

Limited Liability Partnership Registration No. OC315356

RBB ECONOMICS LLP

Annual Report and Financial Statements

For the year ended 31 March 2022

MONDAY



ABVU4GTK

A09

23/01/2023

#102

COMPANIES HOUSE

RBB Economics LLP

RBB ECONOMICS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

CONTENTS	Page
Members and professional advisors	1
Members' report	3
Members' responsibilities statement	5
Independent auditor's report for the Members of RBB Economics LLP	6
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10
LLP balance sheet	11
Consolidated statement of changes in members' interests	12
LLP statement of changes in members' interests	13
Consolidated cash flow statement	14
Notes to the financial statements	15

RBB ECONOMICS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

MEMBERS AND PROFESSIONAL ADVISORS

MEMBERS

S Baker (designated member)
S Bishop (designated member)
E Canizares
B Durand
C Ehmer
D Gore
P Hutchinson
B Ignjatovic
M la Mano (appointed 26 May 2022)
S Lewis
E Maia da Fonseca
A Majumdar (designated member)
R Murgatroyd
V Pruzhansky
P Reeve (appointed 1 April 2022)
D Ridyard (designated member)
F Rosati
J Sola-Morales
P Smith
A Tyler
T Van Dijk (appointed 1 March 2022)
J Van De Veer (appointed 1 April 2022)
M Visser (resigned 31st March 2022)

REGISTERED OFFICE

199 Bishopsgate
Floor 11
London
EC2M 3TY
United Kingdom

PRINCIPAL BANKERS

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

SOLICITORS

Stevens & Bolton LLP
The Billings
Guildford
Surrey
GU1 4YD
United Kingdom

RBB ECONOMICS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

MEMBERS AND PROFESSIONAL ADVISORS

AUDITOR

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3HQ
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 2022.

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 2022.

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 THE BUSINESS AND FUTURE DEVELOPMENTS

The trading results for the year ended 31 March 2022 and the LLP's financial position at the end of the year are shown in the attached financial statements. The members consider the results and financial position to be satisfactory and anticipate continued profitable trading for the foreseeable future. The outbreak of the Corona-virus (Covid-19) in 2020 has had no material effects on the trading of the group. The situation is difficult to assess, which is why the group is continuing to follow events closely. Continuous measures are being taken to secure the business and to minimise the risk of contagion amongst our Partners. Given the information now available, no threat to the group's 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 these 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 the foreseeable future, being a period of at least 12 months from approving these financial statements. 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

GHG emissions and energy usage data		
	UK and offshore	
	2022	2021
	CO₂e	CO₂e
Emissions from gas purchased for own use	10.96	15.23
Emissions from electricity purchased for own use	-	-
Total gross CO₂e based on above	10.96	15.23
Energy consumption used to calculate emissions – kwh	168,043	157,501
Intensity measurement - tonnes of CO ₂ e per £m revenue	0.004	0.003

The emissions for electricity are 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 2021 and 2022 we have taken a number of steps to improve energy efficiency. These include:

- Decrease of general waste disposal;
- Decrease in the usage of heating; 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 2022 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

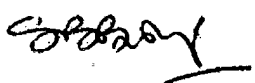
Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Members' Meeting.

Approved by the members and signed on behalf by

S Bishop

Designated Member

Date: 21 December 2022



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 the group and LLP 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 firm and of the group and of the profit or loss of the group for that period. In preparing these 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 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 firm 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 firm and enable them to ensure that the financial statements comply with the Regulations 2008. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Board on behalf of the members.

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 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 18.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent limited liability partnership'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 members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBB ECONOMICS LLP (CONTINUED)

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the group and limited liability partnership's industry and its control environment, and reviewed the group and parent liability partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group and limited liability partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements . These included UK Companies Act as applicable to limited liability partnerships, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and limited liability partnership's ability to operate or to avoid a material penalty. These included Health and safety, Employment legislation and the UK Bribery Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- We presume a risk of material misstatement due to fraud relating to revenue recognition. This has been pinpointed to the cut-off of professional fees before and after the year end. We have profiled our population to exclude non-chargeable staff and have tailored our risk period to be one week either side of year end. We have then performed substantive audit testing over a sample of staff hours before and after the year end to ensure the hours are recorded in the correct accounting period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBB ECONOMICS LLP (CONTINUED)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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: 21 December 2022

RBB ECONOMICS LLP**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
Year ended 31 March 2022

	Note	2022 £	2021 £
TURNOVER	3	62,944,468	60,658,831
Depreciation	5	(417,749)	(407,940)
Staff costs	6	(16,889,715)	(14,757,613)
Other operating charges		<u>(6,044,656)</u>	<u>(4,732,801)</u>
OPERATING PROFIT	5	39,592,348	40,760,477
Interest (expense)/receivable	4	<u>(4,195)</u>	<u>14,453</u>
PROFIT BEFORE TAXATION		39,588,153	40,774,930
Tax on profit	7	<u>(362,438)</u>	<u>(316,839)</u>
PROFIT AFTER TAXATION AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		39,225,715	40,458,091
Currency translation (loss)/gain on foreign currency net investments net of tax		<u>46,700</u>	<u>381,750</u>
TOTAL COMPREHENSIVE INCOME		<u><u>39,272,415</u></u>	<u><u>40,839,841</u></u>

All results relate to continuing activities.

RBB ECONOMICS LLP

CONSOLIDATED BALANCE SHEET As at 31 March 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	9	<u>916,550</u>	<u>955,635</u>
CURRENT ASSETS			
Debtors	12	25,114,041	22,577,188
Cash at bank and in hand		<u>18,007,628</u>	<u>20,315,684</u>
		43,121,669	42,892,872
CREDITORS: amounts falling due within one year	13	<u>(8,863,374)</u>	<u>(6,883,482)</u>
NET CURRENT ASSETS		<u>34,258,295</u>	<u>36,009,390</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u><u>35,174,845</u></u>	<u><u>36,965,025</u></u>
REPRESENTED BY:			
Loans and other debts due to members within one year:			
Members' capital classified as a liability under FRS 102		80	70
Other amounts		<u>35,174,765</u>	<u>36,964,955</u>
TOTAL MEMBERS' INTERESTS		<u><u>35,174,845</u></u>	<u><u>36,965,025</u></u>

These financial statements of RBB Economics LLP, registered number OC315356, were approved and authorised for issue by the Members on 21 December 2022.

Signed on behalf of the Members


S Bishop

Designated Member

RBB ECONOMICS LLP

LLP BALANCE SHEET

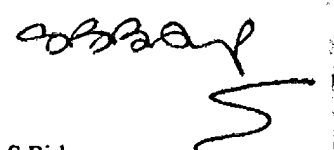
As at 31 March 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	9	690,988	670,658
Investments	11	<u>163,668</u>	<u>163,668</u>
		<u>854,656</u>	<u>834,326</u>
 CURRENT ASSETS			
Debtors	12	18,443,747	19,294,568
Cash at bank and in hand		<u>15,086,538</u>	<u>18,545,846</u>
		33,530,285	37,840,414
 CREDITORS: amounts falling due within one year	13	<u>(19,378,361)</u>	<u>(20,708,097)</u>
 NET CURRENT ASSETS		<u>14,151,924</u>	<u>17,132,317</u>
 NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>15,006,580</u>	<u>17,966,643</u>
 REPRESENTED BY:			
Loans and other debts due to members within one year:			
Members' capital classified as a liability under FRS 102		80	70
Other amounts		<u>15,006,500</u>	<u>17,966,573</u>
 TOTAL MEMBERS' INTERESTS		<u>15,006,580</u>	<u>17,966,643</u>

The profit for the financial year dealt with in the financial statements of RBB Economics LLP ("the parent Limited Liability Partnership") was £26,704,477 (2021: £26,434,008).

These financial statements of RBB Economics LLP, registered number OC315356, were approved and authorised for issue by the Members on 21 December 2022.

Signed on behalf of the Members



S Bishop

Designated Member

RBB ECONOMICS LLP

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS Year ended 31 March 2022

	Loans and other debts due to members within one year		
	Members' capital	Other amounts	Total
	£	£	£
Members' interests at 1 April 2020	<u>73</u>	<u>34,085,459</u>	<u>34,085,532</u>
Profit for the financial year available for discretionary division among members	-	40,458,091	40,458,091
Foreign exchange gain	-	381,750	381,750
	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	-	40,839,841	40,839,841
Distributions to members	-	(37,960,345)	(37,960,345)
Capital introduced by members	7	-	7
Capital withdrawn by members	(10)	-	(10)
	<u>-</u>	<u>-</u>	<u>-</u>
Members' interest at 31 March 2021	<u>70</u>	<u>36,964,955</u>	<u>36,965,025</u>
Profit for the financial year available for discretionary division among members	-	39,225,715	39,225,715
Foreign exchange gain	-	46,700	46,700
	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	-	39,272,415	39,272,415
Distributions to members	-	(41,062,605)	(41,062,605)
Capital introduced by members	10	-	10
Capital withdrawn by members	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Members' interest at 31 March 2022	<u>80</u>	<u>35,174,765</u>	<u>35,174,845</u>

RBB ECONOMICS LLP

LLP STATEMENT OF CHANGES IN MEMBERS' INTERESTS **Year ended 31 March 2022**

	Loans and other debts due to members within one year		
	Members' capital	Other amounts	Total
	£	£	£
Members' interests at 1 April 2020	73	17,106,727	17,106,800
Profit for the financial year available for discretionary division among members	-	26,434,008	26,434,008
Foreign exchange gain	-	452,640	452,640
Total comprehensive income	-	26,886,648	26,886,648
Distributions to members	-	(26,026,802)	(26,026,802)
Capital introduced by members	7	-	7
Capital withdrawn by members	(10)	-	(10)
Members' interest at 31 March 2021	70	17,966,573	17,966,643
Profit for the financial year available for discretionary division among members	-	26,704,477	26,704,477
Foreign exchange gain	-	602,164	602,164
Total comprehensive income	-	27,306,641	27,306,641
Distributions to members	-	(30,266,714)	(30,266,714)
Capital introduced by members	10	-	10
Members' interest at 31 March 2022	80	15,006,500	15,006,580

RBB ECONOMICS LLP

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 March 2022

	Note	2022 £	2021 £
Net cash flow from operating activities	14	<u>39,014,415</u>	<u>42,205,444</u>
Cash flow from investing activities			
Interest (paid)/received		(4,195)	14,453
Payments to acquire tangible fixed assets		<u>(304,391)</u>	<u>(126,151)</u>
Net cash flow from investing activities		<u>(308,586)</u>	<u>(111,698)</u>
Cash flows from financing activities			
Payments to members		(41,062,676)	(37,960,345)
Capital introduced by members		10	7
Capital paid out to members		<u>-</u>	<u>(10)</u>
Net cash flow from financing activities		<u>(41,062,666)</u>	<u>(37,960,348)</u>
Net (decrease)/increase in cash and cash equivalents		(2,356,837)	4,133,398
Cash and cash equivalents at beginning of year		20,315,684	15,799,692
Effect of foreign exchange rate changes		48,781	382,594
Cash and cash equivalents at end of year		<u><u>18,007,628</u></u>	<u><u>20,315,684</u></u>

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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 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. The subsidiaries are listed in Note 11 to the financial statements. 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.

Subsidiary exemption from audit

For the year ended 31 March 2022, the following United Kingdom subsidiaries of the LLP were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Subsidiary Name	Companies House Registration Number
RBB Economics France LLP	OC401482
RBB Economics Germany LLP	OC416803
RBB Economics Hong Kong LLP	OC428922

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 March 2022**

1. ACCOUNTING POLICIES (continued)

Going concern

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 operate with positive cash balances.

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 the foreseeable future, being a period of at least 12 months from approving these financial statements. The members therefore consider it appropriate to prepare these financial statements on a going concern basis.

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.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

The consolidated financial statements incorporate the financial statements of the LLP and entities controlled by the group (its subsidiary undertakings). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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. Benefits received and receivable as an incentive to sign an operating lease are recognised as a reduction to the expense and similarly spread on a straight-line basis over the lease term; except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 March 2022**

1. ACCOUNTING POLICIES (continued)

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.

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.

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 March 2022**

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 the 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.

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 principal accounting policies, which are described in note 1, the members are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 2022

3. TURNOVER

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

	2022 %	2021 %
Geographical analysis of turnover by destination:		
United Kingdom	41	13
Rest of Europe	47	60
Rest of World	12	27
	<u>100</u>	<u>100</u>

4. INTEREST PAYABLE OR RECEIVABLE

	2022 £	2021 £
Bank interest (paid)/receivable	<u>(4,195)</u>	<u>14,453</u>

5. OPERATING PROFIT

	2022 £	2021 £
Operating profit is after charging:		
Depreciation of tangible fixed assets - Note 9	417,749	407,940
Operating lease rentals	1,334,401	1,347,479
Foreign exchange loss	<u>213,001</u>	<u>436,706</u>

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

	2022 £	2021 £
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	75,000	49,000
Fees payable to the LLP's auditor for other services to the Group		
The audit of the LLP's subsidiaries	-	5,500
Other services	<u>2,000</u>	<u>2,000</u>
Total audit fees	<u>77,000</u>	<u>56,500</u>
Fees payable to the LLP's auditor in respect of:		
Taxation compliance services	97,581	166,719
Other taxation advisory services	67,317	59,891
Other services	<u>91,089</u>	<u>92,591</u>
Total non-audit fees	<u>255,987</u>	<u>319,201</u>

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2022

6. STAFF NUMBERS AND COSTS

	Group		LLP	
	2022 No.	2021 No.	2022 No.	2021 No.
Average monthly number of persons employed during the year (excluding members):				
Consultants	137	116	94	78
Support staff	15	15	13	13
	<u>152</u>	<u>131</u>	<u>107</u>	<u>91</u>

	Group		LLP	
	2022 £	2021 £	2022 £	2021 £
Employee costs during the year amounted to (excluding members):				
Wages and salaries	14,438,541	12,690,339	11,455,476	9,453,562
Social security costs	2,268,645	1,899,915	1,333,757	996,762
Other pension costs	182,529	167,359	182,529	167,359
	<u>16,889,715</u>	<u>14,757,613</u>	<u>12,971,762</u>	<u>10,617,683</u>

7. TAX ON PROFIT

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

	2022 £	2021 £
Current taxation		
Overseas corporation tax	362,438	316,839
Tax charge on profit	<u>362,438</u>	<u>316,839</u>

The standard rate of corporation tax for the year, based on the UK standard rate of corporation tax is 19% (2021: 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:

Reconciliation of current tax	2022 £	2021 £
Profit of corporate entities before tax	39,588,153	40,774,930
Tax on profit at standard rate	7,521,749	7,747,237
Factors affecting charge for the year:		
Amounts subject to self-assessment	(7,236,763)	(7,489,885)
Amounts taxed at different rates of taxation overseas	77,452	59,487
Total actual amount of current tax	<u>362,438</u>	<u>316,839</u>

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2022

7. TAX ON PROFIT (CONTINUED)

In recent years the UK Government has maintained the rate of UK corporation tax at 19% (effective from 1 April 2017 onwards). Since the year end, the Finance Act 2021 which was substantively Enacted on 24 May 2021 included provisions to increase the rate to 25% effective from 1 April 2023.

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.

	2022 No	2021 No
Average monthly number of members during the year	19	20

Profit attributable to the member with the largest entitlement to profit was £5,704,789 (2021: £5,730,875).

Total remuneration of key management personnel totalled £39,225,715 (2021: £40,458,091).

9. TANGIBLE FIXED ASSETS

Group	Fixtures and fittings £	Computer equipment £	Leasehold improvements £	Total £
Cost				
At 1 April 2021	419,063	1,392,197	1,282,192	3,093,452
Foreign exchange movements on overseas assets	505	3,233	6,279	10,017
Additions	20,714	149,837	133,840	304,391
At 31 March 2022	440,282	1,545,267	1,422,311	3,407,860
Accumulated depreciation				
At 1 April 2021	338,094	1,041,515	758,208	2,137,817
Decommissioned	-	-	(76,283)	(76,283)
Foreign exchange movements on overseas assets	620	2,638	8,769	12,027
Charge for the year	38,124	200,789	178,836	417,749
At 31 March 2022	376,838	1,244,942	869,530	2,491,310
Net book value				
At 31 March 2022	63,444	300,325	552,781	916,550
At 31 March 2021	80,969	350,682	523,984	955,635

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2022

9. TANGIBLE FIXED ASSETS (continued)

LLP	Fixtures and fittings £	Computer equipment £	Leasehold improvements £	Total £
Cost				
At 1 April 2021	245,361	1,165,082	951,124	2,361,567
Foreign exchange movements on overseas assets	1,621	5,076	8,997	15,694
Additions	15,373	136,283	133,840	285,496
At 31 March 2022	262,355	1,306,441	1,093,961	2,662,757
Accumulated depreciation				
At 1 April 2021	190,662	849,875	650,372	1,690,909
Decommissioned	-	-	(76,283)	(76,283)
Foreign exchange movements on overseas assets	1,598	4,045	9,725	15,368
Charge for the year	32,140	174,944	134,691	341,775
At 31 March 2022	224,400	1,028,864	718,505	1,971,769
Net book value				
At 31 March 2022	37,955	277,577	375,456	690,988
At 31 March 2021	54,699	315,207	300,752	670,658

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

Cost

At 1 April 2021 and 31 March 2022

£

163,668

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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	
	2022 £	2021 £	2022 £	2021 £
Due within one year:				
Trade debtors	14,935,297	14,395,353	11,088,438	13,244,689
Accrued income	7,426,123	5,734,087	5,360,892	4,202,804
Other debtors	989,290	1,032,669	539,041	658,945
Prepayments	1,763,331	1,415,079	1,455,376	1,188,130
	<u>25,114,041</u>	<u>22,577,188</u>	<u>18,443,747</u>	<u>19,294,568</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		LLP	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	1,193,655	1,278,318	1,128,305	731,379
Amounts due to subsidiary undertakings	-	-	12,100,170	15,692,773
Taxation and social security	4,281,061	3,219,192	3,118,563	2,227,552
Other creditors	272,920	81,086	30,959	21,167
Accruals	3,115,738	2,304,886	3,000,365	2,035,226
	<u>8,863,374</u>	<u>6,883,482</u>	<u>19,378,361</u>	<u>20,708,097</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 2022

14. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by operations.

	2022 £	2021 £
Operating profit	39,592,348	40,760,477
Adjustment for:		
Depreciation	417,749	407,940
Loss on disposal of fixed assets	(76,283)	-
Operating cash flow before movement in working capital	39,933,814	41,168,417
(Increase)/decrease in debtors	(2,536,853)	459,880
Increase in creditors	1,979,892	893,986
Cash generated by operations	39,376,853	42,522,283
Corporate taxes	(362,438)	(316,839)
Net cash flows from operating activities	<u>39,014,415</u>	<u>42,205,444</u>

Net debt reconciliation

	At 1 April 2021 £	Cash flows £	Changes in exchange rates £	At 31 March 2022 £
Cash at bank and in hand	20,315,684	(2,255,664)	(52,392)	18,007,628
Net funds (before members' debt)	20,315,684	(2,255,664)	(52,392)	18,007,628
Loans and other debts due to members	(36,964,955)	1,790,190	-	(35,174,765)
Member's capital classified as a liability	(70)	(10)	-	(80)
Net debt	<u>(16,649,341)</u>	<u>(465,484)</u>	<u>(52,392)</u>	<u>(17,167,217)</u>

15. OBLIGATIONS UNDER OPERATING LEASES

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

	Group		LLP	
	2022 £	2021 £	2022 £	2021 £
Leases which expire:				
Less than 1 year	1,342,416	1,334,311	847,148	554,014
Between 1-5 years	1,892,183	2,659,262	835,568	852,453
After 5 years	22,068	188,237	-	-
	<u>3,256,667</u>	<u>4,181,810</u>	<u>1,682,716</u>	<u>1,406,467</u>

RBB ECONOMICS LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

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 2022 was £182,529 (2021: £167,359).

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.