

**RBB ECONOMICS LLP**

**Annual Report and Financial Statements**

**For the year ended 31 March 2020**

**(27/01/2021)**  
**RBB Economics LLP**



**RBB ECONOMICS LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

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# **RBB ECONOMICS LLP**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

### **MEMBERS AND PROFESSIONAL ADVISORS**

#### **MEMBERS**

D Ridyard (designated member)  
S Bishop (designated member)  
S Baker (designated member)  
A Lofaro (resigned 4 December 2020)  
A Majumdar (designated member)  
A Tyler  
M Visser  
F Rosati  
B Durand  
P van der Veer (resigned 31 August 2019)  
B Ignjatovic  
D Gore  
R Murgatroyd  
S Lewis  
P Smith  
C Ehmer  
V Pruzhansky  
E Maia da Fonseca  
J de Sola-Morales  
P Hutchinson  
E P Canizares (appointed 1 April 2019)

#### **REGISTERED OFFICE**

199 Bishopsgate  
Floor 11  
London  
EC2M 3TY

#### **PRINCIPAL BANKERS**

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

#### **SOLICITORS**

Stevens & Bolton LLP  
The Billings  
Guildford  
Surrey  
GU1 4YD

#### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## **RBB ECONOMICS LLP**

### **MEMBERS' REPORT**

The members are pleased to present their annual report on the affairs of the Group, together with the audited consolidated financial statements and auditor's report, for the year ended 31 March 2020.

#### **GROUP STRUCTURE**

RBB Economics LLP (the 'LLP') is incorporated as a Limited Liability Partnership under the Limited Liability Partnerships Act 2000 in England and Wales.

The financial statements consolidate the financial statements of RBB Economics LLP and its subsidiary undertakings RBB Belgium NV, RBB Netherlands BV, RBB Economics Germany LLP, RBB Economics France LLP and RBB Economics Hong Kong LLP (the 'Group') drawn up to 31 March 2020.

The LLP has branches, as defined in section 1046(3) of the Companies Act 2006, outside the United Kingdom in South Africa, Australia, Spain and Sweden.

#### **PRINCIPAL ACTIVITIES**

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

#### **REVIEW OF DEVELOPMENTS**

The trading results for the year ended 31 March 2020 and the LLP's financial position at the end of the year are shown in the attached financial statements. The outbreak of the Corona-virus (Covid-19) has had no material effects on the trading of the group. The situation is difficult to assess, which is why the group is closely following the events. Continuous measures are being taken to secure the business and to minimise the risk of contagion amongst our Partners. Given the information now available, there is no threat to the groups survival is deemed to exist.

#### **DESIGNATED MEMBERS**

The designated members (as defined in the Limited Liability Partnerships Act 2000), who served during the year and up to the date of signing the financial statements are set out in detail on page 1.

#### **GOING CONCERN**

The members, after making enquiries, have a reasonable expectation that the group and LLP have adequate resources to continue in operational existence for a period of at least 12 months from approving the financial statements and the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

#### **ENERGY AND CARBON REPORT**

We have reported on all sources of GHG emissions and energy usage as required under the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended.

**MEMBERS' REPORT**

**ENERGY AND CARBON REPORT (CONTINUED)**

**GHG emissions and energy usage**

<b>GHG emissions and energy usage data for year 1 April 2019 to 31 March 2020</b>		
	<b>UK and offshore</b>	
	<b>2020</b>	<b>2019</b>
Emissions from gas purchased for own use	27.79	*
Emissions from electricity purchased for own use	0	*
<b>Total gross CO<sub>2</sub>e based on above</b>	<b>27.79</b>	<b>*</b>
Energy consumption used to calculate emissions – kwh	319,684	*
Intensity measurement - tonnes of CO <sub>2</sub> e per £m revenue	0.009	*

\* Comparative information is not required for the first year in which this information is disclosed.

The emissions for electricity is disclosed as nil, as the landlord procures renewable energy sources.

**Reporting boundary and methodology**

The reporting boundary used for collation of the above data is an automated metre and recording system called EP&T.

We have followed the 2019 UK Government environmental reporting guidance. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Reporting 2019 to calculate the above disclosures.

**Energy efficiency actions taken**

During 2020 we have taken a number of steps to improve energy efficiency. These include:

- Decrease of general waste disposal; and
- Limitation of unnecessary printing across the group.

**TRANSACTIONS WITH MEMBERS**

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

The balance of profits due to members is paid out once the financial statements for the year ended 31 March 2020 are signed, again subject to working capital requirements.

The level of members' capital is determined by the members from time to time. Capital is repaid to members on resignation from the LLP, or at such other time as is determined by the board.

**INDEPENDENT AUDITOR**


Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Members' Meeting.

Approved by the members and signed on behalf by

S Bishop

Designated Member

Date: 27/01/2021



## **RBB ECONOMICS LLP**

### **MEMBERS' RESPONSIBILITIES STATEMENT**

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the group and of the profit or loss of the LLP and group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to Limited Liability Partnerships. They 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBB ECONOMICS LLP**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of RBB Economics LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent Limited Liability Partnership balance sheets;
- the consolidated and parent Limited Liability Partnership statement of changes in members' interests;
- the consolidated cash flow statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBB ECONOMICS LLP (continued)**

### **Other information**

The members 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 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 respect of these matters.

### **Responsibilities of members**

As explained more fully in the members' responsibilities statement, the members 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 members 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 members are responsible for assessing the group's and the parent limited liability partnership'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 members either intend to liquidate the group or the parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBB ECONOMICS LLP (continued)**

### **Use of our report**

This report is made solely to the parent limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the parent limited liability partnership'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 parent limited liability partnership and the parent limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jeremy Black ACA (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
Statutory Auditor  
London, United Kingdom

Date: 27 January 2021

# RBB ECONOMICS LLP

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Year ended 31 March 2020

	Note	2020 £	2019 £
<b>TURNOVER</b>	3	59,224,032	51,809,882
Depreciation	9	(385,344)	(334,112)
Staff costs	6	(11,359,449)	(10,931,890)
Other operating charges		<u>(5,291,526)</u>	<u>(6,054,465)</u>
<b>OPERATING PROFIT</b>	5	42,187,713	34,489,415
Interest receivable	4	<u>7,983</u>	<u>9,512</u>
<b>PROFIT BEFORE TAXATION</b>		42,195,696	34,498,927
Tax on profit	7	<u>(208,347)</u>	<u>(200,122)</u>
<b>PROFIT AFTER TAXATION</b>		41,987,349	34,298,805
Profit retained in subsidiaries		<u>(240,900)</u>	<u>(339,549)</u>
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		41,746,449	33,959,256
Members' remuneration charged as an expense		<u>(41,746,449)</u>	<u>(33,959,256)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		-	-
Currency translation loss on foreign currency net investments net of tax		<u>(625,930)</u>	<u>(463,495)</u>
<b>TOTAL COMPREHENSIVE EXPENSE</b>		<u><u>(625,930)</u></u>	<u><u>(463,495)</u></u>

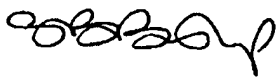
All results relate to continuing activities.

**RBB ECONOMICS LLP****CONSOLIDATED BALANCE SHEET**  
**As at 31 March 2020**

	<b>Note</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	<b>9</b>	<u>1,238,268</u>	<u>1,436,774</u>
<b>CURRENT ASSETS</b>			
Debtors	<b>12</b>	23,037,068	23,371,736
Cash at bank and in hand		<u>15,799,692</u>	<u>8,715,299</u>
		38,836,760	32,087,035
<b>CREDITORS: amounts falling due within one year</b>	<b>13</b>	<u>(5,989,496)</u>	<u>(5,438,683)</u>
<b>NET CURRENT ASSETS</b>		<u>32,847,264</u>	<u>26,648,352</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u><u>34,085,532</u></u>	<u><u>28,085,126</u></u>
<b>REPRESENTED BY:</b>			
Loans and other debts due to members within one year:			
Members' capital classified as a liability under FRS 102		73	57
Other amounts		<u>34,085,459</u>	<u>28,085,069</u>
<b>TOTAL MEMBERS' INTERESTS</b>		<u><u>34,085,532</u></u>	<u><u>28,085,126</u></u>

These financial statements of RBB Economics LLP, registered number OC315356, were approved and authorised for issue by the Members on

Signed on behalf of the Members **27/01/2021**



S Bishop

Designated Member

# RBB ECONOMICS LLP

## LLP BALANCE SHEET As at 31 March 2020

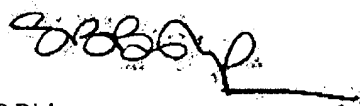
	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	9	876,219	1,058,394
Investments	11	163,668	163,660
		<u>1,039,887</u>	<u>1,222,054</u>
<b>CURRENT ASSETS</b>			
Debtors	12	17,274,082	18,395,309
Cash at bank and in hand		9,080,605	6,603,018
		<u>26,354,687</u>	<u>24,998,327</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(10,287,774)	(12,036,109)
<b>NET CURRENT ASSETS</b>		<u>16,066,913</u>	<u>12,962,218</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>17,106,800</u>	<u>14,184,272</u>
<b>REPRESENTED BY:</b>			
Loans and other debts due to members within one year:			
Members' capital classified as a liability under FRS 102		73	57
Other amounts		<u>17,106,727</u>	<u>14,184,215</u>
<b>TOTAL MEMBERS' INTERESTS</b>		<u>17,106,800</u>	<u>14,184,272</u>

The profit for the financial year dealt with in the financial statements of RBB Economics LLP ("the parent Limited Liability Partnership") was £29,258,077 (2019: £23,888,248).

These financial statements of RBB Economics LLP, registered number OC315356, were approved and authorised for issue by the Members on

Signed on behalf of the Members

27/01/2021



S Bishop

Designated Member

**CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS**  
**Year ended 31 March 2020**

	<b>Loans and other debts due to members within one year</b>		
	<b>Members' capital</b>	<b>Other amounts</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Members' interests at 1 April 2018</b>	<u>62</u>	<u>30,068,985</u>	<u>30,069,047</u>
Members' remuneration charged as an expense		34,298,805	34,298,805
Profit for the financial year available for discretionary division among members	-	-	-
Foreign exchange loss	-	(463,495)	(463,495)
Total comprehensive income	-	33,835,310	33,835,310
Distributions to members	-	(35,819,226)	(35,819,226)
Capital introduced by members	4	-	4
Capital withdrawn by members	(9)	-	(9)
<b>Members' interest at 31 March 2019</b>	<u>57</u>	<u>28,085,069</u>	<u>28,085,126</u>
Members' remuneration charged as an expense		41,987,349	41,987,349
Profit for the financial year available for discretionary division among members	-	-	-
Foreign exchange loss	-	(625,930)	(625,930)
Total comprehensive income	-	41,361,419	41,361,419
Distributions to members	-	(35,361,029)	(35,361,029)
Capital introduced by members	16	-	16
<b>Members' interest at 31 March 2020</b>	<u>73</u>	<u>34,085,459</u>	<u>34,085,532</u>

# RBB ECONOMICS LLP

## LLP STATEMENT OF CHANGES IN MEMBERS' INTERESTS Year ended 31 March 2020

	Loans and other debts due to members within one year		
	Members' capital £	Other amounts £	Total £
<b>Members' interests at 1 April 2018</b>	62	16,466,375	16,466,437
Members' remuneration charged as an expense	-	23,888,248	23,888,248
Profit for the financial year available for discretionary division among members	-	-	-
Foreign exchange loss	-	(339,395)	(339,395)
Total comprehensive income	-	23,548,853	23,548,853
Distributions to members	-	(25,831,013)	(25,831,013)
Capital introduced by members	4	-	4
Capital withdrawn by members	(9)	-	(9)
<b>Members' interest at 31 March 2019</b>	57	14,184,215	14,184,272
Members' remuneration charged as an expense	-	29,258,077	29,258,077
Profit for the financial year available for discretionary division among members	-	-	-
Foreign exchange loss	-	(541,292)	(541,292)
Total comprehensive income	-	28,716,785	28,716,785
Distributions to members	-	(25,794,273)	(25,794,273)
Capital introduced by members	16	-	16
<b>Members' interest at 31 March 2020</b>	73	17,106,727	17,106,800

# RBB ECONOMICS LLP

## CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March 2020

	Note	2020 £	2019 £
<b>Net cash flow from operating activities</b>	14	<u>42,676,298</u>	<u>33,072,126</u>
<b>Cash flow from investing activities</b>			
Interest received		7,983	9,512
Payments to acquire tangible fixed assets		<u>(238,875)</u>	<u>(800,260)</u>
<b>Net cash flow from investing activities</b>		<u>(230,892)</u>	<u>(790,748)</u>
<b>Cash flows from financing activities</b>			
Payments to members		(35,361,029)	(35,819,226)
Capital introduced by members		16	4
Capital paid out to members		<u>-</u>	<u>(9)</u>
<b>Net cash flow from financing activities</b>		<u>(35,361,013)</u>	<u>(35,819,231)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		7,084,393	(3,537,853)
<b>Cash and cash equivalents at beginning of year</b>		<u>8,715,299</u>	<u>12,253,152</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>15,799,692</u></u>	<u><u>8,715,299</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2020**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

**General information and basis of accounting**

RBB Economics LLP ("the LLP") is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the members' report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice (SORP): Accounting by Limited Liability Partnerships (issued December 2018). The LLP has applied the amendments to FRS102 issued by the FRC in December 2017 and the sixth edition of the SORP with effect from 1 January 2019. The transitional provisions relating to the triennial review amendments have not resulted in any restatements of comparative information by the LLP.

The functional currency of RBB Economics LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the LLP operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

RBB Economics LLP meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, intra-group transactions, financial instruments, the parent LLP statement of total comprehensive income and remuneration of key management personnel.

**Basis of consolidation**

RBB Economics LLP financial statements consolidate the financial statements of the LLP and its subsidiary undertakings drawn up to 31 March each year. Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

**Going concern**

In March 2020 the global Coronavirus pandemic ("COVID-19") impacted most Western economies. This event required the members to carefully consider the going concern basis of accounting. Management have prepared detailed forecasts which have been updated regularly to the point of approving these financial statements.

The members have reviewed the key drivers of the going concern status, level of demand on service, working capital cycle and debt provisioning. Taking into account a range of changes in trading performance, the forecasts show that the group and LLP will continue to operation with positive cash balances.

The firm has also taken advantage of the UK government's VAT / PAYE Deferral Schemes.

Notwithstanding the current economic conditions and potential uncertainty over the level and timing of future revenues, after reviewing the forecasts and projections, the members have concluded at the time of approving the financial statements, that there is a reasonable expectation that the LLP and the consolidated group have adequate resources to operate within its current facilities for a period of at least 12 months from approving the financial statements and the foreseeable future. The members therefore consider it appropriate to prepare these financial statements on a going concern basis.



**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2020**

**1. ACCOUNTING POLICIES (continued)**

**Taxation**

Members are personally liable for taxation on their share of the profits of the LLP. Consequently no reserve for taxation is made in the financial statements in respect of members' tax liabilities, and the profits are shown within Members' Interests or as 'Loans and other debts due to members' without any deduction for tax.

The consolidated financial statements incorporate the tax position of the underlying subsidiaries and overseas branches, which are subject to corporation tax due to their LLP status or location. The accounting policy applied in the recognition of this tax position in the consolidated financial statements is detailed below.

Current tax, comprising overseas corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

**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% straight line
Computer equipment	20% - 33% straight line
Leasehold improvements	10% straight line

**Investments**

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

**Leased assets**

Rental costs under operating leases are charged to the statement of comprehensive income in equal annual instalments over the periods of the leases.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used, and their balance sheets are translated at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2020**

**1. ACCOUNTING POLICIES (continued)**

**Turnover and accrued income**

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Turnover is stated net of VAT and trade discounts. Where a contract has only been partially completed at the balance sheet date, turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date.

Unbilled revenue is included in amounts recoverable on contracts within debtors. Amounts recoverable on contracts are stated at fair value where the right to consideration has been obtained. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

**Interest revenue**

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Members' remuneration**

Remuneration paid to members under employment contracts, any other non-discretionary amounts payable to members and any automatic divisions of profit are recognised as an expense in the statement of comprehensive income as incurred, under the heading 'Members' remuneration charged as an expense'.

A division of profits that is discretionary on the part of the LLP is recognised as an appropriation of equity when the division occurs.

**Employee benefits**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Financial liabilities and equity**

Members' capital and other amounts due to members have been classified as a financial liability.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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.

*Financial assets and financial liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2020**

**1. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

Debt instruments that comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the Group considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are measured subsequently at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Impairment of assets**

Impairment loss is recognised when a difference arises between the asset's carrying amount and the best estimate of the recoverable value. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

**2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 1, the members are required to make judgments, estimates and assumptions about the carrying amounts 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. In the opinion of the Members there were no key sources of estimation uncertainty or critical judgment areas included in the preparation of these financial statements.

## RBB ECONOMICS LLP

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

#### 3. TURNOVER

Turnover represents fee income earned from the provision of economic consultancy services, and is stated net of Value Added Tax.

	2020	2019
Geographical analysis of turnover by destination:	%	%
United Kingdom	8	19
Rest of Europe	59	64
Rest of World	33	17
	<u>100</u>	<u>100</u>

#### 4. INTEREST RECEIVABLE

	2020	2019
	£	£
Bank interest receivable	<u>7,983</u>	<u>9,512</u>

#### 5. OPERATING PROFIT

	2020	2019
	£	£
Operating profit is after charging (crediting):		
Depreciation of tangible fixed assets - Note 9	385,344	334,112
Loss on disposal of tangible fixed assets - Note 9	50,014	-
Operating lease rentals	1,161,201	1,053,783
Foreign exchange (gain) loss	<u>(36,632)</u>	<u>73,651</u>

The analysis of the auditor's remuneration is as follows:

	2020	2019
	£	£
<b>Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements</b>	<b>44,000</b>	<b>42,000</b>
<b>Fees payable to the LLP's auditor for other services to the Group</b>		
The audit of the LLP's subsidiaries	4,000	4,000
Other services	2,000	2,000
<b>Total audit fees</b>	<b><u>50,000</u></b>	<b><u>48,000</u></b>
<b>Fees payable to the LLP's auditor in respect of:</b>		
Taxation compliance services	104,425	9,000
Other taxation advisory services	98,750	71,000
Other services	<u>112,683</u>	<u>-</u>
<b>Total non-audit fees</b>	<b><u>315,858</u></b>	<b><u>80,000</u></b>

# RBB ECONOMICS LLP

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 6. STAFF NUMBERS AND COSTS

	Group		LLP	
	2020 No.	2019 No.	2020 No.	2019 No.
Average monthly number of persons employed during the year (excluding members):				
Consultants	112	94	78	71
Support staff	15	15	13	13
	<u>127</u>	<u>109</u>	<u>91</u>	<u>84</u>

	Group		LLP	
	2020 £	2019 £	2020 £	2019 £
Employee costs during the year amounted to (excluding members):				
Wages and salaries	9,790,674	9,439,617	7,231,815	7,461,904
Social security costs	1,453,704	1,348,430	838,890	884,015
Other pension costs	115,071	143,843	115,071	143,843
	<u>11,359,449</u>	<u>10,931,890</u>	<u>8,185,776</u>	<u>8,489,762</u>

### 7. TAX ON PROFIT

The taxation charge which arises in the corporate entities included within these financial statements is:

	2020 £	2019 £
Current taxation		
Overseas corporation tax	208,347	200,122
Tax charge on profit	<u>208,347</u>	<u>200,122</u>

The standard rate of corporation tax for the year, based on the UK standard rate of corporation tax is 19% (2019: 19%). The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2020 £	2019 £
Reconciliation of current tax		
Profit of corporate entities before tax	42,195,696	34,498,927
Tax on profit at standard rate	8,017,182	6,554,796
Factors affecting charge for the year:		
Amounts subject to self-assessment	(7,883,721)	(6,379,412)
Amounts taxed at different rates of taxation overseas	74,886	24,738
Total actual amount of current tax	<u>208,347</u>	<u>200,122</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

## 7. TAX ON PROFIT (CONTINUED)

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. Subsequently, on 11 March 2020, the Chancellor announced that this corporate tax rate reduction to 17% will be cancelled and the main rate of corporate tax will remain at 19%.

## 8. 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 and tax from their profit shares.

	2020 No	2019 No
Average monthly number of members during the year	20	20

Profit attributable to the member with the largest entitlement to profit was £6,135,284 (2019: £4,604,120).

Total remuneration of key management personnel totalled £41,746,449 (2019: £34,033,193).

## 9. TANGIBLE FIXED ASSETS

Group	Fixtures and fittings £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost</b>				
At 1 April 2019	390,357	1,115,161	1,304,513	2,810,031
Foreign exchange movements on overseas assets	578	(4,218)	(11,137)	(14,777)
Additions	17,674	173,350	47,851	238,875
Disposals	-	-	(65,243)	(65,243)
At 31 March 2020	408,609	1,284,293	1,275,984	2,968,886
<b>Accumulated depreciation</b>				
At 1 April 2019	257,802	662,885	452,570	1,373,257
Foreign exchange movements on overseas assets	1,735	(3,947)	(10,542)	(12,754)
Charge for the year	38,643	180,089	166,612	385,344
Elimination on disposals	-	-	(15,229)	(15,229)
At 31 March 2020	298,180	839,027	593,411	1,730,618
<b>Net book value</b>				
At 31 March 2020	110,429	445,266	682,573	1,238,268
At 31 March 2019	132,555	452,276	851,943	1,436,774

# RBB ECONOMICS LLP

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 9. TANGIBLE FIXED ASSETS (continued)

LLP	Fixtures and fittings £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost</b>				
At 1 April 2019	244,987	934,911	952,977	2,132,875
Foreign exchange movements on overseas assets	(4,291)	(10,888)	(22,072)	(37,251)
Additions	3,451	134,263	4,443	142,157
Disposals	-	-	(4,151)	(4,151)
At 31 March 2020	244,147	1,058,286	931,197	2,233,630
<b>Accumulated depreciation</b>				
At 1 April 2019	120,093	533,021	421,367	1,074,481
Foreign exchange movements on overseas assets	(2,750)	(8,702)	(12,230)	(23,682)
Charge for the year	36,481	152,105	118,026	306,612
At 31 March 2020	153,824	676,424	527,163	1,357,411
<b>Net book value</b>				
At 31 March 2020	90,323	381,862	404,034	876,219
At 31 March 2019	124,894	401,890	531,610	1,058,394

### 10. PROFIT ATTRIBUTABLE TO THE LLP

The LLP has taken advantage of Section 408 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and has not included its own profit and loss account in these financial statements. The profit attributable to the LLP is disclosed in the footnote to the LLP's balance sheet.

### 11. INVESTMENTS

#### LLP

#### Subsidiary undertakings

	£
<b>Cost</b>	
At 1 April 2019	163,660
Additions	8
At 31 March 2020	163,668

# RBB ECONOMICS LLP

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 11. INVESTMENTS (continued)

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

Company	Country of incorporation	Registered office	Equity held	
			Class	%
Subsidiary undertakings				
RBB Belgium NV	Belgium	a	Ordinary	100
RBB Netherlands BV	Netherlands	b	Ordinary	100
RBB Economics France LLP	England & Wales	c	Ordinary	80
RBB Economics Germany LLP	England & Wales	c	Ordinary	80
RBB Economics Hong Kong LLP	England & Wales	c	Ordinary	80

All of the above investments are held directly by the LLP and share the same principal activities as the LLP.

- a. 7th Floor, Square de Meeûs 37, B-1000 Brussels.
- b. Lange Houstraat 37-39 2511 CV The Hague.
- c. 199 Bishopsgate, London, EC2M 3TY.

### 12. DEBTORS

	Group		LLP	
	2020	2019	2020	2019
	£	£	£	£
<b>Due within one year:</b>				
Trade debtors	13,158,873	15,554,619	11,173,850	12,847,346
Accrued income	7,190,341	5,924,762	4,328,333	3,915,974
Other debtors	832,492	495,994	296,226	466,249
Prepayments	1,855,362	1,396,361	1,475,673	1,165,740
	<u>23,037,068</u>	<u>23,371,736</u>	<u>17,274,082</u>	<u>18,395,309</u>

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		LLP	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	1,150,882	1,241,584	823,288	762,838
Amounts due to subsidiary undertakings	-	-	5,944,566	7,538,706
Taxation and social security	3,045,005	2,533,988	2,207,077	2,361,169
Other creditors	4,570	10,251	4,554	10,251
Accruals	1,789,039	1,652,860	1,307,289	1,363,145
	<u>5,989,496</u>	<u>5,438,683</u>	<u>10,287,774</u>	<u>12,036,109</u>

All amounts due to subsidiary undertakings represent borrowings at commercial rates of interest. Such borrowings are unsecured and repayable on demand.



# RBB ECONOMICS LLP

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

### 14. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by operations.

	2020 £	2019 £
Operating profit	42,187,713	34,489,415
Adjustment for:		
Depreciation	385,344	334,112
Loss on disposal of fixed assets	50,014	-
Foreign exchange losses	(623,907)	(437,814)
Operating cash flow before movement in working capital	41,999,164	34,385,713
Decrease (increase) in debtors	334,668	(2,709,672)
Increase in creditors	550,813	1,596,207
Cash generated by operations	42,884,645	33,272,248
Corporate taxes	(208,347)	(200,122)
Net cash flows from operating activities	<u>42,676,298</u>	<u>33,072,126</u>

### Net debt reconciliation

	At 1 April 2019 £	Cash flows £	Changes in exchange rates £	At 31 March 2020 £
Cash at bank and in hand	8,715,299	7,073,072	11,321	15,799,692
Net funds (before members' debt)	8,715,299	7,073,072	11,321	15,799,692
Loans and other debts due to members	(28,085,069)	(6,000,283)	-	(34,085,352)
Member's capital classified as a liability	(57)	(16)	-	(73)
Net debt	<u>(19,369,827)</u>	<u>1,072,773</u>	<u>11,321</u>	<u>(18,284,733)</u>

### 15. OBLIGATIONS UNDER OPERATING LEASES

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		LLP	
	2020 £	2019 £	2020 £	2019 £
Leases which expire:				
Less than 1 year	1,305,097	1,058,635	766,466	721,598
Between 1-5 years	3,389,021	3,294,751	1,614,813	2,041,048
After 5 years	336,593	737,125	-	-

## **RBB ECONOMICS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2020**

#### **16. EMPLOYEE BENEFITS**

##### **Defined contribution schemes**

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year ended 31 March 2020 was £115,071 (2019: £143,843).

#### **17. TRANSACTIONS WITH RELATED PARTIES**

The LLP has relied upon the exemption in FRS 102 Section 33 "Related party disclosures" not to disclose transactions between itself and its subsidiary undertakings.

The remuneration of the key management personnel is disclosed within note 8.

#### **18. CONTROLLING PARTY**

The LLP is controlled by its members and as such there is no one controlling party.

#### **19. POST BALANCE SHEET EVENTS**

The emergence of the COVID-19 pandemic has had a significant impact on economies and resulted in severe restrictions of movement of people across the world. However, the Group has a diverse range of clients across different geographical locations and sectors and, as of the date of approving the financial statements, has seen only a limited impact on the financial performance of the Group. The consideration of the going concern basis of accounting is described in Note 1. At the point of signing the financial statements, the members have identified no material impact on the carrying values of the assets and liabilities disclosed on the balance sheet as at 31 March 2020.