

RBB ECONOMICS LLP

Report and Financial Statements

Year ended 31 March 2008

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RBB ECONOMICS LLP

REPORT AND FINANCIAL STATEMENTS 2008

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RBB ECONOMICS LLP

REPORT AND FINANCIAL STATEMENTS 2008

MEMBERS AND PROFESSIONAL ADVISORS

MEMBERS

S R Baker (designated member)
D J Ridyard (designated member)
S L Bishop (designated member)
A Lofaro
A Majumdar
K Devitt
M Vissier

REGISTERED OFFICE

The Connection
198 High Holborn
London
WC1V 7BD

BANKERS

Royal Bank of Scotland
127-128 High Holborn
London
WC1V 6PQ

SOLICITORS

Stevens & Bolton LLP
The Billings
Guildford
Surrey
GU1 4YD

AUDITORS

Deloitte & Touche LLP
Cambridge

RBB ECONOMICS LLP

MEMBERS' REPORT

The members are pleased to present their annual report and the audited financial statements of the limited liability partnership ("LLP") for the year ended 31 March 2008

PRINCIPAL ACTIVITIES

The principal activity of the LLP during the year was the provision of economic consultancy services

REVIEW OF DEVELOPMENTS

The trading results for the year ended 31 March 2008, and the LLP's financial position at the end of the year are shown in the attached financial statements

DESIGNATED MEMBERS

The designated members who served during the year, are set out in detail on page 1

TRANSACTIONS WITH MEMBERS

The members' policy on drawings is dependent upon the working capital requirements of the firm. A conservative level of monthly drawings is set at the start of the period and further distributions are made once the results for the period and allocation of profit have been finalised.

The balance of profits due to members is paid out once the accounts for the year ended 31 March 2008 are signed, again subject to working capital requirements.

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the annual report and the financial statements. The members have prepared the accounts for the limited liability partnership in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP').

The Limited Liability Partnership (LLP) Regulations 2001 made under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the limited liability partnership at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with the Limited Liability Partnership Regulations 2001. The members are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RBB ECONOMICS LLP

MEMBERS' REPORT

AUDITORS

In the case of each of the persons who are members of the LLP at the date when this report is approved

- so far as each of the members is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the LLP's auditors are unaware, and
- each of the members has taken all the steps that they ought to have taken as a members to make themselves aware of any relevant audit information (as defined) and to establish that the LLP's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

D J Ridyard



Approved by the Members

29 September 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBB ECONOMICS LLP

We have audited the financial statements of RBB Economics LLP for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with section 235 of the Companies Act 1985, as applicable to limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' 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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985, as applicable to limited liability partnerships. We also report to you if, in our opinion, the LLP has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the members' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the LLP's affairs as at 31 March 2008 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985 as applicable to limited liability partnerships.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cambridge

United Kingdom

2 October 2008

RBB ECONOMICS LLP

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2008

	Note	2008 £	2007 £
TURNOVER	2	13,621,325	7,679,587
Depreciation		(105,382)	(81,983)
Staff costs	4	(1,718,046)	(774,356)
Other external charges		(2,987,639)	(1,528,856)
Other operating charges		<u>(895,744)</u>	<u>(540,730)</u>
OPERATING PROFIT	3	7,914,514	4,753,662
Net interest receivable	5	<u>15,129</u>	<u>1,270</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES	11	7,929,643	4,754,932
Members' remuneration charged as an expense		<u>(7,929,643)</u>	<u>(4,754,932)</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u><u>-</u></u>	<u><u>-</u></u>

All results relate to continuing activities

There have been no recognised gains and losses other than the profit for the year and preceding year, accordingly no statement of total recognised gains and losses is presented

RBB ECONOMICS LLP

BALANCE SHEET 31 March 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	300,582	367,250
Investments	8	163,646	163,646
		<u>464,228</u>	<u>530,896</u>
CURRENT ASSETS			
Debtors	9	4,995,276	4,450,743
Cash at bank and in hand		1,512,699	679,268
		<u>6,507,975</u>	<u>5,131,011</u>
CREDITORS amounts falling due within one year	10	<u>(2,638,327)</u>	<u>(1,194,561)</u>
NET CURRENT ASSETS		<u>3,869,648</u>	<u>3,935,450</u>
NET ASSETS		<u>4,333,876</u>	<u>4,466,346</u>
REPRESENTED BY			
Members' interests			
Members' capital classified as a liability under FRS 25	11	35	3
Other amounts	11	<u>4,333,841</u>	<u>4,466,343</u>
TOTAL MEMBERS' INTERESTS		<u>4,333,876</u>	<u>4,466,346</u>

These financial statements were approved by the Members on 29 September 2008.

Signed on behalf of the Members

D J Ridyard



Designated Member

RBB ECONOMICS LLP

CASH FLOW STATEMENT

Year ended 31 March 2008

	Note	2008 £	2007 £
Net cash inflow from operating activities	12	8,919,577	2,702,061
Returns on investments and servicing of finance	13	15,129	1,270
Capital expenditure and financial investment	13	(39,162)	(403,248)
Transactions with members	13	<u>(8,062,113)</u>	<u>(1,641,555)</u>
Increase in cash	14,15	<u><u>833,431</u></u>	<u><u>658,528</u></u>

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and the Statement of Recommended Practice Accounting by Limited Liability Partnerships. The particular accounting policies are outlined below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Group accounts

The LLP and its subsidiary undertakings comprise a medium sized group. The LLP has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Taxation

Income tax payable on the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

Tangible fixed assets

Fixed assets are stated at historical cost less depreciation.

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

Fixtures and fittings	20-25% straight line
Computer equipment	20-25% straight line

Investments

Fixed asset investments are stated at cost less provision for impairment.

Leased assets

Rental costs under operating leases are charged to profit and loss account in equal annual instalments over the periods of the leases.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences arising are dealt with in the profit and loss account.

Amounts recoverable under contracts

Services provided to clients during the period, which at the balance sheet date have not been billed to clients, have been recognised as turnover in accordance with Financial Reporting Standard 5 'Reporting the substance of transactions: Application Note G Revenue Recognition'. Turnover recognised in this manner is based on an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement. Provision is made against unbilled amounts on those engagements where the right to receive payment is contingent on factors outside the control of the firm.

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

2 TURNOVER

Turnover represents fee income earned from the provision of economic consultancy services, and is stated net of value added tax

	2008	2007
	%	%
Geographical analysis of turnover by destination		
United Kingdom	44	37
Rest of Europe	40	46
Rest of World	16	17
	<u>100</u>	<u>100</u>

3 OPERATING PROFIT

	2008	2007
	£	£
Operating profit is after charging		
Depreciation		
Owned assets	105,830	81,983
Rentals under operating leases		
Other operating leases	262,584	202,235
Auditors' remuneration	18,000	15,000
	<u> </u>	<u> </u>

4 STAFF COSTS

	2008	2007
	No	No
Average number of persons employed (excluding members) during the year		
Consultants	20	19
Support staff	7	6
	<u>27</u>	<u>25</u>
	£	£
Employee costs during the year amounted to:		
Wages and salaries	1,537,184	690,903
Social security costs	180,862	83,453
	<u>1,718,046</u>	<u>774,356</u>

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

5 NET INTEREST RECEIVABLE

	2008 £	2007 £
Bank interest receivable	23,418	8,296
Bank interest payable	(8,289)	(7,026)
	<u>15,129</u>	<u>1,270</u>

6 MEMBERS' SHARE OF PROFITS

Profits are shared among the members in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

	2008 £	2007 £
Average number of members during the year	<u>7</u>	<u>3</u>

Profit attributable to the member with the largest entitlement to profit was £2,871,903 (2007 - £1,673,882)

7 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2007	328,335	152,266	480,601
Additions	12,433	26,729	39,162
	<u>340,768</u>	<u>178,995</u>	<u>519,763</u>
At 31 March 2008			
Accumulated depreciation			
At 1 April 2007	71,474	41,877	113,351
Charge for the year	68,813	37,017	105,830
	<u>140,287</u>	<u>78,894</u>	<u>219,181</u>
At 31 March 2008			
Net book value			
At 31 March 2008	<u>200,481</u>	<u>100,101</u>	<u>300,582</u>
At 31 March 2007	<u>256,861</u>	<u>110,389</u>	<u>367,250</u>

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

8 INVESTMENTS

	£
Cost	
Additions and at 31 March 2008	163,646
Net book value	
At 31 March 2008	163,646

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
RBB Belgium N V	Belgium	Ordinary	100
RBB Netherlands B V	Holland	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves €	Profit for the year €
RBB Belgium N V	601,878	120,278
RBB Netherlands B V	601,541	498,247

The capital and reserves and profit for the year shown above is information extracted from unaudited management accounts of those entities for the year ended 31 March 2008

9 DEBTORS

	2008 £	2007 £
Due within one year		
Trade debtors	2,090,631	2,429,854
Amounts receivable from related undertakings	-	474,998
Amounts recoverable under contracts	2,423,758	1,093,261
Other debtors	336,126	204,652
Prepayments	144,761	247,978
	4,995,276	4,450,743

Other debtors includes amounts due after more than one year of £156,395 (2007 - £156,395)

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	148,991	174,036
Amounts due to related undertakings	1,224,746	229,760
Taxation and social security	73,357	200,812
Other creditors	10,181	6,781
Accruals	1,181,052	583,172
	<u>2,638,327</u>	<u>1,194,561</u>

11. TOTAL MEMBERS' INTERESTS

	Members' capital	Members' interests Profits to be divided	Total
	£	£	£
At 1 April 2007	3	4,466,343	4,466,346
Profit for the year available for division among members	-	7,929,643	7,929,643
Distributions to members	-	(8,062,145)	(8,062,145)
Capital introduced	32	-	32
	<u>35</u>	<u>4,333,841</u>	<u>4,333,876</u>
At 31 March 2008	35	4,333,841	4,333,876

12. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008	2007
	£	£
Operating profit	7,914,514	4,753,662
Depreciation	105,830	81,983
Increase in debtors	(544,533)	(2,222,899)
Increase in creditors	1,443,766	89,315
	<u>8,919,577</u>	<u>2,702,061</u>
Net cash inflow from operating activities	8,919,577	2,702,061

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

13. ANALYSIS OF CASH FLOWS

	2008	2007
	£	£
Returns on investments and services of finance		
Investment received	23,418	8,296
Interest paid	(8,289)	(7,026)
	<u>15,129</u>	<u>1,270</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(39,162)	(239,602)
Payments to acquire investments	-	(163,646)
	<u>(39,162)</u>	<u>(403,248)</u>
Transaction with members		
Payments to members	(8,062,145)	(1,641,555)
Capital introduced by members	32	-
	<u>(8,062,113)</u>	<u>(1,641,555)</u>

14. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2006 £	Cash flow £	At 1 April 2007 £	Cash flow £	At 31 March 2008 £
Cash at bank and in hand	<u>20,740</u>	<u>658,528</u>	<u>679,268</u>	<u>833,431</u>	<u>1,512,699</u>

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008	2007
	£	£
Increase in cash in the year	833,431	658,528
Net funds at 1 April	<u>679,268</u>	<u>20,740</u>
Net funds at 31 March	<u>1,512,699</u>	<u>679,268</u>

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

16 OBLIGATIONS UNDER OPERATING LEASES

At 31 March 2008 the Limited Liability Partnership had annual commitments under non-cancellable operating leases

	Land and buildings	
	2008	2007
	£	£
Leases which expire		
After five years	205,506	205,506

17 TRANSACTIONS WITH RELATED PARTIES

During the year, the Limited Liability Partnership traded with RBB Netherlands B V and RBB Belgium N V, companies in which the members are also directors and shareholders, as follows

	2008		2007	
	Sales	Purchases	Sales	Purchases
	£	£	£	£
RBB Netherlands B V	183,784	189,762	353,119	165,329
RBB Belgium N V	624,572	171,738	648,480	228,155
	<u>808,356</u>	<u>361,500</u>	<u>1,001,599</u>	<u>393,484</u>

The amounts due to and from related undertakings are below

	2008		2007	
	Debtor	Creditor	Debtor	Creditor
	£	£	£	£
RBB Limited	-	-	236,258	-
RBB Netherlands B V	-	456,224	238,740	-
RBB Belgium N V	-	768,522	-	229,760
	<u>-</u>	<u>1,224,746</u>	<u>474,998</u>	<u>229,760</u>

18 CONTROLLING PARTY

In the opinion of the members there is no controlling party as defined by Financial Reporting Standard 8 "Related party disclosures"