(2,708,212)
Profit/(loss) for the financial year	23	88,717	(3,396,651)
Other comprehensive income			
Currency translation differences		51,767	(78,751)
Total comprehensive income for the year		140,484	(3,475,402)

The Group Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

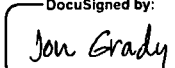
RSBG UK Limited

Group Statement Of Financial Position

As at 31 December 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	13	42,941,466		47,105,680	
Tangible assets	14	1,717,991		1,559,541	
Investments	15	9,558,420		-	
		<u>54,217,877</u>		<u>48,665,221</u>	
Current assets					
Debtors	17	34,231,401	29,870,329		
Cash at bank and in hand		4,829,030	6,028,288		
		<u>39,060,431</u>	<u>35,898,617</u>		
Creditors: amounts falling due within one year	18	<u>(19,278,423)</u>	<u>(16,165,341)</u>		
Net current assets		<u>19,782,008</u>		<u>19,733,276</u>	
Total assets less current liabilities		<u>73,999,885</u>		<u>68,398,497</u>	
Provisions for liabilities					
Provisions	19	(3,478,211)	(1,695,871)		
Deferred tax liability	20	<u>(6,423,673)</u>	<u>(7,077,650)</u>		
		<u>(9,901,884)</u>		<u>(8,773,521)</u>	
Net assets		<u>64,098,001</u>		<u>59,624,976</u>	
Capital and reserves					
Called up share capital	22	3,457	3,457		
Share premium account	22	-	42,059,171		
Foreign exchange reserve	23	(195,354)	(247,121)		
Other reserves	23	36,614,050	36,614,050		
Profit and loss reserves	23	<u>27,675,848</u>	<u>(18,804,581)</u>		
Total equity		<u>64,098,001</u>		<u>59,624,976</u>	

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

DocuSigned by:

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J B Grady
Director

RSBG UK Limited

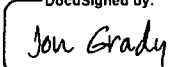
Company Statement Of Financial Position

As at 31 December 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	13	1,487,740		1,067,800	
Tangible assets	14	30,154		29,587	
Investments	15	44,835,449		37,352,794	
		<u>46,353,343</u>		<u>38,450,181</u>	
Current assets					
Debtors	17	10,291,816		9,661,070	
Cash at bank and in hand		330,121		314,561	
		<u>10,621,937</u>		<u>9,975,631</u>	
Creditors: amounts falling due within one year	18	<u>(6,578,937)</u>		<u>(5,551,137)</u>	
Net current assets		<u>4,043,000</u>		<u>4,424,494</u>	
Total assets less current liabilities		<u>50,396,343</u>		<u>42,874,675</u>	
Provisions for liabilities	19	<u>(77,319)</u>		<u>(88,750)</u>	
Net assets		<u><u>50,319,024</u></u>		<u><u>42,785,925</u></u>	
Capital and reserves					
Called up share capital	22	3,457		3,457	
Share premium account	22	-		42,059,171	
Profit and loss reserves	23	50,315,567		723,297	
Total equity		<u><u>50,319,024</u></u>		<u><u>42,785,925</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,200,553 (2021: £1,821,217).

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

DocuSigned by:

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 J B Grady
 Director

Company Registration No. 09592767

RSBG UK Limited

Group Statement of Changes in Equity
For the year ended 31 December 2022

	Notes	Share capital £	Share premium account £	Foreign exchange reserves £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2021		3,457	7,199,443	(168,370)	36,614,050	(13,407,930)	30,240,650
Year ended 31 December 2021:							
Loss for the year		-	-	-	-	(3,396,651)	(3,396,651)
Issue of share capital		-	34,859,728	-	-	-	34,859,728
Dividends	12	-	-	-	-	(2,000,000)	(2,000,000)
Currency translation differences		-	-	(78,751)	-	-	(78,751)
Balance at 31 December 2021		3,457	42,059,171	(247,121)	36,614,050	(18,804,581)	59,624,976
Year ended 31 December 2022:							
Profit for the year		-	-	-	-	88,717	88,717
Issue of share capital	22	-	6,832,546	-	-	-	6,832,546
Dividends	12	-	-	-	-	(2,500,005)	(2,500,005)
Currency translation differences		-	-	51,767	-	-	51,767
Reduction of share premium	22	-	(48,891,717)	-	-	-	(48,891,717)
Transfers of share premium	22	-	-	-	-	48,891,717	48,891,717
Balance at 31 December 2022		3,457	-	(195,354)	36,614,050	27,675,848	64,098,001

RSBG UK Limited

Company Statement of Changes in Equity

For the year ended 31 December 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2021		3,457	7,199,443	902,080	8,104,980
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	1,821,217	1,821,217
Issue of share capital		-	34,859,728	-	34,859,728
Dividends	12	-	-	(2,000,000)	(2,000,000)
Balance at 31 December 2021		3,457	42,059,171	723,297	42,785,925
Year ended 31 December 2022:					
Profit and total comprehensive income for the year		-	-	3,200,553	3,200,553
Issue of share capital	22	-	6,832,546	-	6,832,546
Dividends	12	-	-	(2,500,000)	(2,500,000)
Reduction of share premium	22	-	(48,891,717)	-	(48,891,717)
Transfers of share premium	22	-	-	48,891,717	48,891,717
Balance at 31 December 2022		3,457	-	50,315,567	50,319,024

RSBG UK Limited

Group Statement of Cash Flows

For the year ended 31 December 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	28	3,627,943		6,465,121	
Interest paid		(6)		(46,490)	
Income taxes paid		(617,400)		(747,500)	
Net cash inflow from operating activities		3,010,537		5,671,131	
Investing activities					
Purchase of intangible assets		(596,720)		(53,399)	
Purchase of tangible fixed assets		(1,011,409)		(1,005,248)	
Proceeds on disposal of tangible fixed assets		230		29,787	
Purchase of fixed asset investments		(7,558,420)		-	
Interest received		62,826		62,431	
Net cash used in investing activities		(9,103,493)		(966,429)	
Financing activities					
Proceeds from issue of shares		7,342,982		-	
Repayment of bank loan and overdraft		-		(1,349,453)	
Purchase of derivatives		-		(42,478)	
Payment of finance leases obligations		-		(2,352)	
Dividends paid to equity shareholders		(2,500,005)		(2,000,000)	
Net cash generated from/(used in) financing activities		4,842,977		(3,394,283)	
Net (decrease)/increase in cash and cash equivalents		(1,249,979)		1,310,419	
Cash and cash equivalents at beginning of year		6,028,288		4,785,628	
Effect of foreign exchange rates		50,721		(67,759)	
Cash and cash equivalents at end of year		4,829,030		6,028,288	

RSBG UK Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Accounting policies

Company information

RSBG UK Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 5th Floor, 85 Strand, London, WC2R 0DW.

The group consists of RSBG UK Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The information is included in these consolidated financial statements.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of RSBG UK Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company will be able to meet its liabilities as they fall due for the foreseeable future (and at least a period of 12 months beyond the date of approval of these financial statements). This is based on their assessment of the finance and support available to the company (including that of fellow group companies) and their consideration of the impact of external factors. Having considered these factors, they have concluded that there is no significant impact to the going concern status of the company, thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business combination are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. All intangible fixed 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 10 years.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

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 the 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 based on forecasting prepared for the cash generating unit to which the assets relate.

Accrued and deferred income

Accrued and deferred income is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the time spent to date. This is compared to the total time expected to be required to undertake the contract. Judgements of the total time required to undertake the contracts are made on a regular basis and subject to management review. These judgements may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

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.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

3 Turnover and other income

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	83,982,062	75,036,109
Rest of Europe	974,647	786,563
Rest of the World	2,278,009	936,263
	<u>87,234,718</u>	<u>76,758,935</u>

	2022 £	2021 £
Other significant income		
Other operating income	580,410	553,776
R&D tax credit	437,399	264,411
Furlough grants claimed	-	68,989
	<u></u>	<u></u>

4 Operating profit/(loss)

	2022 £	2021 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(65,895)	(100,937)
Depreciation of owned tangible fixed assets	826,271	723,266
Loss on disposal of tangible fixed assets	27,504	20,171
Amortisation of intangible assets	4,760,934	4,746,773
Operating lease charges	1,794,815	1,874,759
	<u></u>	<u></u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	122,500	107,185
	<u></u>	<u></u>
For other services		
Taxation compliance services	27,560	26,495
All other non-audit services	36,240	35,270
	<u>186,300</u>	<u>168,950</u>

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Management	29	33	5	4
Administration	114	104	30	26
Operational	726	632	-	-
	<u>869</u>	<u>769</u>	<u>35</u>	<u>30</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	43,226,785	39,779,202	2,905,098	2,815,001
Social security costs	4,885,956	4,263,015	386,860	358,737
Pension costs	2,527,174	2,209,095	170,710	149,133
	<u>50,639,915</u>	<u>46,251,312</u>	<u>3,462,668</u>	<u>3,322,871</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	551,710	900,950
Company pension contributions to defined contribution schemes	22,885	15,900
	<u>574,595</u>	<u>916,850</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	411,013	434,068
Company pension contributions to defined contribution schemes	16,000	9,150
	<u>427,013</u>	<u>443,218</u>

During the year retirement benefits were accruing to 2 directors (2021: 2) in respect of defined contribution pension schemes.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest receivable from group companies	53,934	33,176
Other interest income	8,892	29,255
	<u>62,826</u>	<u>62,431</u>
Total income	<u>62,826</u>	<u>62,431</u>

9 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	6	79
Interest payable to group undertakings	-	45,718
Other interest on financial liabilities	-	450
Interest on finance leases and hire purchase contracts	-	243
	<u>6</u>	<u>46,490</u>
Total finance costs	<u>6</u>	<u>46,490</u>

10 Fair value (loss)/gain on financial instruments

	2022	2021
	£	£
Fair value (loss)/gain on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(16,683)	(112,719)
	<u>(16,683)</u>	<u>(112,719)</u>

11 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	812,172	831,727
Adjustments in respect of prior periods	(87,241)	(53,777)
	<u>724,931</u>	<u>777,950</u>
Total UK current tax	<u>724,931</u>	<u>777,950</u>
Foreign current tax on profits for the current period	122,560	70,050
	<u>847,491</u>	<u>848,000</u>
Total current tax	<u>847,491</u>	<u>848,000</u>

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

11 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	(642,434)	(695,996)
Changes in tax rates	-	2,556,208
	<u>(642,434)</u>	<u>1,860,212</u>
Total deferred tax		
	<u>(642,434)</u>	<u>1,860,212</u>
Total tax charge for the year	205,057	2,708,212
	<u>205,057</u>	<u>2,708,212</u>

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit/(loss) before taxation	<u>293,774</u>	<u>(688,439)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19% (2021: 19%)	55,817	(130,803)
Tax effect of expenses that are not deductible in determining taxable profit	168,169	47,555
Adjustments in respect of prior years	(87,241)	(53,777)
Group relief	(86,387)	(13,279)
Permanent capital allowances in excess of depreciation	(48,826)	(150,067)
Depreciation on assets not qualifying for tax allowances	23,154	167,325
Amortisation on assets not qualifying for tax allowances	870,708	142,263
Adjustments in respect of financial assets	-	21,417
Research and development tax credit	(51,340)	(50,238)
Other non-reversing timing differences	-	4,779
Effect of overseas tax rates	34,495	81,329
Deferred tax	(673,492)	2,556,208
Loss on disposal of subsidiary	-	85,500
	<u>205,057</u>	<u>2,708,212</u>
Taxation charge for the year		
	<u>205,057</u>	<u>2,708,212</u>

12 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Final paid	<u>2,500,005</u>	<u>2,000,000</u>

RSBG UK Limited

Notes to the Financial Statements (Continued)
For the year ended 31 December 2022

13 Intangible fixed assets

Group	Goodwill	Computer software	Order books	Customer relationships	Trademarks	Total
	£	£	£	£	£	£
Cost						
At 1 January 2022	28,079,567	1,646,269	1,770,047	25,520,996	16,342,941	73,359,820
Additions	-	596,720	-	-	-	596,720
Disposals	-	(9,333)	-	-	-	(9,333)
At 31 December 2022	28,079,567	2,233,656	1,770,047	25,520,996	16,342,941	73,947,207
Amortisation and impairment						
At 1 January 2022	10,032,580	576,621	1,770,047	8,143,164	5,731,728	26,254,140
Amortisation charged for the year	1,798,861	178,262	-	1,725,169	1,058,642	4,760,934
Disposals	-	(9,333)	-	-	-	(9,333)
At 31 December 2022	11,831,441	745,550	1,770,047	9,868,333	6,790,370	31,005,741
Carrying amount						
At 31 December 2022	16,248,126	1,488,106	-	15,652,663	9,552,571	42,941,466
At 31 December 2021	18,046,987	1,069,648	-	17,377,832	10,611,213	47,105,680

Goodwill, order books, customer relationships and trademarks arose on the purchase of businesses in prior years.

The intangible assets are being amortised over their useful economic lives as detailed in the accounting policies.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

13 Intangible fixed assets	(Continued)
Company	Computer software £
Cost	
At 1 January 2022	1,514,619
Additions	596,720
At 31 December 2022	2,111,339
Amortisation and impairment	
At 1 January 2022	446,819
Amortisation charged for the year	176,780
At 31 December 2022	623,599
Carrying amount	
At 31 December 2022	1,487,740
At 31 December 2021	1,067,800

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

14 Tangible fixed assets

Group	Short-term leasehold property	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2022	828,799	716,553	3,172,807	4,801	4,722,960
Additions	158,609	137,477	715,323	-	1,011,409
Disposals	(54,615)	(9,964)	(609,845)	-	(674,424)
Exchange adjustments	826	3,688	995	-	5,509
At 31 December 2022	933,619	847,754	3,279,280	4,801	5,065,454
Depreciation and impairment					
At 1 January 2022	483,447	536,477	2,140,109	3,386	3,163,419
Depreciation charged in the year	185,111	78,899	561,913	348	826,271
Disposals	(48,416)	(8,818)	(589,456)	-	(646,690)
Exchange adjustments	826	2,708	929	-	4,463
At 31 December 2022	620,968	609,266	2,113,495	3,734	3,347,463
Carrying amount					
At 31 December 2022	312,651	238,488	1,165,785	1,067	1,717,991
At 31 December 2021	345,352	180,076	1,032,698	1,415	1,559,541

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

14 Tangible fixed assets

(Continued)

Company	Short-term leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2022	-	1,000	72,881	73,881
Additions	20,509	-	4,111	24,620
Disposals	-	-	(35,057)	(35,057)
At 31 December 2022	20,509	1,000	41,935	63,444
Depreciation and impairment				
At 1 January 2022	-	625	43,669	44,294
Depreciation charged in the year	5,860	250	16,828	22,938
Eliminated in respect of disposals	-	-	(33,942)	(33,942)
At 31 December 2022	5,860	875	26,555	33,290
Carrying amount				
At 31 December 2022	14,649	125	15,380	30,154
At 31 December 2021	-	375	29,212	29,587

15 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	16	9,558,420	-	44,835,449	37,352,794

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

15 Fixed asset investments	(Continued)
Movements in fixed asset investments Group	Shares in subsidiaries £
Cost or valuation	
At 1 January 2022	-
Additions	9,558,420
At 31 December 2022	9,558,420
Carrying amount	
At 31 December 2022	9,558,420
At 31 December 2021	-

The movement of £9,558,420 relates to the acquisition of The BCS Consulting Group Limited and its subsidiaries via purchase of 100% of the ordinary voting share capital. This was in exchange for cash consideration of £7,342,982 and deferred consideration of £2,000,000.

The results of The BCS Consulting Group Limited and its subsidiaries have not been consolidated into RSBG UK Limited in the current year to align with the treatment for consolidation purposes in the ultimate controlling parent. As a result, the investment has not been eliminated on consolidation in the current year.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

15 Fixed asset investments	(Continued)
Movements in fixed asset investments Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2022	37,352,794
Additions	8,002,555
At 31 December 2022	45,355,349
Impairment	
At 1 January 2022	-
Impairment losses	519,900
At 31 December 2022	519,900
Carrying amount	
At 31 December 2022	44,835,449
At 31 December 2021	37,352,794

On the 13th June 2022, RSBG UK Limited purchased 100% of the ordinary voting share capital of Pell Frischmann Information Technology Limited from its parent company, Frischmann Prabhu India Design Services Limited for cash consideration of £519,900. During the year a dividend of £519,931 was paid from Pell Frischmann Information Technology Limited to RSBG UK Limited out of pre-acquisition reserves. As the directors do not anticipate that Pell Frischmann Information Technology Limited will continue to generate economic benefits the investment value was subsequently impaired to a value of £1.

On the 13th December 2022, RSBG UK subscribed for 1 share in its subsidiary MBC group Ltd for £7,482,654 in relation to advances made to the company in the year for acquisitions.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	% Held Direct	Indirect
4way Consulting Ltd	UK	-	100
Decas (Asia) Inc	Philippines	-	100
Desco (2011) Ltd	UK	-	100
Desco (Design and Consultancy) Ltd	UK	-	100
Desco Qatar Mechanical and Electrical Consulting Engineers WLL	Qatar	-	49
Frischmann Prabhu India Design Services Pvt	India	100	-
Leslie Jones Architects Limited	UK	-	100
MBC Group Limited	UK	100	-
McBains Consulting Limited	UK	-	100
McBains Cooper Consulting Limited	UK	-	100
McBains Cooper Hellas Technical Consulting S.A.	Greece	-	100
McBains Cooper International Limited	UK	-	100
McBains Cooper Limited	UK	-	100
McBains Cooper Mexico, S.A. de C.V.	Mexico	-	100
McBains Limited	UK	-	100
McBains Cooper Mexico Servicios SA de C.V.	Mexico	-	100
Pell Frischmann Consultants Limited	UK	-	100
Pell Frischmann Consulting Engineers Limited	UK	100	-
Pell Frischmann Brown Beech Consulting Engineers Limited	UK	100	-
Urban:Kind Limited	UK	100	-
The Yard Creative Limited	UK	-	100
The BCS Consulting Group Limited	UK	-	100
BCS Utilities Limited	UK	-	100
BCS Critical Infrastructure Limited	UK	-	100
BCS Italia S.r.l	Italy	-	100
BCS Business Critical Solutions GmbH	Germany	-	100
BCS Data Centres Limited	UK	-	100
Pell Frischmann Information Technology Limited	UK	100	-

The registered office for each subsidiary is available from the company secretary at the registered office of the company.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

17 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	18,337,555	14,795,734	480	-
Accrued income	6,423,628	5,791,740	-	-
Corporation tax recoverable	566,794	609,110	58,000	-
Amounts owed by group undertakings	6,019,961	6,130,145	9,984,882	9,539,572
Derivative financial instruments	7,031	23,714	7,031	23,714
Other debtors	300,568	302,570	151,053	18,156
Prepayments	2,575,864	2,217,316	90,370	79,628
	<u>34,231,401</u>	<u>29,870,329</u>	<u>10,291,816</u>	<u>9,661,070</u>

Trade debtors are stated after provision for impairment of £1,594,085 (2021: £1,520,462).

Derivative financial instruments represents the fair value of a foreign exchange swap.

18 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Trade creditors	3,030,106	1,897,483	272,070	64,526
Amounts owed to group undertakings	1,013,160	-	4,772,296	4,041,644
Corporation tax payable	158,489	279,081	-	-
Other taxation and social security	3,617,930	3,409,865	80,666	-
Other creditors	877,300	761,541	21,507	111,394
Accruals and deferred income	10,581,438	9,817,371	1,432,398	1,333,573
	<u>19,278,423</u>	<u>16,165,341</u>	<u>6,578,937</u>	<u>5,551,137</u>

19 Provisions for liabilities

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Dilapidations		632,409	779,220	62,500	78,750
Other provisions		<u>2,845,802</u>	<u>916,651</u>	<u>14,819</u>	<u>10,000</u>
		3,478,211	1,695,871	77,319	88,750
Deferred tax liabilities	20	<u>6,423,673</u>	<u>7,077,650</u>	<u>-</u>	<u>-</u>
		<u>9,901,884</u>	<u>8,773,521</u>	<u>77,319</u>	<u>88,750</u>

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

19 Provisions for liabilities

(Continued)

Movements on provisions apart from deferred tax liabilities:

	Dilapidations	Other provisions	Total
Group	£	£	£
At 1 January 2022	779,220	916,611	1,695,831
Additional provisions	188,031	2,158,508	2,346,539
Release of provision	(192,000)	(37,923)	(229,923)
Utilisation of provision	(142,842)	(191,394)	(334,236)
At 31 December 2022	632,409	2,845,802	3,478,211

			Total
Company	£	£	£
At 1 January 2022	78,750	10,000	88,750
Additional provisions	62,500	10,000	72,500
Release of provision	(78,750)	(5,181)	(83,931)
At 31 December 2022	62,500	14,819	77,319

Included within other provisions at the group level is deferred consideration of £2,000,000 (2021:£nil). Provision for the deferred consideration relates to performance-based earnout payments for The BCS Consulting Group Limited. £666,667 is payable each year from 01 January 2023 to 31 December 2025 subject to satisfactory normalised EBITDA in each of the financial years.

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022	Liabilities 2021
Group	£	£
Capital allowance in excess of depreciation	267,066	235,209
Short term timing differences	(144,703)	(151,224)
Deferred tax balance on acquisitions	6,301,310	6,993,665
	6,423,673	7,077,650

The company has no deferred tax assets or liabilities.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

21 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	2,527,174	2,209,095

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital and share premium

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A shares of £0.0001 each	29,382,803	29,382,802	2,938	2,938
Ordinary B1 shares of £0.0001 each	4,350,000	4,350,000	435	435
Ordinary B2 shares of £0.0001 each	835,200	835,200	84	84
	<u>34,568,003</u>	<u>34,568,002</u>	<u>3,457</u>	<u>3,457</u>

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

1 Ordinary A share was issued to the parent company, RSBG Investment Holding Limited, on 13 December 2022 for £6,832,546 in relation to advances previously made to the company for acquisitions.

On 14 December 2022, the company reduced its share premium by £48,891,717 with a statement of solvency and transferred this to the profit and loss account.

23 Reserves

Share premium

The share premium account contains any amounts paid in excess of the nominal value of the share capital, net of transfers to the profit and loss account.

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 transfers from share premium and all current and prior period retained earnings, net of dividends paid.

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. Also included in other reserves are amounts which arose on the waiver of an intercompany debt.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

24 Contingent liabilities

There are unquantified contingent liabilities in the normal course of business arising under consultancy contracts and the company is covered by professional indemnity insurance in respect of claims which the directors believe is adequate.

There is also an unlimited multilateral guarantee and debenture including fixed and floating charges over all assets between the company and its fellow group companies.

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £
Within one year	1,675,254	1,109,985
Between one and five years	2,198,790	2,126,167
	<u>3,874,044</u>	<u>3,236,152</u>

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

26 Related party transactions

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

During the year £nil (£101,203) was recognised as other operating income in relation to the discharge of a loan with a former director as part of a settlement which included a separate loan arrangement and a share sale between the former director and the immediate parent company.

Key management personnel remuneration for the year was payable to 3 individuals and totalled £870,207.

27 Controlling party

The ultimate controlling party of the company is RAG-Stiftung, a company registered in Germany.

The largest and smallest group of undertakings which prepares consolidated financial statements including the company is RAG-Stiftung. These financial statements may be obtained from RAG-Stiftung, Ruttenscheider Strasse 1-3, 45128 Essen, Germany.

RSBG UK Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

28 Cash generated from group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	88,717	(3,396,651)
Adjustments for:		
Taxation charged	205,057	2,708,212
Finance costs	6	46,490
Investment income	(62,826)	(62,431)
Loss on disposal of tangible fixed assets	27,504	20,171
Fair value loss on foreign exchange contracts	16,683	112,719
Amortisation and impairment of intangible assets	4,760,934	4,746,773
Depreciation and impairment of tangible fixed assets	826,271	723,266
Impairment of deferred consideration	-	450,000
(Decrease)/increase in provisions	(217,660)	429,828
Movements in working capital:		
Increase in debtors	(4,420,071)	(1,361,076)
Increase in creditors	2,403,328	2,047,820
Cash generated from operations	3,627,943	6,465,121

29 Analysis of changes in net funds - group

	1 January 2022 £	Cash flows £	Exchange rate movements £	31 December 2022 £
Cash at bank and in hand	6,028,288	(1,249,979)	50,721	4,829,030