

RSM UK Group LLP
REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2024



RSM UK Group LLP

DESIGNATED MEMBERS AND AUDITOR

for the year ended 31 March 2024

Designated members

R H Donaldson
J M Ericson
J R Taylor
A J Westbrook

LLP Registration number

OC325346 (England and Wales)

Registered office

6th Floor
25 Farringdon Street
London
EC4A 4AB

Auditor

Saffery LLP
Trinity
16 John Dalton Street
Manchester
M2 6HY

RSM UK Group LLP

MEMBERS' REPORT

for the year ended 31 March 2024

The Management Board presents its report and the audited financial statements of RSM UK Group LLP for the year ended 31 March 2024.

Management Board

The members of the Management Board (constitutionally referred to as the National Leadership Team) who held office during the year, and subsequent to the year end, were as follows:

R H Donaldson
J M Ericson
V K Kirkhope (resigned 25 August 2023)
C J Knowles
C Riches (appointed 1 April 2024)
K E Sandwell
A K Sapsford
J R Taylor
D Thompson (appointed 1 November 2023)
A J Westbrook

The development and implementation of policies, strategy, direction and management is the responsibility of the Management Board.

Principal activities

The principal activity of RSM UK Group LLP is to act as a corporate member to the RSM UK Group of trading LLPs, namely:

RSM UK Audit LLP
RSM UK Consulting LLP
RSM UK Corporate Finance LLP
RSM UK Creditor Solutions LLP
RSM UK Restructuring Advisory LLP
RSM UK Risk Assurance Services LLP
RSM UK Tax and Advisory Services LLP

The LLP provides services to the trading LLPs and, as a member of each, is allocated a share of profit.

Review of the business

A summary of the results for the year and the financial position at the year-end is set out in the financial statements on pages 10 to 28. The Management Board is pleased to report an improvement in profitability for the LLP with average profit per member of £708k (2023: £661k). Details of the results for the trading LLPs, of which RSM UK Group LLP is the corporate member, can be found in the individual LLPs' statutory accounts.

The partnership's policy of managing its debt and ensuring that it retains a strong balance sheet results in it being well placed to take full commercial advantage of investment opportunities as they arise, and management remain active on the search for compatible acquisition opportunities. Significant headroom exists in our banking facilities.

At 31 March 2024 the pension scheme deficit was £2.2m (2023: £1.7m). The movement in the liability is a result of changing market conditions, specifically an increase in the discount rate, offset by £1.3m (2023: £16.2m) contributions paid into the scheme.

The scheme continues to be monitored closely, as very small changes in actuarial assumptions can have a significant impact on the year-end valuation.

The net assets attributable to members increased by £18.5m in the year to £127.7m (2023: increased by £8.4m in the year to £109.2m).

RSM UK Group LLP

MEMBERS' REPORT (continued)

for the year ended 31 March 2024

Review of the business (continued)

The partnership remains committed to its policy of continuing to develop its existing marketplaces and locations as well as new sectors and service lines where they align with the Group's overall strategic plan.

The Management Board will continue to build on our enlarged service offering through 2024/25 and the broad range of management skills available to us around the country, coupled with the dedication and support of our partners and staff, should ensure that our success continues.

The results for the year would not have been achieved without the continued dedication and commitment of our partners and staff and the Management Board would like to convey its sincere thanks to all those who contributed so fully in the year.

Risk management and principal risks

The environment in which the RSM UK Group operates presents a broad range of opportunities and risks. The effective identification and management of risk for each entity in the RSM UK Group is the responsibility of the individual Boards and management teams who have prepared their own risk registers, risk mitigation analysis and assurance measures.

Responsibility for the RSM UK Group as a whole is devolved to the Board of the ultimate controlling party, RSM UK Holdings Limited, with responsibility for establishing and managing the Group's risk management framework being delegated to the National Leadership Team.

The principal risks that could significantly impact the Group's strategic objectives, professional reputation, and/or financial strength are:

Principal risk	Risk trend	Risk description
Client and engagement acceptance	↔	Failure to adequately follow regulatory requirements, or consider reputational impacts of accepting certain clients or engagements.
Client portfolio	↔	Failure to ensure a diverse client portfolio.
Service availability and delivery	↔	Failure of core service-related systems, loss of data or the lack of capacity and/or capability to deliver large and complex engagements.
Compliance with other laws and regulations	↔	Failure to adhere, and effectively respond, to the letter and the spirit of relevant laws and regulatory standards in providing services.
Disputes, complaints, and litigation	↔	Failure to conduct services with due care and attention to detail.
Competition and technological change	↑	Failure to adapt our operations and service offerings to the needs of our current and prospective clients, including through the use of technology, as well as sustainably differentiating from our competitors.
Cyber, data, and information security	↑	Failure to prevent, detect, respond to, or recover from, an attack on our systems and associated data.
Attracting and retaining talent	↔	Failure to attract, recruit, develop and retain talent.
Culture	↔	Failure to foster and enable a culture where our people can thrive and have a positive impact in everything they do.
Global capabilities	↑	Failure to ensure access to a reputable global network with the reach and capabilities to provide a premium service.
Operating model	↔	Failure to generate and maintain sufficient capital, and realise sufficient value from key investments.
Macro-economic and geopolitical factors	↑	Failure to adapt and respond to economic and political factors impacting the UK and the global network, directly or indirectly.

Further details of the RSM UK Group's risk management framework and risk mitigations for the principal risks outlined above can be found in the financial statements of RSM UK Holdings Limited.

RSM UK Group LLP

MEMBERS' REPORT (continued)

for the year ended 31 March 2024

Energy and carbon report

The LLP is exempt from preparing an energy and carbon report as it is included in the group report of RSM UK Holdings Limited which is prepared to 31 March 2024 and contains the Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency disclosures required by Part 7A of Schedule 7 to Statutory Instrument 2008/410 'Large And Medium-Sized Companies And Groups (Accounts And Reports) Regulations 2008'.

Key performance indicators

The key performance indicators, from a financial perspective, are revenue, gross profit and cash generated. From an audit quality perspective, the relevant KPIs are more wide-ranging and include analysis of trends and patterns from RSM's internal quality assurance visits, reports from the findings of external regulators and from reviews and support by our internal National Audit Technical department. This information is regularly assessed by the Board and action taken where necessary.

Transactions with members

The policy for members' drawings is the payment of a monthly amount on account of each member's base profit share in each Accounting Period. In accordance with the Members handbook supplemented by the Members' agreement, at the end of each Accounting Period, any amounts retained due to members on account of each member's profit share are payable by equal quarterly instalments commencing six months after the end of each Accounting Period or at such other time as determined by the Management Board. Both monthly and quarterly drawings are determined by the Management Board, taking into account the need to retain sufficient funds to settle members' income tax liabilities and to finance the working capital and other needs of the business.

Individual members' capital contributions are determined from time to time by the Management Board having regard to the short, medium and long term needs of the business. Capital contributions are interest bearing and repayable after an individual member's retirement in accordance with the Members agreement.

Designated members

The following designated members have held office during the year and subsequent to the year-end:

R H Donaldson
J M Ericson
J R Taylor
A J Westbrook

Auditor

The auditor, Saffery LLP, Chartered Accountants, has indicated its willingness to continue in office.

On behalf of the board



A J Westbrook
Designated Member

28 August 2024

RSM UK Group LLP

MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

for the year ended 31 March 2024

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

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires 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 Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102).

Under the 2008 Regulations, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period.

In preparing those financial statements, the members are required to:

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

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the partnership and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

RSM UK Group LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSM UK GROUP LLP for the year ended 31 March 2024

Opinion

We have audited the financial statements of RSM UK Group LLP (the 'limited liability partnership') for the year ended 31 March 2024 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Reconciliation of Members' Interests and notes to the financial statements, including significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the limited liability partnership as at 31 March 2024 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 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.

RSM UK Group LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSM UK GROUP LLP (continued)

for the year ended 31 March 2024

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 5, 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 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 limited liability partnership or to cease operations, or have no realistic alternative but to do so.

RSM UK Group LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSM UK GROUP LLP (continued) for the year ended 31 March 2024

Auditor's responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement and how fraud might occur, including through discussions with management, *discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended.* We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the limited liability partnership by discussions with management and updating our understanding of the sector in which the limited liability partnership operates.

Laws and regulations of direct significance in the context of the limited liability partnership include The Companies Act 2006 as applied to limited liability partnerships and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the limited liability partnership's records of breaches of laws and regulations and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the limited liability partnership's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

RSM UK Group LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RSM UK GROUP LLP (continued) for the year ended 31 March 2024

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Kite (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

Trinity
16 John Dalton Street
Manchester
M2 6HY

Date 28/08/2024

RSM UK Group LLP
INCOME STATEMENT
for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Turnover	1	120,924	109,897
Operating expenses		(8,498)	(8,473)
Operating profit	2	112,426	101,424
Investment income	3	1,507	602
Interest payable and similar charges	4	(777)	(803)
Profit for the financial year before members' remuneration and profit shares	5	113,156	101,223
Profit for the financial year before members' remuneration and profit shares		113,156	101,223
Members' remuneration charged as an expense:			
Individual members	6	104,840	93,746
Corporate member	6	2,100	2,100
		(106,940)	(95,846)
Profit for the financial year available for discretionary division amongst members		6,216	5,377

The result for the year and the previous year arises from the LLP's continuing operations.

RSM UK Group LLP

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2024

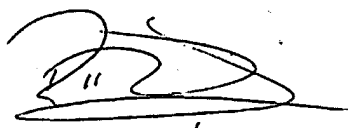
	Note	2024 £'000	2023 £'000
Profit for the financial year available for discretionary division amongst members		6,216	5,377
Other comprehensive expenses:			
Actuarial loss on defined benefit pension scheme	14	(1,662)	(4,923)
Loss on revaluation of available-for-sale financial assets		-	(3)
Other comprehensive expenses for the year		(1,662)	(4,926)
Total comprehensive income for the year		4,554	451

RSM UK Group LLP
STATEMENT OF FINANCIAL POSITION
as at 31 March 2024

(LLP Registration Number: OC325346)

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	2,401	1,491
Investments	10	34	49
		<u>2,435</u>	<u>1,540</u>
Current assets			
Debtors	11	113,879	81,004
Cash at bank and in hand		21,763	41,680
		<u>135,642</u>	<u>122,684</u>
Creditors: amounts falling due within one year	12	(6,505)	(11,194)
Net current assets		<u>129,137</u>	<u>111,490</u>
Total assets less current liabilities		131,572	113,030
Provision for liabilities	13	(1,756)	(2,130)
Pension scheme deficit	14	(2,159)	(1,716)
Net assets attributable to members		<u>127,657</u>	<u>109,184</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	15	40,150	36,819
Loans and other debts due to members after more than one year			
Members' capital	15	61,971	53,875
Other amounts	15	38,050	34,719
		<u>140,171</u>	<u>125,413</u>
Equity			
Members' other interests – other reserves classified as equity	15	(12,514)	(16,229)
Total members' interests	15	<u>127,657</u>	<u>109,184</u>

The financial statements on pages 10 to 28 were approved by the members and authorised for issue on 28 August 2024 and are signed on their behalf by:



R H Donaldson
Designated member



A J Westbrook
Designated member

The notes on pages 14 to 28 form part of these financial statements

RSM UK Group LLP

RECONCILIATION OF MEMBERS' INTERESTS

as at 31 March 2024

	Classified as equity	Classified as debt		
			Loans and other debts due to/(from) members	Total
	Other reserves £'000	Members' capital £'000	£'000	£'000
Members' interests at 1 April 2022	(17,308)	53,000	65,125	100,817
Members' remuneration charged as an expense:				
Individual members	-	-	93,746	93,746
Corporate member	-	-	2,100	2,100
Profit for the financial year available for discretionary division amongst members	5,377	-	-	5,377
Members' interests after profit for the year	(11,931)	53,000	160,971	202,040
Members' capital introduced	-	1,955	-	1,955
Members' capital repaid	-	(1,545)	-	(1,545)
Other amounts introduced by members	-	-	187	187
Drawings and distributions	-	-	(86,625)	(86,625)
Other comprehensive income	(4,926)	-	-	(4,926)
Transfers between group LLPs	-	465	1,430	1,895
Transfer of other amounts due to former members	-	-	(3,130)	(3,130)
Allocated other reserves	628	-	(1,295)	(667)
Members' interests at 31 March 2023	(16,229)	53,875	71,538	109,184
Members' remuneration charged as an expense:				
Individual members	-	-	104,840	104,840
Corporate member	-	-	2,100	2,100
Profit for the financial year available for discretionary division amongst members	6,216	-	-	6,216
Members' interests after profit for the year	(10,013)	53,875	178,478	222,340
Members' capital introduced	-	19,792	-	19,792
Members' capital repaid	-	(12,816)	-	(12,816)
Other amounts introduced by members	-	-	903	903
Drawings and distributions	-	-	(100,658)	(100,658)
Other comprehensive income	(1,662)	-	-	(1,662)
Transfers between group LLPs	-	1,120	3,762	4,882
Transfer of other amounts due to former members	-	-	(5,052)	(5,052)
Allocated other reserves	(839)	-	767	(72)
Members' interests at 31 March 2024	(12,514)	61,971	78,200	127,657

As permitted by the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in December 2021, the LLP has taken the option of presenting the above Reconciliation of Members' Interests as a primary statement instead of the Statement of Changes in Equity.

RSM UK Group LLP

ACCOUNTING POLICIES

for the year ended 31 March 2024

General information

RSM UK Group LLP ("the LLP") is a limited liability partnership and is incorporated in England and Wales.

The registered office address of the LLP is 6th Floor, 25 Farringdon Street, London, EC4A 4AB.

The LLP's principal activities are disclosed in the Members' Report.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in December 2021, and under the historical cost convention, modified to include certain investments at fair value.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest thousand pounds sterling.

Reduced disclosures

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

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – 11.42 Disclosure of terms and conditions of related party debt
- Section 33 'Related party disclosure' – 33.7 relating to key management personnel.

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

Non-consolidation

The LLP is controlled by RSM UK Holdings Limited, a company incorporated in England and Wales, and in accordance with Section 400 of the Companies Act 2006 is not required to produce, and has not published, consolidated accounts.

Going concern

As part of the RSM UK Group the LLP is included within the Group's annual strategic, risk, operational, and financial business planning process.

As part of this business planning process the Group prepares detailed forecasts and cash flows for the year to 31 March 2025. It also prepares projections for a further two years to form an integrated three-year model including associated cash flows and statements of financial position.

In preparing these forecasts, the Group considered sensitivity to changes in the macroeconomic environment and adverse impacts that could arise as a result of the risks outlined in the risk management and principal risks section (page 3) of the Members' Report.

Based on these forecasts and cashflows, the Management Board is satisfied that the LLP has adequate resources to continue in operational existence for the foreseeable future and accordingly, continues to adopt the going concern basis in preparing these financial statements.

Taxation

Taxation on LLP profits is the personal liability of the members. Consequently neither partnership nor deferred taxation are accounted for in these financial statements.

RSM UK Group LLP

ACCOUNTING POLICIES (continued)

for the year ended 31 March 2024

Intangible fixed assets

Client relationships

Client relationships acquired as a result of business combinations are recognised as an asset and the cost is amortised over the average expected useful life of the relationships at the time of the transaction, estimated to be between 5 and 10 years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Motor vehicles	-	over 4 years on original cost
Fixtures and fittings	-	shorter of 10 years or the remaining period of the lease
Computer equipment	-	over 3 years

The freehold building is carried at its estimated residual value and reviewed on an annual basis for any indications of impairment.

Impairment

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of comprehensive income until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the income statement.

Investments

Other investments

Other investments, including those listed on a recognised stock exchange, are stated at surrender or market value at the balance sheet date.

Retirement benefits

The LLP operates a defined benefit pension scheme ("the Scheme") for eligible employees within the RSM UK Holdings Limited Group. The Scheme was closed to new members and future accrual on 31 March 2010 and deferred pensions were granted to all members who were still active members on the date of closure.

The cost of providing benefits is determined using the deferred accrued benefits method, with IAS 19 actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the statement of comprehensive income in the period in which they arise.

The net defined benefit liability or asset recognised in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets, and as adjusted for any limit on the net defined benefit asset. Any asset resulting from this calculation is limited to the lower of the surplus in the defined benefit scheme and the present value of available refunds, and any reductions in future contributions to the scheme.

Net interest on the net defined benefit liability or asset is recognised in the income statement and is determined by multiplying the net defined benefit liability or asset by the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The return on the plan assets and any change in the limit on the net defined benefit asset that is not included within the net interest on the net defined benefit liability or asset is recognised in other comprehensive income.

RSM UK Group LLP

ACCOUNTING POLICIES (continued)

for the year ended 31 March 2024

Provision for liabilities

Provisions are recognised when the LLP has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Professional liability claims

The LLP estimates the amount of professional liability claims based on the expected cost of defending and concluding any ongoing claims. Provisions are made on a case-by-case basis in respect of the estimated cost. Where the LLP expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. No separate disclosure is made of the detail of such claims or proceedings, or the costs recovered by insurance, as to do so could seriously prejudice the position of the LLP. The expense relating to any provision is presented in the Income Statement net of any expected reimbursement.

The timing of the expected settlement of these claims is uncertain, however the vast majority of cases are estimated to settle within three years and therefore discounting is not deemed to be material.

Former member commitments

The present value of the best estimate of the expected liabilities for future payments to retired members, or their dependants, arising from commitments under earlier arrangements, is calculated annually by a qualified actuary and provided in full. Changes in estimates and assumptions in respect of the obligations are recognised in administrative expenses. The unwinding of the discount is recognised in finance costs.

Turnover and revenue recognition

Turnover represents profit shares receivable from LLPs in which the LLP is a corporate member and income for services provided to those LLPs, including legal services and the services of the main Board. Profit shares are recognised once the Management Board of the respective LLP has determined the profit shares for the year. Income from services are recognised based on time spent and accrues as the services are provided.

Members' remuneration

Individual members

Members' share of profits and interest earned on members' balances are automatically divided and, together with members' benefits, such as motor expenses, are treated as members' remuneration charged as an expense to the income statement. It is treated as automatically divided and included in 'Loans and other debts due to members within one year' and 'Loans and other debts due to members after one year'. Losses are allocated to a separate loss reserve and are only allocated to the members in restricted circumstances at the determination of the Management Board, subject to prior approval of the corporate member.

Corporate member

The share of profits available to the corporate member, RSM UK Holdings Limited, is determined by the Management Board. It is treated as automatically divided and included in 'Loans and other debts due to members within one year'.

Unallocated profits

The profit share which has not been allocated to the individual or corporate members is treated in these financial statements as unallocated at the balance sheet date and included within equity reserves.

Members' monthly drawings are set by the Management Board, after considering the working capital needs of the business. Should drawings exceed the allocated profits the excess is included in debtors and reduced by any provision for amounts that may not be recoverable, until offset, settled or waived. The same treatment is adopted in respect of members who retire during the period. However, to the extent the profit allocations exceed drawings for a member that has retired, the excess profit is included in the Statement of Financial Position under creditors.

RSM UK Group LLP

ACCOUNTING POLICIES (continued)

for the year ended 31 March 2024

Members' capital

Contributions to members' capital (Liabilities) are made by members in such sums as are recommended by the Management Board in consultation with the corporate member's prior approval. Members' capital is repayable after retirement, in accordance with the Members' agreement, and recognised as 'Loans and other debts due to members after more than one year'. Whilst financing transactions, the effect of discounting is considered immaterial and so members' capital is not discounted to present value. Retiring members are subject to a voluntary retirement notice period with Management Board determination over when notices shall be deemed to have been served to allow for succession planning where appropriate.

Financial instruments

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

The LLP only has basic financial assets and liabilities and does not enter into financing transactions, other than investments held at fair value. They are measured initially at transaction price and subsequently at amortised cost, being transaction price less amounts settled and (in respect of debtors) any impairment losses.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the other comprehensive income.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The LLP makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equate to the subsequent actual results. However, management considers the estimates and assumptions used in the financial statements to be reasonable.

Professional liability claims

The LLP estimates the amount of professional liability claims based on the expected cost of defending and concluding any ongoing claims. This includes financial estimates received from external professional advisors. At 31 March 2024 the professional liability claims provision totals £0.070m (2023: £0.235m). The settlement timing is uncertain. Of the provision, £0.050m (2023: £0.056m) is expected to be reimbursed from insurers.

Former member commitments

The provision for annuities and similar arrangements for former members has been independently valued based on information provided by the group. The principal assumptions are disclosed in note 13. The LLP will continue to review these assumptions against experience and market data, and adjustments will be made in future periods where appropriate.

Retirement benefits

The LLP makes estimates about the range of long-term trends and market conditions to determine the value of the deficit or surplus on the retirement benefit scheme, based on advice from qualified actuaries. The principal assumptions are disclosed in note 14. Long-term forecasts and estimates are necessarily highly judgemental and subject to risk that actual events may be different to those forecast. If actual events deviate from the assumptions made then the reported surplus or deficit in respect of retirement benefits may be materially different.

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2024

1. Turnover

The LLP's turnover is derived from its principal activity. All turnover arises in the United Kingdom.

2. Operating profit

	2024 £'000	2023 £'000
Operating profit is stated after charging/(crediting):		
Depreciation/impairment of tangible fixed assets	821	638
Profit on disposal of tangible fixed assets	(455)	(419)

The auditor's remuneration is paid by and charged to the ultimate controlling party, RSM UK Holdings Limited.

3. Investment income

	2024 £'000	2023 £'000
Interest receivable	1,507	600
Dividends received	-	2
	<u>1,507</u>	<u>602</u>

4. Interest payable and similar charges

	2024 £'000	2023 £'000
Bank interest payable	640	619
Unwinding of discount on provisions (note 13)	81	61
Net interest cost on pension scheme (note 14)	56	123
	<u>777</u>	<u>803</u>

5. Profit for the financial year before members' remuneration and profit shares

	2024 £'000	2023 £'000
Profit for the financial year before members' remuneration and profit shares is arrived at after charging/(crediting):		
Depreciation on the tangible fixed assets		
Charge for the year:		
Owned assets	821	638
Profit on disposal of tangible fixed assets	(455)	(419)

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2024

6. Members' remuneration

	2024 Number	2023 Number
Average number of members	151	145
	2024 £'000	2023 £'000
Average profit per member	708	661
Remuneration attributable to the highest paid member	2,654	2,405

7. Employee remuneration

With the exception of costs in respect of the RSM Retirement Benefit Scheme (see note 14), no employee costs are included in these accounts (2023: £nil).

A management charge has been made by RSM UK Management Limited and RSM UK Tax and Accounting Limited, related businesses, for the provision of staff services to the LLP.

8. Intangible fixed assets

	Client relationships £'000
Cost	
At 1 April 2023 and 31 March 2024	3,520
Amortisation	
At 1 April 2023 and 31 March 2024	3,520
Net book value	
At 31 March 2023 and 31 March 2024	-

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2024

9. Tangible fixed assets

	Freehold property £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 April 2023	265	3,565	3,830
Additions	-	2,276	2,276
Net transfers between group LLPs	-	(1,916)	(1,916)
Disposals	-	306	306
At 31 March 2024	265	4,231	4,496
Accumulated depreciation			
At 1 April 2023	65	2,274	2,339
Charge for the year	-	821	821
Net transfers between group LLPs	-	(1,245)	(1,245)
Eliminated on disposal	-	180	180
At 31 March 2024	65	2,030	2,095
Net book value			
At 31 March 2024	200	2,201	2,401
At 31 March 2023	200	1,291	1,491

10. Fixed asset investments

	Other investments £'000
Cost or valuation	
At 1 April 2023	49
Movement in fair value	(15)
31 March 2024	34
Net book value	
31 March 2024	34
31 March 2023	49

Other investments represent listed investments with a market value of £34,000 (2023: £49,000).

The historical cost of these listed investments is £nil (2023: £nil).

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2024

10. Fixed asset investments (continued)

The LLP is a member of the following LLPs registered in England and Wales:

RSM UK Audit LLP – Audit and assurance services
RSM UK Consulting LLP – Consultancy services
RSM UK Corporate Finance LLP – Corporate finance services
RSM UK Creditor Solutions LLP – Creditor services
RSM UK Restructuring Advisory LLP – Restructuring advisory services
RSM UK Risk Assurance Services LLP – Risk assurance services
RSM UK Tax and Advisory Services LLP – Tax and advisory services

The registered office for the LLP and each subsidiary is 6th Floor, 25 Farringdon Street, London, EC4A 4AB.

11. Debtors

	2024 £'000	2023 £'000
Amounts due from group undertakings	113,829	80,875
Other debtors	50	57
Prepayments and accrued income	-	72
	<u>113,879</u>	<u>81,004</u>

The amounts owed by group undertakings arise from trading activities are interest free and repayable on demand.

12. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Bank loans	-	7,375
Other taxes and social security costs	38	33
Other creditors	1,290	587
Accruals and deferred income	27	69
Amounts owed to former members	5,150	3,130
	<u>6,505</u>	<u>11,194</u>

Analysis of debt maturity:

	2024 £'000	2023 £'000
Amounts payable as follows:		
In one year or upon demand	-	7,375
	<u>-</u>	<u>7,375</u>

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2024

12. Creditors: amounts falling due within one year

The bank loans were fully repaid during December 2023. Previously these were arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Directors estimated that the fair value of the Group's current borrowings was not materially different to the carrying value at 31 March 2023. All borrowings are unsecured but take preference for repayment over amounts due to members of subsidiary LLPs in the event of winding up.

Interest was charged on the bank loans at rate at rate of 1.75% over SONIA (2023: 1.75% to 2.10% over SONIA).

The LLP has unutilised bank facilities of £60.0m (2023: £55.0m). If utilised interest will be charged at a rate of 1.30% to 1.40% over SONIA. A non-utilisation charge of 0.52% to 0.56% has been incurred during the year.

13. Provision for liabilities

	Professional liability claims £'000	Former members £'000	Total £'000
Balance at 31 March 2023	235	1,895	2,130
Provision utilised in the year	(87)	(369)	(456)
Unused amounts reversed in the year	(72)	-	(72)
Credit to other debtors	(6)	-	(6)
Unwinding of discount	-	81	81
Change in assumptions	-	79	79
Balance at 31 March 2024	70	1,686	1,756

Professional liability claims

The professional liability claims provision represents the estimated cost of defending and concluding claims. Where the LLP expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Reimbursement from insurers is held in other receivables totalling £0.050m (2023: £0.056m). The expense relating to any provision is presented in the income statement, net of any expected reimbursement. The vast majority of cases are estimated to settle within three years and therefore discounting is not deemed to be material.

Former members

The former members' provision has been actuarially calculated and represents the present value of the future obligation of the LLP to provide retirement annuities to former members.

The principal actuarial assumptions which have been used in calculating relevant liabilities, after the application of mortality rates, are as follows:

	2024 Per annum	2023 Per annum
Discount rate	4.9%	4.7%
Inflation rate (RPI)	3.3%	3.4%

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2024

14. Retirement benefits

The LLP operates a defined benefit scheme ("Scheme") for eligible employees. The Scheme was closed to new members and future accrual on 31 March 2010 and deferred pensions were granted to all members who were still active members on the date of closure.

The scheme was a final salary pension plan, which provides benefits to the members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The pensions in payment are generally updated in line with the retail price index and the benefit payments are made from trustee administered funds. Responsibility for the governance of the plan lies with the Board of Trustees.

Any future contributions required to be made to the Scheme are determined by an independent qualified actuary on the basis of regular valuations using the deferred accrued benefits method. The most recent completed full actuarial valuation was at 31 March 2022. As a result of that valuation the Group agreed a schedule of future contributions over the period to 31 March 2029.

Adjustments to the valuation at that date have been made for the purpose of the FRS102 valuation at the year end based on the following major assumptions:

	2024 %	2023 %
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in payment	3.7	3.8
Discount rate	4.9	4.7
Inflation assumption (RPI)	3.3	3.4
Statutory revaluation (CPI)	2.7	2.8
Mortality	As below	As below
Expected return on plan assets	As below	As below

The assumption for post-retirement mortality has been set to be in line with the standard S3NA tables (2023: S3NA tables). Future improvements in longevity are assumed to be in line with the CMI 2022 projections (2023: CMI 2021 projections), with a long term rate of improvement of 1.25% p.a. for both males and females (2023: 1.25% p.a. for both males and females).

RSM UK Group LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2024

14. Retirement benefits (continued)

The assets in the scheme were:

	2024	2023
	£'000	£'000
Liability driven investments	59,242	50,253
Equities	24,620	19,997
Cash	16,511	16,245
Infrastructure	11,107	21,787
Emerging markets multi-asset funds	5,980	5,517
Private credit	2,249	3,913
Diversified growth funds	-	4,090
Total market value of assets	119,709	121,802
Present value of scheme liabilities	(121,868)	(123,518)
Deficit in scheme	(2,159)	(1,716)

The return on the scheme assets was:

	2024	2023
	£'000	£'000
Interest income	5,675	4,794
Return on plan assets excluding interest income	(5,859)	(59,912)
Total return on scheme assets	(184)	(55,118)

Movements in the fair value of scheme assets were as follows:

	2024	2023
	£'000	£'000
1 April	121,802	164,593
Interest on plan assets	5,675	4,794
Employer contributions	1,275	16,200
Benefits paid/ transfers/ commutations	(3,184)	(3,873)
Return on plan assets excluding interest income	(5,859)	(59,912)
31 March	119,709	121,802

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2024

14. Retirement benefits (continued)

Movements in the present value of defined benefit obligations were as follows:

	2024 £'000	2023 £'000
1 April	123,518	177,463
Interest cost	5,731	4,917
Benefits paid/ transfers/ commutations	(3,184)	(3,873)
Actuarial loss/(gain):		
Experience on benefit obligation	1,458	6,876
Changes in financial assumptions	(5,300)	(64,952)
Changes in demographic assumptions	(355)	3,087
31 March	121,868	123,518

	2024 £'000	2023 £'000
<i>Analysis of amounts charged to income statement</i>		
Net interest cost	(56)	(123)
Net loss	(56)	(123)

	2024 £'000	2023 £'000
<i>Analysis of amount recognised in other comprehensive income</i>		
Actual return less expected return on scheme assets	(5,859)	(59,912)
Experience losses and gains arising on scheme liabilities	(1,458)	(6,876)
Changes in assumptions underlying the present value of the scheme liabilities	5,655	61,865
Actuarial loss recognised in other comprehensive income	(1,662)	(4,923)

	2024 £'000	2023 £'000
<i>Movement in deficit during the year</i>		
Deficit in scheme at beginning of the year	(1,716)	(12,870)
Movement in year:		
Contributions paid to the scheme	1,275	16,200
Charge to income statement	(56)	(123)
Amount recognised in other comprehensive income	(1,662)	(4,923)
Deficit in the scheme at end of the year	(2,159)	(1,716)

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2024

14. Retirement benefits (continued)

Expected maturity analysis of undiscounted pension benefits as at 31 March 2024 is as follows:

	Less than a year £'000	Between 1-2 years £'000	Between 2-5 years £'000	Over 5 years £'000	Total £'000
Pension benefit	3,500	3,700	13,200	320,300	340,700

Expected maturity analysis of undiscounted pension benefits as at 31 March 2023 is as follows:

	Less than a year £'000	Between 1-2 years £'000	Between 2-5 years £'000	Over 5 years £'000	Total £'000
Pension benefit	3,300	3,500	12,100	325,300	344,200

The FRS102 results are based on the membership of the scheme as at 31 March 2024. Contributions of £1.3m (2023: £16.2m) were paid during the year. The Scheme was closed to new members and future accrual on 31 March 2010 and therefore no contributions will be made by the eligible employees.

<i>History of experience gains and losses</i>	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Difference between the expected and actual return on scheme assets:					
Amount	(5,859)	(59,912)	2,003	3,632	(2,585)
Percentage of scheme assets (%)	(48.9)	(49.2)	1.2	2.3	(1.7)
Experience gains and losses on scheme liabilities:					
Amount	1,458	6,876	4,775	(1,648)	571
Percentage of present value of the scheme liabilities (%)	1.2	5.6	2.7	(0.9)	0.4
Total amount recognised in other comprehensive income:					
Amount	(1,662)	(4,923)	9,226	(29,190)	(1,997)
Percentage of present value of the scheme liabilities (%)	(1.4)	(4.0)	5.2	(15.8)	(1.3)

In addition to the above closed defined benefit pension scheme, a group defined contribution personal pension plan is in operation and is open to all eligible employees to join. The assets of the scheme are held separately from those of the LLP in an independently administered fund.

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2024

15. Members' interests

Members' interests can be analysed as follows:

	Due after one year 2024 £'000	Equity 2024 £'000	Due within one year 2024 £'000	Total 2024 £'000
Members' capital	61,971	-	-	61,971
Other loans and debts due to members	38,050	-	40,150	78,200
Other reserves	-	(12,514)	-	(12,514)
At 31 March 2024	100,021	(12,514)	40,150	127,657

	Due after one year 2023 £'000	Equity 2023 £'000	Due within one year 2023 £'000	Total 2023 £'000
Members' capital	53,875	-	-	53,875
Other loans and debts due to members	34,719	-	36,819	71,538
Other reserves	-	(16,229)	-	(16,229)
At 31 March 2023	88,594	(16,229)	36,819	109,184

During the year individual members introduced capital into the LLP.

Members' capital is repayable after retirement in accordance with the Members' agreement and in the event of a winding up ranks after unsecured creditors. The basis of profit allocation is described in the Accounting Policies. In the event of a winding up, other debts due to members representing allocated and divided profits not yet paid rank pari passu with third party creditors.

During the prior year the LLP amended and restated the Members' agreement with effect from 29 March 2023. As a result, loans and other debts due to individual members, representing divided profits not yet paid, have become contractually payable in four equal instalments, commencing six months after the end of the accounting period. Such balances are therefore now included in 'Loans and other debts due to members within one year' and 'Loans and other debts due to members after one year'.

16. Related party transactions

The LLP is exempt from disclosing related party transactions which are with wholly owned members of the RSM UK Holdings Limited Group.

RSM UK Group LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2024

17. Control

The immediate parent company for RSM UK Group LLP is RSM UK NLT Limited (formerly RSM UK Holdings Limited), a company incorporated in England and Wales.

Until 3 April 2023, the ultimate controlling party was RSM UK NLT Limited (formerly RSM UK Holdings Limited). On 3 April 2023, RSM UK Holdings Limited (formerly Arrandco Group Limited) became the ultimate controlling party.

For 31 March 2024 the largest and smallest group in which the results of the company are consolidated is that headed by RSM UK Holdings Limited (formerly Arrandco Group Limited), a company incorporated in England and Wales. The consolidated accounts are available from its registered office, 6th Floor, 25 Farringdon Street, London, EC4A 4AB.