RSBG UK Limited

Annual Report and Financial Statements

For the year ended 31 December 2020

Company Registration No. 09592767 (England and Wales)

RSBG UK Limited

Company Information

Directors	T S Prabhu	
	J B Grady	
	J Wild	
	S Carter	(Appointed 1 March 2020)
Secretary	L S Roberts	
Company number	09592767	
Registered office	5 Manchester Square London W1U 3PD	
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	

RSBG UK Limited

Contents

The directors present the strategic report for the year ended 31 December 2020.

The principal activities of the Group during the year encompassed 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, water, wastewater and environmental engineering, sustainable development, 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 a challenging economic climate with adjusted EBITDA increasing significantly to £5.1m from £4.2m in 2019.

When the UK went into its first lockdown the business quickly re-deployed the staff to working from home arrangements and supported this operating model throughout 2020. It is anticipated that greater flexible and agile working practices will be retained post pandemic.

Although some of our markets have been hit hard by the economic fallout from COVID-19, most notably aviation and retail, our strategic goal of maintaining a blend of public sector medium term frameworks and relationship based private sector opportunities with high quality clients throughout the UK has provided market resilience. We continue to focus on key clients with whom we have a history of repeat business. We are highly selective with international opportunities, tending to work on Sovereign Fund sponsored projects.

Each of our principal UK offices hold medium term framework contracts and strategic relationships which provide core profitability and cash flow. Our framework clients include: Department for Work and Pensions, Homes England, Highways England, Network Rail, West Yorkshire Combined Authority, West Midlands Combined Authority, Transport for London, Transport for Greater Manchester, L&Q Housing Trust, Notting Hill Genesis, Severn Trent Water, Yorkshire Water as well as various Local Authorities. In London we are working for Landsec and Lovell on high profile building structures projects and are supporting U+I and Church Commissioners for England on regional strategic land sites.

We delivered several UK based, large scale projects in the year. Most notably the Midland Metro Alliance, Highways England M6 Junction 10 for Sisk, Hammersmith bridge for TfL and Kensington Olympia for Yoo Capital.

We have continued to target our recruitment towards individuals who bring high levels of technical knowledge combined with a shared set of values that align with our own.

Our framework projects allow cash flows in the foreseeable future to be predicted with a high level of accuracy. This, together with our existing balance sheet strength, gives rise to a wide variety of market opportunities. We continue to monitor resource utilisation, job profitability, invoicing and cash collection very closely.

Overall, the business has performed well during a year of unprecedented change and disruption. This is largely due to the dedication and resilience of our staff and our inclusive culture. The outlook for the Group for the next financial year and beyond is stable, reflecting a good order book. We will continue to build upon our successful collaborative relationships across our core markets and will differentiate ourselves through a higher level service offering.

Principal risks and uncertainties

Covid-19 remains the greatest risk to short term investment in both public and private sector markets. As the wider economic consequences of the pandemic materialise, the commitment to spending will be tested at both national and regional levels. Our response is to retain an agile and efficient business model supporting sectors that are critical to the needs of society and balanced across regions and sectors. Our principal focus will remain in supporting our staff, enabling them and empowering them to excel in a fast changing world.

The economic impact of Brexit has not yet visibly manifested in our core markets. We have seen a reduction in the talent pool from EU countries, which in turn could heighten the skills shortage across engineering specialisms in the UK.

The existential threat of both climate change and loss of biodiversity will see an accelerated shift in focus over the next decade. We have committed to meeting the challenge of responding to the needs of society whilst safeguarding the future of the planet in a responsible manner. There needs to be a change in thinking to achieve net carbon zero and the preservation of biodiversity. The UK construction industry is the largest contributor to UK carbon and also provides the greatest opportunity for it's reduction.

Economic environment: We monitor economic indicators and sentiment in the markets in which we operate. It is inevitable that we will see continued volatility across markets as the wider economic challenges of borrowing in the UK flows down to sectors. We are part of a broader 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 advise and support our clients to minimise and mitigate damage to the environment. We have developed a strategy that will take our business to net carbon zero in internal operations (Scope 1 and 2) by 2025. Moreover, the impact under Scope 3, working with our value chain, will present a greater challenge and will require an industry wide response. We are developing thought leadership, demonstrated through our Embodied Carbon for Structures tool, and will adopt a whole business approach to meeting these challenges, embedding sustainability at the heart of everything that we do.

Financial: We have minimal exposure to foreign exchange rate movements with the majority of revenue generated in the UK however we utilise simple hedging instruments to mitigate foreign exposure where applicable. We also take out relevant credit insurance to mitigate any credit risk. For UK projects we minimise working capital balances and avoid over exposing ourselves to non payment risk. We value the prompt payment of our supply chain partners and pro-actively track and manage our supplier payment profile.

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. Notably in respect of Social Value recently, public procurement is being steered by governmental themes and we have prepared a strategy that responds to this approach.

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 reviewed and improved. With most of our staff working from home for most of their working time, we have prioritised employee wellbeing (physical and mental) and the management of site based activities. We have invested in and developed a suite of online training modules accessible via our digital Learning Management System.

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 information 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.

Technical design and consultancy contracts: The Group has unquantified contingent liabilities arising in the normal course of business under engineering design and consultancy contracts, however the Group is covered by professional indemnity insurance in respect of any claims.

Reputation risk: Our business is 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, 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 maintain the best of the available talent. Throughout the pandemic, industry wide levels of staff churn have been uncharacteristically low and we anticipate this changing in 2021. Our messaging to our people, our engagement with them and our support of them to enable their continuous professional development will be critical in talent retention and attraction. We have invested in a Learning Management System that is accessible to all and is supported by bespoke training and development plans for individuals. We have pledged to making our people the top priority of our leadership group and believe that our commitment to our staff will result in sustained business performance.

Key performance indicators

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 key performance indicators (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, adjusted EBITDA and operating cash flows are monitored closely and indicate the efficiency with which we have turned operating performance into cash. KPIs for the year ended 31 December 2020 are turnover of £75.0m (2019: £73.6m), gross profit margin of 33.3% (2019: 35.5%) and adjusted EBITDA of £5.1m (2019: £4.2m).

On behalf of the board

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J B Grady

Director

25 May 2021

The directors present their annual report and financial statements for the year ended 31 December 2020.

Directors

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

T S Prabhu	
J B Grady	
Lady B S Judge	(Resigned 31 August 2020)
J Wild	
S Carter	(Appointed 1 March 2020)

Results and dividends

The group results for 2020 are considered successful in a challenging economic climate with adjusted EBITDA of £5,118,934 (2019: £4,186,968). The loss for the year, after taxation, amounted to £1,066,125 (2019: £2,130,169). Throughout the year the group maintained a strong cash flow position reflecting the high level of financial management controls which our systems and processes underpin.

Ordinary dividends were paid amounting to £1,587,176 (2019: £2,941,176). 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.

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

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J B Grady

Director

Date: 25/5/21

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.

Opinion

We have audited the financial statements of RSBG UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, the Group Statement of Changes in Equity, the 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 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 or 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of 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 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.

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.

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

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 group and parent company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the group and parent 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 group and parent company comply 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.

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.

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.

Moore Kingston Smith LLP

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

25 May 2021

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

RSBG UK Limited

Group Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	3	74,960,951	73,564,316
Cost of sales		(50,011,844)	(47,423,160)
Gross profit		24,949,107	26,141,156
Administrative expenses		(26,605,865)	(28,311,180)
Other operating income		1,209,861	480,867
Operating loss	4	(446,897)	(1,689,157)
Comprising of:			
Operating profit before depreciation, amortisation and profit on disposal of tangible fixed assets (adjusted EBITDA)		5,118,934	4,186,968
Depreciation and amortisation		(5,566,286)	(5,879,858)
Profit on disposal of tangible fixed assets		455	3,733
		(446,897)	(1,689,157)
Interest receivable and similar income	8	42,514	64,004
Interest payable and similar expenses	9	(83,177)	(133,104)
Loss on disposal of subsidiary	27	(324,861)	-
Fair value gain on financial instruments	10	93,955	-
Loss before taxation		(718,466)	(1,758,257)
Tax on loss	11	(347,659)	(371,912)
Loss for the financial year	26	(1,066,125)	(2,130,169)
Other comprehensive income			
Currency translation differences		(107,591)	(88,992)
Total comprehensive income for the year		(1,173,716)	(2,219,161)

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 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**13**		51,799,054		57,884,240
Tangible assets	**14**		1,338,509		1,480,460
			53,137,563		59,364,700
Current assets					
Debtors	**17**	29,652,297		33,453,662	
Cash at bank and in hand		6,125,199		2,993,651	
		35,777,496		36,447,313	
Creditors: amounts falling due within one year	**18**	(52,190,953)		(54,222,524)	
Net current liabilities			(16,413,457)		(17,775,211)
Total assets less current liabilities			36,724,106		41,589,489
Creditors: amounts falling due after more than one year	**19**		-		(276,188)
Provisions for liabilities					
Provisions	**22**	(1,266,043)		(2,570,071)	
Deferred tax liability	**23**	(5,217,413)		(5,741,688)	
			(6,483,456)		(8,311,759)
Net assets			30,240,650		33,001,542
Capital and reserves					
Called up share capital	**25**		3,457		3,457
Share premium account	**26**		7,199,443		7,199,443
Foreign exchange reserve	**26**		(168,370)		(60,779)
Other reserves	**26**		36,614,050		37,520,548
Profit and loss reserves	**26**		(13,407,930)		(11,661,127)
Total equity			30,240,650		33,001,542

The financial statements were approved by the board of directors and authorised for issue on 25 May 2021....
and are signed on its behalf by:

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J B Grady
Director

RSBG UK Limited

Company Statement Of Financial Position

As at 31 December 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	**13**		1,174,741		1,213,176
Tangible assets	**14**		37,877		39,865
Investments	**15**		34,312,836		34,312,836
			35,525,454		35,565,877
Current assets					
Debtors	**17**	14,112,786		8,920,479	
Creditors: amounts falling due within one year	**18**	(41,414,414)		(37,486,672)	
Net current liabilities			(27,301,628)		(28,566,193)
Total assets less current liabilities			8,223,826		6,999,684
Provisions for liabilities	**22**		(118,846)		-
Net assets			8,104,980		6,999,684
Capital and reserves					
Called up share capital	**25**		3,457		3,457
Share premium account	**26**		7,199,443		7,199,443
Profit and loss reserves	**26**		902,080		(203,216)
Total equity			8,104,980		6,999,684

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 £2,692,472 (2019: £2,699,562).

The financial statements were approved by the board of directors and authorised for issue on 25 May 2021.... and are signed on its behalf by:

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J B Grady
Director

Company Registration No. 09592767

Group Statement of Changes in Equity
For the year ended 31 December 2020

	Notes	Share capital £	Share premium account £	Foreign exchange reserves £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2019		3,457	7,199,443	28,213	36,136,274	(6,589,782)	36,777,605
Year ended 31 December 2019:							
Loss for the year		-	-	-	-	(2,130,169)	(2,130,169)
Dividends	12	-	-	-	-	(2,941,176)	(2,941,176)
Currency translation differences		-	-	(88,992)	-	-	(88,992)
Waiver of intercompany debt		-	-	-	1,384,274	-	1,384,274
Balance at 31 December 2019		3,457	7,199,443	(60,779)	37,520,548	(11,661,127)	33,001,542
Year ended 31 December 2020:							
Loss for the year		-	-	-	-	(1,066,125)	(1,066,125)
Dividends	12	-	-	-	-	(1,587,176)	(1,587,176)
Transfer on disposal of subsidiary		-	-	-	(906,498)	906,498	-
Currency translation differences		-	-	(107,591)	-	-	(107,591)
Balance at 31 December 2020		3,457	7,199,443	(168,370)	36,614,050	(13,407,930)	30,240,650

Company Statement of Changes in Equity

For the year ended 31 December 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2019		3,457	7,199,443	38,398	7,241,298
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	2,699,562	2,699,562
Dividends	12	-	-	(2,941,176)	(2,941,176)
Balance at 31 December 2019		3,457	7,199,443	(203,216)	6,999,684
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	2,692,472	2,692,472
Dividends	12	-	-	(1,587,176)	(1,587,176)
Balance at 31 December 2020		3,457	7,199,443	902,080	8,104,980

1 Accounting policies

Company information
RSBG UK Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 5 Manchester Square, London, United Kingdom, W1U 3PD.

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 the consolidated financial statements of RAG-Stiftung, a company registered in Germany, as at 31 December 2020, and these financial statements may be obtained from RAG-Stiftung, Ruttenscheider Strasse 1 -3, 45128 Essen, Germany.

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.

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 2020. 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

During the year the directors initiated robust business continuity plans in response to the COVID-19 pandemic. The secured workload for the year has been largely unaffected at this stage by either short term financial decisions or by practical limitations brought about from changing work patterns. The group have a large number of contracts with Public Sector clients which are all expected to proceed as planned. Contracts held with private clients are predominantly with large corporates who are more resilient and are still planning on proceeding with those projects.

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have assessed the impacts of the COVID-19 pandemic and have concluded that there is no significant impact to the going concern status of the group. 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.

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 are recoverable.

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 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 if the fair value can be measured reliably.

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

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 Accounting policies **(Continued)**

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 at bank and in hand 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.

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.

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 though 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 direct issue 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.

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 the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting policies **(Continued)**

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease 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 are included in the income statement for the period.

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.

Amounts recoverable on long term contracts

Amounts recoverable on long term contracts are 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.

3 Turnover and other income

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	67,055,695	65,342,216
Rest of Europe	729,828	803,318
Rest of the world	7,175,428	7,418,782
	74,960,951	73,564,316

	2020	2019
	£	£
Other significant income		
Other operating income	414,256	346,708
R&D tax credit	332,918	134,159
Furlough grants claimed	462,687	-

4 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	85,828	86,826
Depreciation of owned tangible fixed assets	716,721	646,066
Profit on disposal of tangible fixed assets	(455)	(3,733)
Amortisation of intangible assets	4,849,565	5,233,792
Operating lease charges	2,268,933	2,404,897

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	98,000	95,800
For other services		
Taxation compliance services	26,600	26,400
All other non-audit services	36,600	34,000
	161,200	156,200

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Management	36	31	4	4
Administration	137	148	26	12
Engineering	721	758	-	-
	894	937	30	16

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	40,025,120	40,869,891	2,588,135	2,435,164
Social security costs	4,247,819	4,066,197	278,493	400,891
Pension costs	2,418,006	2,277,561	129,080	125,965
	46,690,945	47,213,649	2,995,708	2,962,020

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	677,841	1,000,640
Company pension contributions to defined contribution schemes	9,900	5,193
	687,741	1,005,833

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

	2020 £	2019 £
Remuneration for qualifying services	310,382	729,599

During the year retirement benefits were accruing to 2 directors (2019: 1) in respect of defined contribution pension schemes.

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	42,514	64,004

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	10,572	11,459
Interest on finance leases and hire purchase contracts	12,334	9,756
Interest payable to group undertakings	48,565	53,872
Other interest on financial liabilities	11,706	58,017
	83,177	133,104

10 Fair value gain on financial instruments

	2020	2019
	£	£
Fair value gain on financial instruments		
Change in value of financial assets held at fair value through profit or loss	93,955	-

11 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	834,083	792,356
Adjustments in respect of prior periods	(15,642)	-
Double tax relief	-	(11,060)
Total current tax	818,441	781,296
Deferred tax		
Origination and reversal of timing differences	(470,782)	(409,384)
Total tax charge for the year	347,659	371,912

11 Taxation (Continued)

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

	2020 £	2019 £
Loss before taxation	(718,466)	(1,758,257)
Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2019: 19%)	(136,509)	(334,069)
Tax effect of expenses that are not deductible in determining taxable profit	60,725	16,798
Tax effect of utilisation of tax losses not previously recognised	(115,529)	(43,650)
Unutilised tax losses carried forward	-	6,545
Adjustments in respect of prior years	(15,642)	-
Group relief	(117,649)	-
Permanent capital allowances in excess of depreciation	(114,501)	(145,321)
Depreciation on assets not qualifying for tax allowances	124,493	111,490
Amortisation on assets not qualifying for tax allowances	425,479	558,356
Adjustments in respect of financial assets	(17,851)	-
Research and development tax credit	(59,351)	(16,690)
Other non-reversing timing differences	(10,682)	(30,824)
Effect of overseas tax rates	262,952	249,277
Loss on disposal of subsidiary	61,724	-
Taxation charge for the year	347,659	371,912

12 Dividends

	2020 £	2019 £
Final paid	1,587,176	2,941,176

13 Intangible fixed assets

Group	Goodwill	Computer software	Order books	Customer relationships	Trademarks	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	29,429,567	1,478,491	1,770,047	25,520,996	16,342,941	74,542,042
Additions	-	114,379	-	-	-	114,379
Adjustments	(1,350,000)	-	-	-	-	(1,350,000)
At 31 December 2020	28,079,567	1,592,870	1,770,047	25,520,996	16,342,941	73,306,421
Amortisation and impairment						
At 1 January 2020	6,319,169	261,316	1,770,047	4,692,826	3,614,444	16,657,802
Amortisation charged for the year	1,913,940	151,814	-	1,725,169	1,058,642	4,849,565
At 31 December 2020	8,233,109	413,130	1,770,047	6,417,995	4,673,086	21,507,367
Carrying amount						
At 31 December 2020	19,846,458	1,179,740	-	19,103,001	11,669,855	51,799,054
At 31 December 2019	23,110,398	1,217,175	-	20,828,170	12,728,497	57,884,240

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

Goodwill arising on the purchase of the business of The Yard Creative in the prior year was reduced by £1,350,000 in the current year as a result of the cost of the investment decreasing.

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

13 Intangible fixed assets **(Continued)**

Company	Computer software
	£
Cost	
At 1 January 2020	1,351,285
Additions	109,935
At 31 December 2020	1,461,220
Amortisation and impairment	
At 1 January 2020	138,109
Amortisation charged for the year	148,370
At 31 December 2020	286,479
Carrying amount	
At 31 December 2020	1,174,741
At 31 December 2019	1,213,176

14 Tangible fixed assets

Group	Short-term leasehold property	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	611,019	1,573,935	1,708,153	29,732	3,922,839
Additions	62,113	60,721	466,697	-	589,531
Disposals	(1,087)	(11,772)	-	(863)	(13,722)
Derecognised on disposal of subsidiary	(10,013)	(108,270)	-	-	(118,283)
At 31 December 2020	662,032	1,514,614	2,174,850	28,869	4,380,365
Depreciation and impairment					
At 1 January 2020	341,011	1,103,611	977,401	20,356	2,442,379
Depreciation charged in the year	114,719	221,768	375,002	5,232	716,721
Disposals	(1,087)	(761)	-	-	(1,848)
Derecognised on disposal of subsidiary	(10,013)	(105,383)	-	-	(115,396)
At 31 December 2020	444,630	1,219,235	1,352,403	25,588	3,041,856
Carrying amount					
At 31 December 2020	217,402	295,379	822,447	3,281	1,338,509
At 31 December 2019	270,008	470,324	730,752	9,376	1,480,460

Company	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost			
At 1 January 2020	1,000	51,461	52,461
Additions	-	13,024	13,024
At 31 December 2020	1,000	64,485	65,485
Depreciation and impairment			
At 1 January 2020	125	12,471	12,596
Depreciation charged in the year	250	14,762	15,012
At 31 December 2020	375	27,233	27,608
Carrying amount			
At 31 December 2020	625	37,252	37,877
At 31 December 2019	875	38,990	39,865

15 Fixed asset investments

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Investments in subsidiaries	16	-	-	34,312,836	34,312,836

Movements in fixed asset investments

Company	**Shares in group undertakings**
	£
Cost or valuation	
At 1 January 2020 and 31 December 2020	34,312,836
Carrying amount	
At 31 December 2020	34,312,836
At 31 December 2019	34,312,836

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
4way Consulting Ltd	UK	Consulting engineering	Ordinary	-	100.00
4way Holding Ltd	UK	Holding company	Ordinary	-	100.00
Decas (Asia) Inc	Philippines	Consulting engineering	Ordinary	-	100.00
Desco (2011) Ltd	UK	Holding company	Ordinary	-	100.00
Desco (Design and Consultancy) Ltd	UK	Consulting engineering	Ordinary	-	100.00
Desco Qatar Mechanical and Electrical Consulting Engineers WLL	Qatar	Non-trading	Ordinary	-	49.00
Frischmann Prabhu India Design Services Pvt	India	Consulting engineering	Ordinary	99.90	-
Leslie Jones Architects Limited	UK	Architectural services	Ordinary	-	100.00
MBC Group Limited	UK	Holding company	Ordinary	100.00	-
McBains Consulting Limited	UK	Holding company	Ordinary	-	100.00
McBains Cooper Consulting Limited	UK	Holding company	Ordinary	-	100.00
McBains Cooper Hellas Technical Consulting S.A.	Greece	Property consultancy	Ordinary	-	100.00
McBains Cooper International Limited	UK	Holding company	Ordinary	-	100.00
McBains Cooper Limited	UK	Holding company	Ordinary	-	100.00
McBains Cooper Mexico, S.A. de C.V.	Mexico	Dormant	Ordinary	-	100.00
McBains Limited	UK	Property consultancy	Ordinary	-	100.00
McBains Cooper Mexico Servicos SA de C.V.	Mexico	Dormant	Ordinary	-	100.00
Pell Frischmann Consultants Limited	UK	Consulting engineering	Ordinary	-	100.00
Pell Frischmann Consulting Engineers Limited	UK	Consulting engineering	Ordinary	100.00	-
Pell Frischmann Information Technology Limited	UK	Non-trading	Ordinary	-	99.90
Pell Frischmann Brown Beech Consulting Engineers Limited	UK	Dormant	Ordinary	100.00	-
Urban:Kind Limited	UK	Holding company	Ordinary	100.00	-
The Yard Creative Limited	UK	Research, strategy and design services	Ordinary	-	100.00

16 Subsidiaries **(Continued)**

4way Holding Ltd was dissolved after the year end.

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

17 Debtors

	Group 2020	2019	Company 2020	2019
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	14,173,277	16,653,739	-	-
Amounts recoverable on long term contracts	4,212,867	12,024,369	-	-
Corporation tax recoverable	1,221,539	1,814,571	-	-
Amounts due from group undertakings	6,537,058	179,188	12,916,340	8,782,697
Derivative financial instruments	93,955	-	93,955	-
Other debtors	1,494,123	944,345	1,023,631	67,721
Prepayments	1,909,104	1,765,654	78,860	70,061
	29,641,923	33,381,866	14,112,786	8,920,479
Deferred tax asset (note 23)	10,374	71,796	-	-
	29,652,297	33,453,662	14,112,786	8,920,479

Included in amounts owed from group undertakings is an unsecured loan of £4,495,150 (2019: £nil) which is repayable on demand with an interest rate of 0.7% per annum. All other 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.

Trade debtors are stated after provision for impairment of £930,357 (2019: £351,829).

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

18 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	20	9,882	232,556	1,339,571	1,632,006
Obligations under finance leases	21	2,352	8,015	-	-
Trade creditors		1,817,777	2,815,393	38,758	390,545
Amounts due to group undertakings		31,019,704	28,886,168	33,731,607	30,386,915
Amounts due to related parties		-	2,418,503	-	2,418,503
Corporation tax payable		433,451	242,258	-	-
Other taxation and social security		5,508,553	4,158,650	-	90,657
Other creditors		5,824,199	3,047,800	5,238,173	2,434,943
Accruals and deferred income		7,575,035	12,413,181	1,066,305	133,103
		52,190,953	54,222,524	41,414,414	37,486,672

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

19 Creditors: amounts falling due after more than one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	20	-	276,188	-	-

20 Loans and overdrafts

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	9,882	508,744	-	-
Bank overdrafts	-	-	1,339,571	1,632,006
	9,882	508,744	1,339,571	1,632,006
Payable within one year	9,882	232,556	1,339,571	1,632,006
Payable after one year	-	276,188	-	-

£9,882 (2019: £66,329) of bank loans outstanding relate to a fixed sum loan, payable over 48 months with effect from 23 April 2017. The loan is unsecured.

20 Loans and overdrafts (Continued)

The remainder of the loans outstanding at the end of the previous 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 were payable monthly. Interest rate applied to the loan was 3% per annum over the Base Rate. The loan was secured by a debenture compromising 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 were payable monthly. Interest rate applied to the loan was 3% per annum over the Base Rate. The loan was secured by a debenture compromising of fixed and floating charges over all the assets and undertakings of the Company.

Both loans were fully repaid during the year in advance of the scheduled repayment dates.

21 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	2,352	8,015	-	-

Finance lease payments represent rentals payable for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets.

22 Provisions for liabilities

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Dilapidations		526,446	313,084	47,500	-
Other provisions		739,597	256,987	71,346	-
Contingent consideration		-	2,000,000	-	-
		1,266,043	2,570,071	118,846	-
Deferred tax liabilities	23	5,217,413	5,741,688	-	-
		6,483,456	8,311,759	118,846	-

22 Provisions for liabilities **(Continued)**

Movements on provisions apart from deferred tax liabilities:

Group	Dilapidations £	Other provisions £	Contingent consideration £	Total £
At 1 January 2020	313,084	256,987	2,000,000	2,570,071
Additional provisions	213,362	549,347	-	762,709
Reversal of provision	-	-	(1,350,000)	(1,350,000)
Utilisation of provision	-	(81,130)	(650,000)	(731,130)
Derecognised on disposal of subsidiary	-	(160,607)	-	(160,607)
Transfers	-	175,000	-	175,000
At 31 December 2020	526,446	739,597	-	1,266,043

Company	£	£	£	Total £
At 1 January 2020	-	-	-	-
Additional provisions	47,500	71,346	-	118,846
At 31 December 2020	47,500	71,346	-	118,846

Consideration of £2,000,000 relating to the acquisition of The Yard Creative Limited in 2019 was deferred and would only become payable if pre-agreed conditions were met. There were set payment dates however the amounts to be paid on these dates was still to be determined. The contingent consideration at the balance sheet date was £nil due to payments being made, pre-agreed conditions not being met and where the directors were of the opinion that the future pre-agreed conditions will not be met.

23 Deferred taxation

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

Group	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Capital allowance in excess of depreciation	124,747	115,076	-	-
Depreciation in excess of capital allowances	-	-	-	16,513
Short term timing differences	(73,351)	(6,709)	-	-
Deferred tax balance on acquisitions	5,166,017	5,633,321	-	-
Employee benefit expense	-	-	10,374	55,283
	5,217,413	5,741,688	10,374	71,796

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2020 £	Company 2020 £
Net liability at 1 January 2020	5,669,892	-
Credit to profit or loss	(470,782)	-
Credit to other comprehensive income	(20,817)	-
Derecognised on disposal of subsidiary	28,746	-
Net liability at 31 December 2020	5,207,039	-

The deferred tax balances set out above are not expected to reverse within 12 months. The deferred tax balances on acquisitions are expected to reverse by 31 December 2032.

24 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	2,418,006	2,277,561

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.

25 Share capital

	Group and company	
	2020	**2019**
Ordinary share capital	**£**	**£**
Issued and fully paid		
29,382,800 Ordinary A shares of £0.0001 each	2,938	2,938
4,350,000,000 Ordinary B1 shares of £0.0001 each	435	435
835,200 Ordinary B2 shares of £0.0001 each	84	84
	3,457	3,457

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

26 Reserves

Share premium
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 of £35,229,776 (2019: £36,136,274) 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 is £1,384,274 which arose on the waiver of an intercompany debt.

27 Disposals

On 31 December 2020 the group ceased to control its subsidiary Frischmann Prabhu India Project Management Consultancy Services Pvt, of which it owned 99.9% of the issued share capital. Included in these financial statements are profits of £339,081 arising from the company's interests in Frischmann Prabhu India Project Management Consultancy Services Pvt up to the date of its disposal.

	£
Cash and cash equivalents	37,428
Property, plant and equipment	2,887
Trade and other receivables	2,019,890
Corporation tax recoverable	963,470
Amounts recoverable on long term contracts	323,599
Trade and other payables	(1,346,415)
Other taxation and social security	(817,205)
Provisions	(160,607)
Deferred tax	28,746
Total net assets on disposal	1,051,793
Costs associated to disposal	173,068
Loss on disposal	(324,861)
Total consideration	900,000

The consideration was satisfied by:	£
Cash (receivable after the year end)	450,000
Deferred consideration	450,000
	900,000

The consideration of £900,000 is recognised in other debtors. £450,000 deferred consideration is contingent on pre-agreed conditions based on the performance of the company after the disposal. It is the view of the directors that these conditions will be met.

28 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 a cross guarantee and debenture between the company and its fellow group companies.

29 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 2020 £	2019 £
Within one year	1,368,797	1,561,147
Between one and five years	328,127	2,347,222
	1,696,924	3,908,369

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

30 Related party transactions

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

During the year the Group was charged interest and paid a dividend to RSBG Investment Holding Limited, a fellow group undertaking, totalling £48,565 and £1,349,100 respectively (2019: £53,872 and £2,500,000).

The Group recharged expenses during the year totalling £331,994 (2019: £304,604) to fellow group undertakings and was recharged expenses of £311,367 (2019: £nil) by fellow group undertakings.

The Group charged interest on a loan to a fellow group undertaking of £8,587 (2019: £nil). The terms of the loan are included in note 17.

Amounts owed by and to group undertakings are disclosed in notes 17 and 18.

At the balance sheet date the Group had received loans from a director amounting to £5,223,872 (2019: £2,418,503). There were no formal terms set with these loans and no interest was payable. Dividends of £238,076 (2019: £220,588) were paid to the director.

At the balance sheet date the Group had received loans from a relative of a director amounting to £nil (2019: £2,418,503). There were no formal terms set with these loans and no interest was payable. Dividends of £nil (2019: £220,588) were paid to the relative of the director.

The Group sold a subsidiary to a relative of a director during the year for £900,000. See note 27 for details of the disposal. At the balance sheet date the Group owed £168,703 to the former subsidiary. As part of the sale agreement, a commercial loan facility was agreed between the parties of £2,500,000 and, after the balance sheet date, the group made an advance of £900,000 to the former subsidiary under this loan agreement.

31 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.