

# RSM Northern Ireland (UK) Limited

(formerly Arrandco NI Limited)

UNAUDITED FINANCIAL STATEMENTS

for the period ended 31 March 2018



# RSM Northern Ireland (UK) Limited

## DIRECTORS AND OFFICERS

for the period ended 31 March 2018

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### **Directors**

M D Blair  
R W Gardiner  
D Gwilliam  
R M Ross  
N J Tristem

### **Company registration number**

NI642821 (Northern Ireland)

### **Registered office**

Number One  
Lanyon Quay  
Belfast  
Northern Ireland  
BT1 3LG

# RSM Northern Ireland (UK) Limited

## DIRECTORS' REPORT

for the period ended 31 March 2018

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The directors present their report and unaudited financial statements for the period ended 31 March 2018.

### Principal activities and business review

The company's principal activities are those of the provision of professional business and advisory services.

The company was incorporated on 20 December 2016 as Arrandco NI Limited. On 23 January 2017 the company changed its name, by way of special resolution, to RSM Northern Ireland (UK) Limited.

On 28 January 2017 the company acquired certain trade and assets from the RSM Northern Ireland partnership, including the entire share capital of RSM PACEC Limited.

### Directors

The following directors held office during the period:

M D Blair	(appointed 28 January 2017)
R W Gardiner	(appointed 28 January 2017)
D Gwilliam	(appointed 20 December 2016)
R M Ross	(appointed 20 December 2016)
N J Tristem	(appointed 20 December 2016)

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

On behalf of the board



N J Tristem  
Director  
18 September 2018

# RSM Northern Ireland (UK) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

for the period ended 31 March 2018

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, directors are required to:

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

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

# RSM Northern Ireland (UK) Limited

## INCOME STATEMENT

for the period ended 31 March 2018

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		15 months to 31 March 2018 £
	Notes	
Turnover	1	1,566,907
Cost of sales		(1,174,385)
<b>Gross profit</b>		<b>392,522</b>
Administrative expenses		(1,924,011)
<b>Operating loss</b>	2	<b>(1,531,489)</b>
Interest payable and similar charges	3	(6,846)
<b>Loss on ordinary activities before taxation</b>		<b>(1,538,335)</b>
Tax on loss on ordinary activities	4	224,556
<b>Loss for the period</b>		<b>(1,313,779)</b>

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The loss for the period arises from continuing operations.

The company had no items of other comprehensive income in the period

The notes on pages 7 to 14 form part of these financial statements

# RSM Northern Ireland (UK) Limited

## STATEMENT OF FINANCIAL POSITION

as at 31 March 2018

(Company Registration Number: NI642821)

	Notes	31 March 2018 £
<b>Fixed assets</b>		
Intangible assets	5	781,500
Tangible assets	7	61,427
Investments	8	<u>127,103</u>
		970,030
<b>Current assets</b>		
Debtors	9	1,194,381
Cash at bank and in hand		<u>2,802</u>
		1,197,183
<b>Creditors amounts falling due within one year</b>	10	<u>(3,480,892)</u>
<b>Net current liabilities</b>		<u>(2,283,709)</u>
<b>Total assets less current liabilities</b>		<u>(1,313,679)</u>
<b>Capital and reserves</b>		
Called up share capital	11	100
Profit and loss account		<u>(1,313,779)</u>
<b>Shareholder's deficit</b>		<u>(1,313,679)</u>

For the period ended 31 March 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and the members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 4 to 14 were approved by the board of directors and authorised for issue on 18 September 2018 and are signed on its behalf by:



N J Tristem  
Director

The notes on pages 7 to 14 form part of these financial statements

**RSM Northern Ireland (UK) Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
for the period ended 31 March 2018

	Share capital £	Profit and loss account £	Total £
<b>Balance at 20 December 2016</b>	-	-	-
Loss for the period	-	(1,313,779)	(1,313,779)
<b>Total comprehensive income for the period</b>	-	<b>(1,313,779)</b>	<b>(1,313,779)</b>
Transactions with owners in their capacity of owners: Issue of shares	100	-	100
<b>Balance at 31 March 2018</b>	<b>100</b>	<b>(1,313,779)</b>	<b>(1,313,679)</b>

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

# RSM Northern Ireland (UK) Limited

## ACCOUNTING POLICIES

for the period ended 31 March 2018

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### General information

RSM Northern Ireland (UK) Limited (the "Company") is a private company limited by shares and was incorporated in Northern Ireland on 20 December 2016. On 23 January 2017, the Company changed its name from Arrandco NI Limited.

The registered office address of the Company is Number One, Lanyon Quay, Belfast, Northern Ireland, BT1 3LG.

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

### Basis of accounting

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

### Going concern

The company's immediate parent company, Arrandco Investments Limited, continues to support the company and has undertaken not to withdraw or restrict funds until all third-party creditors have been paid in full.

### Reduced disclosures

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

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

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

### Turnover

Turnover represents amounts receivable for services net of value added tax. Turnover is recognised in the period when the services are provided.

### Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Computer equipment	-	over 3 years
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### Goodwill

Goodwill represents the excess of the fair value of the consideration given when acquiring the business, trade and assets of RSM Northern Ireland Limited and the share capital of RSM PACEC Limited over the fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition.

### Investments

Fixed asset investments are stated at cost less provision for diminution in value.



# RSM Northern Ireland (UK) Limited

## ACCOUNTING POLICIES

for the period ended 31 March 2018

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### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Current and deferred tax is charged or credited in the income statement, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

### Financial Instruments

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

The Company only has basic financial assets and liabilities. They are measured initially at transaction price and subsequently at amortised cost, being the transaction price less amounts settled and (in respect of debtors) any impairment losses.

### Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the valuation of amounts recoverable on services and hence turnover and revenue recognition is a significant accounting policy. At 31 March 2018 the amounts recoverable on services totalled £355,939.

The carrying value of goodwill is deemed to be a key area of judgement. Goodwill is subject to an impairment review, both annually and when there is an indication that the carrying value may be impaired. Any impairment is recognised immediately in the income statement and is not reversed.

Going concern is also deemed to be a key area of judgement. However, the Company's immediate parent company, Arrandco Investments Limited, has undertaken to provide financial support until all third-party creditors have been paid in full.

# RSM Northern Ireland (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2018

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### 1. Turnover

The company's turnover was all derived from its principal activities.

### 2. Operating loss

	15 months to 31 March 2018 £
Operating loss is stated after charging:	
Amortisation of intangible assets	3,500
Depreciation of tangible assets	22,462
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### 3. Interest payable and similar charges

	15 months to 31 March 2018 £
Bank interest payable	4,860
Other interest payable	1,986
	<hr/>
<b>Total</b>	<b>6,846</b>
	<hr/>

### 4. Taxation

	15 months to 31 March 2018 £
<b>Current tax:</b>	
UK corporation tax on results of the period	-
	<hr/>
<b>Total current tax</b>	<b>-</b>
	<hr/>
<b>Deferred tax:</b>	
Origination and reversal of timing differences	(224,556)
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<b>Deferred tax credit</b>	<b>(224,556)</b>
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<b>Total tax on ordinary activities</b>	<b>(224,556)</b>
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# RSM Northern Ireland (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2018

### 4. Taxation (continued)

Factors affecting tax charge for the period:

The tax assessed for the period is different from the standard rate of corporation tax in the UK of 19.15%. The differences are explained below:

	15 months to 31 March 2018 £
Loss on ordinary activities before tax	(1,538,335)
Loss on activities multiplied by the standard rate of corporation tax in the UK of 19.15%	(294,548)
Effects of:	
Expenses not deductible for tax purposes	1,141
Deferred tax	68,851
Total tax	(224,556)

The Company has tax losses of £1,225,045 to carry forward.

### 5. Intangible fixed assets

	Goodwill £	Client Relationships £	Total £
<b>Cost</b>			
At 20 December 2016	-	-	-
On acquisition (note 6)	755,000	30,000	785,000
At 31 March 2018	755,000	30,000	785,000
<b>Amortisation</b>			
At 20 December 2016	-	-	-
Charge for the period	-	3,500	3,500
At 31 March 2018	-	3,500	3,500
<b>Net book value</b>			
At 31 March 2018	755,000	26,500	781,500
At 20 December 2016	-	-	-

# RSM Northern Ireland (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2018

### 6. Purchase of business

On 27 January 2017 the company acquired the business, trade and assets of the RSM Northern Ireland Partnership and the entire share capital of RSM PACEC Limited.

Arrandco Investments Limited, the immediate parent company, provided RSM Northern Ireland (UK) Limited with the funds necessary to make the purchase.

The fair value of the identifiable net assets acquired was less than the total consideration paid, creating goodwill on acquisition. The goodwill is recognised within the statement of financial position for the year ended 31 March 2018. The transactions have been accounted for under the acquisition method of accounting.

A summary of the assets and liabilities acquired in the Northern Ireland deal held in RSM Northern Ireland (UK) Limited and RSM PACEC Limited is as follows:

	Initial book value £	Fair value adjustments £	Fair value at date of acquisition £
Intangible assets	-	30,000	30,000
Investments	127,103	-	127,103
Tangible assets	88,431	-	88,431
Trade and other receivables	1,698,798	-	1,698,798
Trade and other payables	(359,542)	-	(359,542)
Cash and overdrafts	(349,105)	-	(349,105)
Loans	(829,354)	-	(829,354)
	<u>376,331</u>	<u>30,000</u>	<u>406,331</u>
Goodwill recognised in the statement of financial position			755,000
Total consideration			<u>1,161,331</u>
			2016 £
Consideration represented by:			
Cash paid			751,331
Deferred consideration			410,000
			<u>1,161,331</u>

# RSM Northern Ireland (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2018

### 7. Tangible fixed assets

	Computer equipment £
<b>Cost</b>	
At 20 December 2016	-
On acquisition	88,431
Disposals	(16,562)
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At 31 March 2018	71,869
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<b>Depreciation</b>	
At 20 December 2016	-
Charge for the period	22,462
Disposals	(12,020)
	<hr/>
At 31 March 2018	10,442
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<b>Net book value</b>	
At 31 March 2018	61,427
	<hr/>
At 20 December 2016	-
	<hr/>

### 8. Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 20 December 2016	-
Additions	127,103
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At 31 March 2018	127,103
	<hr/>
<b>Provisions</b>	
At 20 December 2016	-
Impairment in period	-
	<hr/>
At 31 March 2018	-
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<b>Net book value</b>	
At 31 March 2018	127,103
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At 20 December 2016	-
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The company has an investment in the following principal subsidiary undertakings:

Subsidiary undertaking	Country of incorporation	Class of holding	Proportion directly held	Nature of business
RSM PACEC Limited	Northern Ireland	Ordinary	100%	Consultancy Services
Public and Corporate Economic Consultants Limited	England and Wales	Ordinary	100%*	Dormant

\* owned by RSM PACEC Limited

# RSM Northern Ireland (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2018

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### 9. Debtors

	2018 £
Amounts recoverable on services	355,939
Trade debtors	595,531
Other debtors	18,355
Deferred tax asset	224,556
	<u>1,194,381</u>

	2018 £
Deferred taxation:	
Tax losses	208,258
Accelerated capital allowances	16,298
	<u>224,556</u>

### 10. Creditors: amounts falling due within one year

	2018 £
Taxation and social security	41,178
Other creditors	31,035
Amounts owed to group undertakings	3,291,466
Accrued expenses and deferred income	117,213
	<u>3,480,892</u>

### 11. Share capital

	2018 £
<b>Allotted, called up and fully paid</b>	
100 Ordinary shares of £1 each	100

The company was incorporated on 20 December 2016 with 100 ordinary shares of £1 each.

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

### 12. Related party disclosure

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

# RSM Northern Ireland (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS . . . .

for the period ended 31 March 2018

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### 13. Control

The company is a wholly owned subsidiary of Arrandco Investments Limited, which is owned by RSM UK Holdings Limited, both of which are registered in England and Wales. RSM UK Holdings Limited is the ultimate controlling party.

For 31 March 2018, the largest and smallest group in which the results of the company are consolidated is that headed by RSM UK Holdings Limited.

The group accounts of RSM UK Holdings Limited are available from its registered office, 6th Floor, 25 Farringdon Street, London, EC4A 4AB.