

RSM UK Tax and Accounting  
Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2025

### Directors

K E Sandwell  
A K Sapsford  
J R Taylor  
D Thompson  
A J Westbrook

### Company secretary

P M O'Flynn

### Company number

06677561 (England and Wales)

### Registered office

6<sup>th</sup> Floor  
25 Farringdon Street  
London  
EC4A 4AB

### Auditor

Saffery LLP  
Trinity  
16 John Dalton Street  
Manchester  
M2 6HY

#### Business review

The principal activities of the company are the provision of tax, accounting and advisory services and also the provision of staff to RSM UK Holdings Limited and its related businesses (the “RSM UK group”).

The results for the company show a profit after taxation of £5.1m (2024: £9.1m) for the year on turnover of £444m (2024: £385.0m). A dividend of £8.5m was paid during the year (2024: £4.7m).

The increase in revenue for the year reflects the ongoing growth in the business. This is a combination of clients retained and new clients selecting RSM as their advisor of choice. Demand for our services is driven by a number of factors including the increasingly complex compliance and regulatory environment in the UK as well as working alongside our member firms within the RSM International network to support globally active clients by providing a high-quality international service.

There have been no disposals of operations this year (2024: £4.8m profit on disposal).

The tax business had another strong year with growth across all service lines. Supporting this we continue to invest in our people and skills, with notable investments in training and development; we continued to recruit more trainees to our tax business and develop staff as part of our grow our own initiative.

Our consulting services continue to go from strength to strength supporting client finance functions and we saw growth in our financial accounting and advisory specialist team, supporting clients to solve challenging accounting issues and advising clients on significant business transactions.

We continue to increasingly see the benefits of operating nationally across the entirety of our service lines, by delivering the best team to clients irrespective of geography.

Operating expenses have risen following an increase in staff, training and technical costs, this is in line with the continued investment in our people.

The company has net assets of £5.4m (2024: £8.8m) and has sufficient funding arrangements in place to support the business.

The Directors are satisfied with the results for the year and the financial position at the year-end and expect the company to continue operating profitably in the future.

#### Key performance indicators

The company uses a range of financial and non-financial Key Performance Indicators (KPIs). These KPIs are tailored to the individual operating segments based upon the individual needs of the operating decision makers. Financial and KPI management information is prepared monthly and reviewed by the RSM UK Holdings Limited Board and National Leadership Team. Target metrics are established annually for the coming financial year as part of the firm-wide budgeting process, and these are designed for the long term.

The company has KPIs as follows:

	2025 £'000	2024 £'000
<u>Financial</u>		
Revenue	444,023	384,996
Revenue per employee	109	95
Profit before tax	6,963	12,395
Net profit margin	1.6%	3.2%
<u>Non-financial</u>		
Headcount	4,067	4,070

#### 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 parent, RSM UK Holdings Limited, with responsibility for establishing and managing the group's risk management framework being delegated to the National Leadership Team.




Our principal risks are individual or aggregated risks that could seriously affect the performance, prospects or reputation of the RSM UK group. Our resilience has been considered in determining the appropriate risk mitigations to address these network-related risks.

Our principal risks may change over time as their likelihood and impact varies due to internal or external factors. Additional context is provided below to outline key risk mitigations, risk appetite and any changes in the profile of the risk during the year.



Market drivers	What's happening?
Economy	Geopolitical tensions, global conflicts and trade wars drive uncertainty within the UK and global economies.
Competition	Increased investment and consolidation activity in the UK and global accountancy sectors could prove to be disruptive and result in additional uncertainty for our succession planning and exit strategies.
Quality and regulation	RSM operates in a highly regulated market. With requirements and expectations continuously evolving, we must continue to monitor and adapt our systems and processes to ensure we comply.
Technology	Investment in digital technologies continues at pace across the accountancy industry. Advances in AI are already having a major impact on the business landscape.
Cyber threats	The sophistication of the cyber threat landscape continues to evolve, including through the use of AI and 'Deep Fakes'.



The appetite for risk is dynamic, as it will vary over time and in relation to each principal risk. Overall, the RSM UK group maintains a relatively low appetite for risk, appropriate to our strategic objectives, regulatory requirements and our need to protect the reputation of the RSM UK group.




The principal risks that could significantly impact the RSM UK Group's strategic objectives, professional reputation and/or financial strength are listed in the tables below.

Strategy key	Risk trend key
 <b>Premium service provider</b> Deliver technically advanced solutions and services, clearly presented, with an exceptional client experience.	↑ Risk is increasing ↔ Risk remains unchanged ↓ Risk is decreasing
 <b>Premium employer</b> Provide rewarding, fulfilling careers and create an environment where all our people can thrive.	
 <b>Making a difference</b> Be a responsible corporate citizen that does the right thing and makes a positive impact in all our endeavours.	






## Risk management and principal risks (continued)







1. Client and engagement acceptance						
				Risk description	Risk mitigations	
Primary impact type	Compliance			Failure to adequately follow regulatory requirements or consider reputational impacts of accepting certain clients or engagements, could adversely affect our ability to attract/retain clients, or result in regulatory fines.	<ul style="list-style-type: none"><li>• Client/engagement acceptance processes, including third party specialist technology for ID verification and screening alert evaluation using AI</li><li>• Training and continuous feedback and improvement programmes</li><li>• Management referral/approval for client risk escalation</li><li>• Client take-on commercial evaluations</li></ul>	
Strategic link						
Market drivers	Quality and regulation					
	FY23	FY24	FY25			
Risk appetite	Low	Low	Low			
Risk trend	↔	↔	↔			



2. Client portfolio						
				Risk description	Risk mitigations	
Primary impact type	Strategic			Failure to ensure a diverse client portfolio could result in an unintended concentration of risk, insufficient capacity to provide a premium service, or a negative impact to the profitability of the RSM UK group.	<ul style="list-style-type: none"><li>• Tender process management</li><li>• Profitability assessments</li><li>• Client portfolio and pipeline reviews</li></ul>	
Strategic link						
Market drivers	Quality and regulation					
	FY23	FY24	FY25			
Risk appetite	Medium	Medium	Medium			
Risk trend	↔	↔	↔			

3. Service availability and delivery						
				Risk description	Risk mitigations	
Primary impact type	Operational			Failure of core service-related systems, loss of data or the lack of capacity and/or capability to deliver large/complex engagements could adversely affect our ability to attract/retain clients and impact our financial performance.	<ul style="list-style-type: none"><li>• Dedicated technology operations teams with defined incident response protocols</li><li>• Backups and logging to prevent unintended loss of data, enabling restoration where necessary</li><li>• Global audit methodology, practice manuals, and risk management policies and tools</li><li>• Quality policies, procedures, standards and training</li><li>• Peer/engagement quality review processes</li><li>• Quality team reviews</li><li>• Service line technical teams, training and updates</li><li>• ‘Authorised Individual’ and ‘Specialist’ status process</li><li>• International Standard on Quality Management (ISQM 1) processes and monitoring</li></ul>	
Strategic link						
Market drivers	Technology					
	FY23	FY24	FY25			
Risk appetite	Low	Low	Low			
Risk trend	↔	↔	↔			




### Risk management and principal risks (continued)




4. Compliance with other laws and regulations						
		Risk description			Risk mitigations	
Primary impact type	Compliance			Failure to adhere, and effectively respond, to the letter and the spirit of relevant laws and regulatory standards in providing services could adversely affect our ability to attract and retain clients and talent or result in regulatory fines.	<ul style="list-style-type: none"><li>Processes/procedures designed to comply with applicable laws and regulations</li><li>Internal training, compliance and independence monitoring, and quality procedures</li><li>External regulatory monitoring (e.g. FRC, ICAS and ICAEW)</li><li>Ethics policies, partner and team</li><li>Culture of ethical behaviour with Speak Up policy and hotlines</li><li>Participation in FRC, HMRC and market/industry reviews</li><li>Membership of FRC, ICAS and ICAEW</li></ul>	
Strategic link						
Market drivers	Quality and regulation					
	FY23	FY24	FY25			
Risk appetite	Low	Low	Low			
Risk trend						



5. Disputes, complaints, and litigation						
				Risk description	Risk mitigations	
Primary impact type	Reputational			Failure to conduct services with due care and attention to detail could result in disputes, complaints, and litigation. The impact of these, even if unsuccessful, could significantly affect our reputation and financial performance.	<ul style="list-style-type: none"><li>• Quality, risk management and training processes</li><li>• In-house legal team</li><li>• Engagement and client reporting protocols</li><li>• Professional indemnity insurance</li><li>• Client/engagement liability approval processes</li><li>• Standard terms and conditions</li></ul>	
Strategic link						
Market drivers	Quality and regulation					
	FY23	FY24	FY25			
Risk appetite	Low	Low	Low			
Risk trend						

6. Competition and technological change						
				Risk description	Risk mitigations	
Primary impact type	Strategic					
Strategic link						
Market drivers	Technology					
	FY23	FY24	FY25			
Risk appetite	High	High	High			
Risk trend	↔	↑	↑			




## Risk management and principal risks (continued)







7. Cyber, data, and information security						
				Risk description	Risk mitigations	
Primary impact type	Operational			Failure to prevent, detect, respond to, or recover from, an attack on our systems and associated data could result in business disruption, reputational damage, as well as regulatory fines.	<ul style="list-style-type: none"><li>Secure applications to support service delivery/data sharing</li><li>Multiple data storage locations and measures to protect against data loss and system penetration/failure</li><li>Regular training and awareness on data security and General Data Protection Regulation (GDPR)</li><li>Application of up-to-date IT security defence systems and incident monitoring</li><li>ISO 27001, Cyber Essentials and Cyber Essentials Plus certification and audits</li><li>IT Security Board to monitor and review IT security</li><li>Vulnerability/penetration testing</li><li>Security incident management processes</li><li>Physical access security controls</li><li>Frequent communication and guidance regarding IT security risks</li></ul>	
Strategic link						
Market drivers	Quality and regulation Technology Cyber threats					
	FY23	FY24	FY25			
Risk appetite	Low	Low	Low			
Risk trend	↑	↑	↑			




8. Attracting, recruiting, developing, and retaining talent						
				Risk description	Risk mitigations	
Primary impact type	Operational			Failure to attract, recruit, develop and retain talent could impact our ability to provide a premium service and offer premium employment opportunities.	<ul style="list-style-type: none"><li>• Resource and skills mix</li><li>• Future skills initiative, talent management framework, appraisal process, progression programmes, and succession plans</li><li>• Talent acquisition programme</li><li>• Specialist talent development business partners</li><li>• Market benchmarking of salaries and benefits</li></ul>	
Strategic link						
Market drivers	Technology Competition					
	FY23	FY24	FY25			
Risk appetite	Low	Low	Medium			
Risk trend	↔	↔	↔			

9. Culture						
				Risk description	Risk mitigations	
Primary impact type	Strategic			Failure to foster and enable a culture where our people can thrive and have a positive impact in everything they do could impact our ability to achieve our strategic objective of Making a Difference.	<ul style="list-style-type: none"><li>• Leadership communication and broadcasts</li><li>• Diversity and inclusion strategy</li><li>• Employee survey and monitoring of employer related metrics</li></ul>	
Strategic link						
Market drivers	Competition					
	FY23	FY24	FY25			
Risk appetite	Medium	Medium	Medium			
Risk trend	↔	↔	↔			

### Risk management and principal risks (continued)

10. Global capabilities					
				Risk description	Risk mitigations
Primary impact type	Strategic			Failure to ensure access to a reputable global network with the reach and capabilities to provide a premium service could impact our ability to retain current or attract prospective clients.	<ul style="list-style-type: none"><li>• Continued expansion of the RSM International network</li><li>• RSM International global ethics, quality and information security standards/monitoring</li><li>• Independent member firm quality review programme</li><li>• RSM UK representation on the Board of RSM International</li><li>• Global methodologies</li><li>• International industry and service line groups/liaison desks</li><li>• Client/engagement level service quality management and review procedures</li><li>• Independence/conflict of interest safeguards</li><li>• RSM International brand, visual identity and editorial brand guidelines</li></ul>
Strategic link					
Market drivers	Quality and regulation				
	FY23	FY24	FY25		
Risk appetite	Medium	Medium	Medium		
Risk trend	↑	↑	↑		

11. Operating model					<b>Risk description</b>  Failure to generate and maintain sufficient capital, and realise sufficient value from key investments, could impact our ability to achieve our strategic objectives and effectively compete sustainably for the long-term.	<b>Risk mitigations</b>  <ul style="list-style-type: none"><li>• Regular assessment of business resilience and sustainability</li><li>• Strategic and operational reviews</li><li>• Financial and cash flow forecasting</li><li>• Monitoring of the economic environment</li><li>• Reviewing the competitive landscape</li><li>• Identifying opportunities to simplify the RSM UK group structure</li></ul>
Primary impact type	Operational					
Strategic link						
Market drivers	Economy Competition					
	FY23	FY24	FY25			
Risk appetite	Medium	Medium	Medium			
Risk trend						

12. Macroeconomic and geopolitical factors					
		Risk description			Risk mitigations
Primary impact type	Strategic				<ul style="list-style-type: none"><li>• Know Your Client (KYC) processes considering the risk of sanctions</li><li>• Annual budgeting process considering potential impacts of economic trends and forecasts</li><li>• In-house economist providing bespoke analysis and commentary</li><li>• RSM UKs' The Real Economy team providing insight and data to the RSM UK group leadership</li></ul>
Strategic link					
Market drivers	Economy				
	FY23	FY24	FY25		
Risk appetite	Medium	Medium	Medium		
Risk trend	↑	↑	↑		



#### Financial risk management objectives and policies

The company's activities expose it to credit and liquidity risk. To address credit risk, the company has standard processes to review the credit worthiness of potential clients prior to commencing an engagement or transaction. Receivable balances are monitored on an on-going basis with the aim of minimising the company's exposure to bad debts. The company has no significant concentration of credit risk.

The company manages liquidity risk and its working capital requirement through intercompany funding with its ultimate parent company RSM UK Holdings Limited and its fellow subsidiaries. Further details of the borrowings and the RSM UK Group's approach to liquidity risk can be found in the Annual Report of the ultimate parent.

#### Governance framework

The UK Tax and Accounting Limited board consists of RSM UK group's Senior Partner acting as Chair, Chief Financial Officer (CFO), People partner, and relevant Service Line Heads composed of partners from within the RSM UK group with the required skills and experience to bring the appropriate degree of challenge, balance, division of responsibilities and accountability to the Board. The size and composition of the Board is appropriate to the size and complexity of the business.

The directors delegate authority for the company's governance compliance to the ultimate parent, RSM UK Holdings Limited. The RSM UK Holdings Limited Board oversees the RSM UK group's governance framework policies and processes and ensures these are upheld consistently across all group members and subsidiaries, including RSM UK Tax and Accounting Limited.

For the year ended 31 March 2025, under the Companies (Miscellaneous Reporting) Regulations 2018, the RSM UK group has applied the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council (FRC) in December 2018 and available on the FRC website).

Full details of how the group has applied the principles are disclosed within the financial statements of the ultimate parent company, RSM UK Holdings Limited. The group's website ([www.rsmuk.com](http://www.rsmuk.com)) also contains further supporting information on the Wates Principles.

#### Audit Committee

The RSM Board delegates matters to the formally constituted Audit Committee which supports the board to perform its duties. The Committee assists the board by providing independent management oversight. The Committee has clearly defined terms of reference, which are reviewed annually and are available from the Company Secretary. The primary areas of focus for the Audit Committee are:

- Integrity of the group's financial statements;
- Identification and management of the group's key risks;
- Effectiveness of internal controls;
- Performance and independence of the external auditor; and
- Group's compliance with legal and regulatory requirements.

The RSM Board is satisfied that the experience, skills and knowledge of both the Audit Committee's Chair and its members allow the Committee to follow the principles of good governance. The Group's Audit Committee regularly reviews its performance and relationship with the external auditor and will periodically retender the group's statutory audit.

#### Section 172(1) statement

It is the board's responsibility to ensure that the directors have acted in good faith, individually and collectively, and in a way that they consider will promote the success of the company for the benefit of all its stakeholders, specifically, in relation to the matters set out in paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006. The board recognises the impact that decisions made today might have for the longer-term success of the RSM UK Group and company, particularly during this period of global uncertainty. All key decisions are made after appropriate discussion, engagement and collaboration between the group's leadership bodies, including the RSM UK Holdings Limited board, National Leadership Team (NLT) and service line and core function leaders.

*Notable activities of the RSM UK Holdings Limited board for the year ended 31 March 2025*

Key board decisions	Board considerations	Principal stakeholders
Review of the firm's governance structures	<ul style="list-style-type: none"> <li>Formalise the governance, oversight, representation role of the Board.</li> <li>Reviewed terms of reference for the Board, its sub-committees and the NLT.</li> <li>Ongoing transparency and clarity of Board, NLT and other roles.</li> <li>Partner election of CEO with fixed terms.</li> <li>Partner appointees to the Board.</li> <li>Recruitment of additional Partner Board members.</li> <li>Impact of Project Bamboo on governance arrangements review.</li> </ul>	All
Approval of the RSM UK group's budget for the year to 31 March 2026 (FY26)	<ul style="list-style-type: none"> <li>Prior year performance.</li> <li>Marketplace opportunities and challenges.</li> <li>Resourcing constraints.</li> <li>Alignment to overall strategy.</li> <li>Investment requirements.</li> <li>Financing arrangements.</li> </ul>	Clients Suppliers Banks People Partners Pension Scheme
Approval of the Annual Report and Financial Statements for FY24	<ul style="list-style-type: none"> <li>Review and refresh content.</li> </ul>	People Partners
Review of principal risks and risk appetite	<ul style="list-style-type: none"> <li>Identification, likelihood and impact of risks.</li> <li>Evaluation, ownership and reporting requirements.</li> <li>Risk mitigation measures.</li> </ul>	All
Ongoing impact of the Speak Up policies	<ul style="list-style-type: none"> <li>Employee engagement.</li> <li>Market appropriate policies.</li> </ul>	People Partners
Commitment to engage actively with RSM International	<ul style="list-style-type: none"> <li>RSM International Board activity.</li> <li>Input into network 2030 strategy.</li> <li>Attendance at, and support for, key events, working groups and strategy development.</li> <li>Engagement with the new CEO of RSM International.</li> <li>Sustainability and succession work for the network.</li> <li>Investment in key RSM International committees and processes.</li> </ul>	All

#### Section 172(1) statement (continued)

##### *How the board engages with key stakeholders*

The Board believes good governance and effective communication are essential to deliver our purpose and protect the RSM UK group's brand and reputation. They are also vital for positive relationships with our stakeholder community.

To deliver excellence in everything we do, we must build sustainable relationships with our stakeholders through positive, collaborative interactions, based on transparency and respect, that aim to create value for all our stakeholders.

Areas of interest	How we engage	The value we create
<b>Clients</b>		
<ul style="list-style-type: none"> <li>Value of service</li> <li>Quality of service</li> </ul>	<ul style="list-style-type: none"> <li>Tailored approach to clients.</li> <li>Data driven industry and economic insight and thought leadership.</li> <li>Client related technical and industry events.</li> <li>Client surveys.</li> <li>Voice of Client reviews.</li> </ul>	We use the full breadth of our collective knowledge, experience and expertise to help our clients achieve their aims, overcome challenges and grow with confidence.
<b>People</b>		
<ul style="list-style-type: none"> <li>Wellbeing</li> <li>Learning and development</li> <li>Reward and recognition</li> <li>Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Firm-wide CEO broadcasts.</li> <li>Employee networks.</li> <li>Office updates and wellbeing activities.</li> <li>Technical and personal skills training.</li> <li>360-degree feedback.</li> <li>Partnership Council.</li> </ul>	We provide rewarding careers and promote wellbeing in an inclusive environment where employees and partners can develop skills, gain experience and make an impact.
<b>Suppliers</b>		
<ul style="list-style-type: none"> <li>Timely payments</li> <li>Landlord engagement</li> <li>Supplier code of conduct</li> </ul>	<ul style="list-style-type: none"> <li>Key contact points for major suppliers.</li> <li>Timely and correct payments made within 11 days (2024: 11 days).</li> <li>RSM Code of Conduct for suppliers.</li> </ul>	We engage with local and national suppliers to address challenges, drive positive change and support the wider economy.
<b>Community</b>		
<ul style="list-style-type: none"> <li>Social mobility and inclusion</li> <li>ESG considerations</li> <li>Charity</li> </ul>	<ul style="list-style-type: none"> <li>2,160 trainees (2024: 1,863).</li> <li>Volunteering scheme.</li> <li>Active participation in social mobility programmes.</li> <li>RSM UK Foundation.</li> <li>National and local charitable giving.</li> <li>RSM Together.</li> <li>External trusteeships.</li> </ul>	We allocate financial and non-financial resources towards making positive contributions to the communities in which we operate.
<b>Partners</b>		
<ul style="list-style-type: none"> <li>Profitability and growth</li> <li>Ownership</li> <li>Operational performance</li> <li>Career development</li> </ul>	<ul style="list-style-type: none"> <li>Access to Board members.</li> <li>Regular communication from the CEO.</li> <li>Election of CEO and partner Board appointees.</li> <li>Partner Remuneration Committee.</li> </ul>	Through transparency and good governance, we have built a profitable business, owned and controlled by the partners who are the custodians of the business.

## Section 172(1) statement (continued)

*How the board engages with key stakeholders (continued)*

Areas of interest	How we engage	The value we create
<b>RSM International</b>		
<ul style="list-style-type: none"> <li>Board representation</li> <li>Global initiatives and methodologies</li> <li>Network ISQM1 implementation</li> <li>Global quality</li> <li>Global cyber security</li> </ul>	<ul style="list-style-type: none"> <li>The Executive Chair is a member of the RSM International Board.</li> <li>UK partners chair key committees (Governance and Global Quality), Centre of excellence membership (e.g. involvement in groups such as audit, tax, financial reporting, risk, technology and digital).</li> <li>Dedicated country practice leads.</li> </ul>	Working alongside RSM International Network member firms, we support globally active clients, providing a high-quality international service.
<b>Banks and loan note holders</b>		
<ul style="list-style-type: none"> <li>Loans, facilities and covenants</li> <li>Net cash held and cashflow</li> </ul>	<ul style="list-style-type: none"> <li>Covenant compliance reporting to bank.</li> <li>Loan notes issued to loan note holders.</li> </ul>	We meet covenant obligations and repayments as planned.
<b>Pension schemes</b>		
<ul style="list-style-type: none"> <li>Deficit and detriment recovery funding</li> <li>Liquidity requirements for LDIs (Liability Driven Investments)</li> <li>Acquisition of own shares</li> <li>Statement of investment principles</li> </ul>	<ul style="list-style-type: none"> <li>Regular communication between Board members and the Trustee Independent Chair.</li> <li>Consultation with RSM and scheme advisers on key decisions.</li> <li>Agreement of detriment contribution funding plan for acquisition of own shares.</li> <li>Agreement to advance future committed contributions post gilt crisis in Oct 2022.</li> <li>Joint working group involving the Board, NLT and trustees.</li> </ul>	<p>We meet our obligations to our defined benefit pension scheme and group personal pension plan.</p> <p>We engage with trustees, scheme members and regulators to ensure we comply with the relevant industry standards.</p>

Further information on the RSM UK group's response to section 172(1) can be found in the financial statements of the ultimate parent company, RSM UK Holdings Limited.

## Premium service provider

Change is a constant in today's global political and economic landscape that presents an enormous challenge and opportunity to businesses.

We create a premium client experience through:

- Trusted technical expertise and advice.
- Insights tailored by industry, channel and economic environment.
- Client-led, digitally enabled delivery.

Our solutions help business leaders make informed decisions as they manage cost, risk and change. We collaborate to apply our technical expertise within the broader context, understanding our clients' circumstances and tailoring insights that enable them to move forward with confidence.

Globally active clients crave a seamless, quality service wherever in the world they are or want to be. Building on the success of our acquisition of RSM Ireland, this year RSM UK and RSM US made a significant announcement of a proposed merger. This would establish an even stronger platform to support clients operating on both sides of the Atlantic with quality services and resources, enhancing our position as global middle market advisers of choice.

## Premium service provider (continued)

We aspire to lead the way in digital. Our digital first approach sets out our intention to equip people with the tools, skills and knowledge to deploy digital solutions that support our clients and enhance their experience. These ambitions have already driven significant investment in technology, training and partnerships, and the cultural evolution of our firm.

This year, we continued to grow. We increased revenue, reached wider external audiences with our insights, advanced our use of technology, reinvested into the business and expanded our global reach.

To cement our reputation as the premium provider in our market, we must continue to grow, innovate and enhance what we do and how we do it. We've set ourselves the following goals for the year ahead:

- To expand in global markets
- To grow FTSE 350 client base
- To lead services to fast-growth industries
- To become smart people to know

Further details of the RSM UK group's premium service outlined above can be found in the financial statements of RSM UK Holdings Limited.

## Premium employer

To realise our ambitions, we need the best and brightest. That means ensuring our people are focused and supported throughout every stage of their career. Underpinning all of this is our *grow our own* philosophy – an ambition to enable rewarding careers by creating an environment in which we can all thrive and make an impact.

In today's competitive market, flexible and hybrid working, attractive pay and benefits, and meaningful wellbeing and inclusion activities are all entry requirements for talent. We continue to invest in and evolve our approach in these areas while recognising that our magnetism lies in the unique way we engage our people in our mission and strategy.

As we respond to global trends and prepare for 'gen alpha' to join our multi-generational workforce, we continue to tailor our value proposition. At the heart of this, we are refining our policies and benefits provision and making heavy investments in pay and progression.

This year, we focused on the experience of our graduates and school leavers. Our *This is Me* campaign profiles the individual impact and diversity of our people. Adapting our recruitment and study support processes has created greater engagement, accelerated our time to hire and heralded some of our best exam pass rates ever. An ongoing review of our induction and onboarding programme aims to help new joiners acclimatise as quickly as possible.

We are committed to supporting our people to have great careers and make an impact. To achieve this, we aim to:

- Attract great talent
- Recognise and reward our people's contribution
- Invest in continuous development
- Create an inclusive environment that optimises wellbeing

## Premium employer (continued)

### *Engaging with our people*

Equipping our people for success requires clear expectations and tailored support. By regularly and clearly communicating our strategy, plans and progress, we aim to equip our people with the guidance they need.

Our regular leadership broadcasts give our people the opportunity to hear updates on business performance and priorities, and to ask questions of our most senior leaders. This approach is mirrored across lines of business to engage and inform in every sphere.

In May 2024, nearly 400 people attended our partner conference, and in December we held our second virtual RSM Week. With a television broadcast approach, these events inspired attendees to 'think differently' about how they could enhance our business. That could involve becoming 'smart people to know' by contextualising our insights, unlocking our 'brand power', or changing mindsets to consistently 'deliver excellence'. Our people were given opportunities to ask questions, learn more about our strategy and reflect on ways we can all make an impact.

The RSM UK group promotes employee engagement through a discretionary bonus scheme informed by the group's financial performance, aligning employee and stakeholder interests and encouraging a shared focus on achieving our strategic objectives. Harnessing technology is key to efficient people processes. This year, we took steps towards adopting a new people and pay platform. It will launch in FY26 with further elements released across subsequent years.

### *Diversity, equality and inclusion*

Our employee networks continue to actively influence culture, allyship and representation. They are empowered to communicate and celebrate significant progress and moments including Diwali, Passover, LGBT+ History Month, Black History Month, International Women's Day, Carers Week and much more. This year, colleagues across the country joined in a fasting challenge during Ramadan with the aim of fostering understanding, building community and showing allyship in action.

In FY25, we launched Women in Digital – a network to support and empower women who work in or aspire to work in digital roles. Network champions drive conversation, representation and training for peers, advancing our inclusion agenda and ambition to be a leading, digitally enabled business.

### *Training and development*

To unlock our *grow our own* philosophy, we want to empower our people to take ownership of their career. Equipping them with both technical skills and personal mastery ensures they are positioned to make the most of the opportunities available to them. Development and education remain the cornerstone of that experience. Professional qualification pass rates for trainees consistently exceeded national averages following improvements to support processes.

### *Disabled persons*

We fully consider all applications for employment we receive from disabled people. In the event of an employee becoming disabled, we make every effort to ensure their employment within the group continues and that appropriate adjustments are made. Our policies advocate that training, career development and promotion opportunities of disabled people should, as far as possible, be no different to that of other employees.



#### Making a difference

In FY25, we began laying the foundations for a broader approach to making a difference. Building on our previous success, we've formed a new operating framework structured around three areas of activity:

- **Our communities** (charity and volunteering)
- **Our environment** (environmental impact and sustainability)
- **Our firm** (operational excellence and ethics)

#### *Our communities*

Our formal volunteering programme continues to gather traction, engaging 26.7% (2024: 26.0%) of our people and positively impacting our local communities. This year our people volunteered 8,914 hours (2024: 8,731 hours) for charitable causes close to their heart while being paid their normal wage by the firm.

The RSM UK group directs donations through our registered charity, the RSM UK Foundation (RCN 1179349). During FY25, the foundation donated £1.0m (2024: £1.0m) including £0.7m (2024: £0.6m) to national charities. We have made £4.7m charitable donations via the RSM UK Foundation since its inception.

This year we added The British Red Cross to our strategic charity partnerships, which also includes:

- The Duke of Edinburgh's Award
- Anthony Nolan
- EDGA (formerly the European Disabled Golf Association)
- Leadership Through Sport and Business
- The Woodland Trust.

Our RSM Together office fundraising challenge saw people raise over £128,000. With support from the RSM UK Foundation, we were able to contribute £235,000 to 28 charities across the UK. This initiative will run again in FY26.

#### *Our environment*

The RSM UK group recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by the group's activities. Streamlined Energy and Carbon Reporting has been included in the group accounts of RSM UK Holdings Limited.

The group has developed detailed emission reduction targets that have helped to achieve a 7.5% (2024: 3.2%) reduction on our prior year emissions (tCO<sub>2</sub>e). In setting our benchmark when monitoring our progress against our emission reduction targets, we have used FY20 as our reference period. The group's goal is to reach net zero carbon emissions by 2030. We will continue to focus on reducing our emissions and will offset any residual emissions with accredited carbon offset arrangements to progress towards this goal.

The company is exempt from disclosing information about its Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency as it is included in the group report of RSM UK Holdings Limited which is prepared to 31 March 2025 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'.

We continue to progress environmental preservation through waste, energy and sustainability initiatives. 100% of the electricity and gas that we directly procure supports green (renewable) sources and this year we used 80% less paper than pre-pandemic levels.

## Making a difference (continued)

### *Our firm*

At RSM, we aim to instil confidence in a world of change. To achieve that, we must continuously demonstrate we adhere to the highest ethical and regulatory standards. That means ensuring our commercial and employment environment is safe and progressive and that we have a positive impact on those we work and engage with.

During FY25 we updated our anti-harassment and bullying policy in response to legislation changes. We also enhanced our wellbeing provision through a new employee assistance provider and increased diversity across our progression pathways.

As artificial intelligence (AI) continues to transform our ways of working, it is critical we apply robust governance and ethical oversight. Our newly formed AI Security and Ethics Committee is spearheading efforts to ensure our people develop and use AI responsibly.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'A J Westbrook'.

A J Westbrook  
Director

28 August 2025



The Directors submit their report and the audited financial statements of RSM UK Tax and Accounting Limited for the year ended 31 March 2025.

The directors have chosen, in accordance with Section 414C(11) of the Companies Act 2006, to include information on the following areas in the Strategic Report.

<i>The disclosures can be found as follows:</i>	Pages
Risk management and principal risks	3 - 7
Financial risk management	8
Corporate Governance Statement	8
Statement of engagement with suppliers, customers and others	9 - 15
Employee engagement	12 - 13
Inclusion policy	13
Streamlined Energy and Carbon reporting	14

### Business review

The Directors expect the company to continue operating profitably in the future as it continues to expand its offering of tax, accounting and advisory services to the market. The company also acts as a provider of staff to RSM UK Group LLP and related businesses (the "RSM UK group"). The Directors are not aware of any planned or proposed changes to the size or structure of the RSM UK group that would impact the results of the company in the foreseeable future. Expenditure is closely monitored on a group basis and is recharged to the related businesses accordingly.

The shareholders approved a dividend of £8.5m during the financial year (2024: £4.7m) to its parent company, RSM UK NLT Limited.

### Directors

The directors during the year and subsequent to the year-end were:

L Marshall	(resigned 17 February 2025)
K E Sandwell	(appointed 17 February 2025)
A K Sapsford	
J R Taylor	
D Thompson	
A J Westbrook	

### Directors' indemnities

During the year the RSM UK group made qualifying third-party indemnity provisions for the benefit of its Directors and these remain in force at the date of this report.

### Political and charitable donations

No charitable or political donations were made during the year or prior year by the company. Charitable donations are made by other group entities on behalf of the whole RSM UK group.

### Auditor

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

## Statement as to disclosure of information to auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are each aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed they have taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information, and to establish that it has been communicated to the auditor.

On behalf of the board



A J Westbrook  
Director

28 August 2025

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

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

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

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting 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 company will continue in business.

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

## **Opinion**

We have audited the financial statements of RSM UK Tax and Accounting Limited (the 'company') for the year ended 31 March 2025 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity 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 the company's affairs as at 31 March 2025 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.

## **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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of this assessment included:

- obtaining, critically appraising and assessing for arithmetical accuracy the three-year cash flow modelling prepared by the directors;
- evaluating the key assumptions used by directors in preparing their assessment and their consistency with historical financial information, including forecast revenue growth, profit margins and capital expenditure;
- reviewing detailed budgets for the year ending 31 March 2026 and evaluating the appropriateness of assumptions made regarding forecast revenue growth, overhead costs and availability of working capital considering knowledge obtained during the audit and the directors' future plans;
- reviewing information presented to the directors and assessing the completeness of considerations of events or conditions that may cast significant doubt on the ability to continue as a going concern;
- performing audit procedures to assess whether the debt covenants have continued to be complied subsequent to the end of the reporting period and assessing the directors' forecasts of future covenant compliance;
- considering whether any additional information has become available since the date of management performing their assessment, including making enquiries of directors and reviewing financial information subsequent to the end of the reporting period to compare post year-end financial performance to forecast positions;
- reviewing disclosures in the annual report and financial statements relating to the going concern basis of preparation.

### **Conclusions relating to going concern (continued)**

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 company'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 directors 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 directors 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 18, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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.

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 company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, 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 company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

In addition, the company is subject to other laws and regulations that do not have a direct effect on the financial statements, but compliance with which may be fundamental to its ability to operate or to avoid a material penalty. These include anti-money laundering legislation, employment law, data protection regulations, and supervisory regulation by industry bodies such, as the ICAEW. Examples of such regulations include requirements in respect of professional indemnity insurance.

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 company's records of breaches of laws and regulations and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

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

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.

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](http://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company'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

Statutory Auditors

Trinity  
16 John Dalton Street  
Manchester  
M2 6HY

28 August 2025

	Note	2025 £'000	2024 £'000
<b>Turnover</b>	1	444,023	384,996
Cost of sales		(169,522)	(125,593)
<b>Gross profit</b>		274,501	259,403
Operating expenses		(267,538)	(251,821)
Profit on disposal of operations	3	-	4,813
<b>Profit before taxation</b>	3	6,963	12,395
Taxation	4	(1,828)	(3,273)
<b>Profit for the year after taxation and total comprehensive income for the year</b>		5,135	9,122

The profit for the year arises from the company's continuing operations.

The company had no items of other comprehensive income in either the current or previous year.



	Note	2025 £'000	2024 £'000
<b>Fixed assets</b>			
Intangible assets	6	202	303
<b>Current assets</b>			
Debtors	7	39,522	44,479
<b>Creditors: amounts falling due within one year</b>	8	(30,074)	(32,848)
<b>Net current assets</b>		9,448	11,631
<b>Total assets less current liabilities</b>		9,650	11,934
Provisions for liabilities	9	(4,256)	(3,175)
<b>Net assets</b>		5,394	8,759
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		5,394	8,759
<b>Shareholders' funds</b>		5,394	8,759

The financial statements on pages 23 to 35 were approved by the board of directors and authorised for issue on 28 August 2025 and are signed on its behalf by:



A J Westbrook  
Director

The notes on pages 26 to 35 form part of these financial statements

	Note	Share capital £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 April 2023</b>		-	<b>4,284</b>	<b>4,284</b>
Profit for the year		-	9,122	9,122
<b>Total comprehensive income for the year</b>		-	<b>9,122</b>	<b>9,122</b>
Transactions with owners in their capacity as owners:				
Dividends	5	-	(4,700)	(4,700)
Share-based payments	2	-	53	53
<b>Total transactions with owners in their capacity as owners</b>		-	<b>(4,647)</b>	<b>(4,647)</b>
<b>Balance at 31 March 2024</b>		-	<b>8,759</b>	<b>8,759</b>
Profit for the year		-	5,135	5,135
<b>Total comprehensive income for the year</b>		-	<b>5,135</b>	<b>5,135</b>
Transactions with owners in their capacity as owners:				
Dividends	5	-	(8,500)	(8,500)
<b>Total transactions with owners in their capacity as owners</b>		-	<b>(8,500)</b>	<b>(8,500)</b>
<b>Balance at 31 March 2025</b>		-	<b>5,394</b>	<b>5,394</b>

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

The notes on pages 26 to 35 form part of these financial statements

### General information

RSM UK Tax and Accounting Limited (the “company”) is a private company limited by shares and is registered and incorporated in England and Wales.

The registered office address of the company is 6<sup>th</sup> Floor, 25 Farringdon Street, London, EC4A 4AB.

The company’s principal activities and nature of the company’s operations are disclosed in the Directors’ Report.

### Basis of accounting

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and under the historical cost convention.

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

### Reduced disclosures

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

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’ – 11.42 Disclosure of terms and conditions of related debt instruments
- Section 26 ‘Share-based Payment’ – Reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement of liabilities for cash-settled share-based payments
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel

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

### Going concern

As part of the RSM UK group, the company is included within the group’s annual strategic, risk, operational, and financial business planning process.

As part of this business planning process the group has prepared detailed forecasts and cash flows for the year to 31 March 2026. 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 risks outlined in the risk management and principal risks section (pages 3 to 7).

Based on these forecasts and cashflows, the Directors are satisfied that the company 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.

The company has provided a guarantee in respect of liabilities to Lloyds Bank plc and HSBC Holdings plc of RSM UK Group LLP and certain other entities within the group. Further details can be found in Note 13.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax is based on taxable profit for the year. Taxable profit differs from accounting profit reported because it excludes items of income or expense that are never taxable or deductible or are taxable or deductible in other periods, in accordance with the rules established by the taxation authorities.

Current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date. A current tax asset is recognised when tax paid exceeds the tax payable.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

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

#### **Intangible fixed assets**

Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights, there is no evidence of exchange transactions for the same or similar assets and estimating fair value would depend on immeasurable variables.

##### *Goodwill and goodwill impairment*

Goodwill arises on transfer of the trade and assets from a business acquisition made by other group companies. The goodwill is capitalised and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over 10 years, as in the opinion of the Directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

The goodwill is subject to an annual impairment review as well as when there are any indications that the carrying value may be impaired. Impairment losses are recognised when the carrying value of the assets allocated to a cash generating unit exceeds the recoverable amount. Any impairment is recognised immediately in the income statement and is not reversed.

For the purposes of performing impairment reviews, goodwill is allocated to cash generating units. Cash generating units are defined as the smallest group of assets which generate largely independent cash inflows. The Directors have concluded that the company's cash generating units are service lines that are delivered on a national basis.

##### *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 10 years based on historical attrition rates.

**Impairment of intangible assets, excluding goodwill**

At each reporting date, the company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value, less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately in the income statement.

**Retirement benefits***Group personal pension plan*

A group personal pension plan is in operation and open to all employees of the company under which contributions are paid into an independently administered fund. The amount charged to the income statement in respect of pension costs and other post-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.

The company has no further payment obligations once the contributions have been paid.

*Defined benefit scheme*

The company operates a defined benefit scheme ("the Scheme") on behalf of RSM UK Group LLP. 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 assets of the Scheme are held separately from those of the company in independently administered funds.

**Turnover and revenue recognition**

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

*Professional services*

Revenue is recognised over time when, under the terms of engagement between RSM and the client, RSM has an enforceable right to payment for performance completed to date. Fees for these services are either fixed or based on an hourly rate.

#### **Turnover and revenue recognition (continued)**

Revenue is recognised at a point in time when, under the terms of engagement between RSM and the client, RSM does not have an enforceable right to payment for performance completed to date. Fees for these services will be variable consideration based on performance or contingent events.

Performance obligations will depend on the nature of the service being provided. Performance fees and contingent fees are recognised when the performance condition is met, or the contingent event occurs and it is probable the income would not reverse.

The stage of completion for fixed fee contracts is based on staff and partner hours incurred to date, relative to total expected hours. Hours incurred are proportionate to the entity's progress in satisfying the performance obligation over time.

Payment terms are negotiated separately with each contract, but typically involve periodic billings as services are provided. Where amounts billed to clients are less than the revenue recognised at the period end date, the difference is recognised as contract assets or, when the company has a present right to payment, as unbilled receivables. Where the amounts billed exceed the revenue recognised at the period end date, the difference is recognised as payments on account when the company has unconditional right to consideration, even if the payments are non-refundable. The performance obligations related to any payments on account are generally satisfied within a year of such billing.

#### *Other*

This represents amounts chargeable for the provision of staff and other operational costs to the RSM UK group of LLPs and corporate entities.

#### **Share based payments**

##### *Cash-settled share-based payments*

Cash-settled share-based payments are granted to certain employees. A liability and expense equal to the fair value of the services received is recognised on a straight-line basis over the vesting period based on the estimate of the awards that will eventually vest. The liability is re-measured to current fair value determined at each reporting date. Changes in fair value are recognised in the income statement.

#### **Financial instruments**

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

The company only has basic financial instruments. They are measured initially at transaction price and subsequently at amortised cost, being the transaction price less amounts settled and any impairment losses.

Trade debtors are initially recognised at transaction price. They are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

A provision for impairment is made where there is objective evidence (such as clients with financial difficulties or in default on payments) that amounts will not be recovered in accordance with the original terms of the agreement.

#### **Dividends**

Dividends are recognised as liabilities once they are no longer at the discretion of the company.

#### Provisions for liabilities

The company makes provision for any known professional indemnity claims based on an estimate of the likely economic outflow arising for each claim. The full liability of a claim is recognised in the professional indemnity provision and the amount expected to be reimbursed or settled directly by an insurer is recognised in other debtors.

#### Critical accounting estimates and areas of judgement

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to professional indemnity liability claims, impairment of financial assets, revenue recognition and the valuation of amounts recoverable on services.

##### *Professional indemnity liability claims*

The company estimates the amount of professional liability claims based on the expected cost of defending and concluding any ongoing claims. At 31 March 2025 the professional indemnity provision totalled £4.3m (2024: £3.2m). The timing of the settlement of this liability is uncertain.

##### *Revenue recognition*

In determining the amount of revenue to be recognised on incomplete performance obligations, it is necessary to estimate the stage of completion, the remaining time and costs to be incurred and the amounts that will be received for the services provided. These estimates, which are normally resolved within a year of the reporting date when the performance obligation has been fully satisfied and fees agreed, are made at a performance obligation level.

##### *Value of amounts recoverable on services*

The company makes judgements around expected recovery when valuing the amounts recoverable on services. Any unbilled revenue is included in trade and other receivables as 'Amounts recoverable on services'. At 31 March 2025 the value of amounts recoverable on services was £8.0m (2024: £9.0m). Amounts billed on account in excess of the amounts recognised as revenue were £2.3m (2024: £1.9m) at the reporting date and are included with trade and other payables. Amounts recoverable on services are not recognised where the right to receive payment is contingent on events outside the control of the group, the outcome cannot be estimated reliably, and where it is not probable that costs incurred will be recovered.

##### *Enhanced Tax Compliance Services*

The company estimates the amount of Enhanced Tax Compliance claims based on historic claim levels along with the expected cost of concluding any ongoing claims. At 31 March 2025, the Enhanced Tax Compliance Services provision held in other payables totalled £1.3m (2024: £1.3m). The timing of the settlement of this liability is uncertain.

##### *Impairment of financial assets*

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

#### 1. Turnover

The company's turnover was all derived from its principal activity, carried on substantially within the UK.

#### 2. Employees

	2025 Number	2024 Number
The average monthly number of persons (including directors) employed by the company during the year was:	4,067	4,070

	2025 £'000	2024 £'000
Staff costs for above persons:		
Wages and salaries	201,646	183,508
Social security costs	18,823	17,971
Pension scheme costs (note 11)	5,069	7,625
Share based payments	-	53
	<u>225,538</u>	<u>209,157</u>

None of the directors received any remuneration from the company during the year (2024: £nil). No contributions were made to the group's pension scheme during the year for the directors (2024: £nil), nor did they receive any share-based payments (2024: £nil).

The RSM UK Group's Share Incentive Plan (SIP) provided eligible employees with the opportunity to purchase preferred ordinary shares in RSM UK Holdings Limited on a 'buy one, get one free' basis.

The matching free shares are forfeited if the employee leaves the service of the group under certain conditions, within three years of the matching free shares being awarded, or when the employee withdraws their purchased shares within three years of the date of their acquisition.

#### 3. Profit before taxation

	2025 £'000	2024 £'000
Profit before taxation is stated after charging:		
Profit on disposal of operations	-	4,813
Amortisation of intangible assets	101	101

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

During the prior year, the Company disposed of a non-core business which did not present a separate major line of business. Consideration for the disposal was £4.8m, net assets disposed were £nil, therefore the disposal gave rise to a profit on disposal of £4.8m.



**4. Taxation**

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Current tax:		
UK corporation tax on results of the year	2,221	2,879
Adjustment in respect of prior year	257	(136)
Foreign tax	-	22
	<hr/>	<hr/>
Current tax charge on profit	2,478	2,765
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing difference	(385)	320
Adjustments in respect of prior periods	(265)	188
	<hr/>	<hr/>
Deferred tax (credit)/charge	(650)	508
	<hr/>	<hr/>
Total tax charge on profit	1,828	3,273
	<hr/>	<hr/>

**Factors affecting the tax charge for the year:**

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Profit before tax	6,963	12,395
	<hr/>	<hr/>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	1,741	3,099
Expenses not deductible for tax purposes	96	117
Adjustments in respect of prior years	(9)	52
Unrelievable foreign tax	-	5
	<hr/>	<hr/>
Total tax charge	1,828	3,273
	<hr/>	<hr/>

**5. Dividends**

During the year the company paid a dividend of £8.5m, representing £8.5m per share (2024: £4.7m, representing £4.7m per share).

**6. Intangible fixed assets**

	Goodwill £'000	Client relationships £'000	Total £'000
Cost			
At 1 April 2024 and 31 March 2025	1,010	140	1,150
Amortisation			
At 1 April 2024	707	140	847
Charge in the year	101	-	101
At 31 March 2025	808	140	948
Net book value			
At 31 March 2025	202	-	202
At 31 March 2024	303	-	303

**7. Debtors**

	2025 £'000	2024 £'000
Trade debtors	29,252	29,909
Amounts recoverable on client services	8,030	9,037
Amounts due to group undertakings	8	127
Other debtors	1,494	5,318
Deferred tax	738	88
	39,522	44,479
The balance for deferred tax is calculated as follows:		
Other timing differences	738	88
Deferred tax	738	88
Balance at start of the year	88	596
Deferred tax credit/(charge) in the income statement for the year (note 4)	650	(508)
Balance at the end of the year	738	88

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

**8. Creditors: amounts falling due within one year**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Payments received on account	2,318	1,939
Amounts owed to group undertakings	694	7,286
Other taxation and social security costs	4,518	4,663
Other creditors	3,263	1,997
Accruals and deferred income	17,069	14,093
Corporation tax	2,212	2,870
	<u>30,074</u>	<u>32,848</u>

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

**9. Provisions for liabilities**

	<b>Professional Indemnity £'000</b>
Balance at 1 April 2024	3,175
Utilised during year	(60)
Charged/(credited) to income statement:	
- Additional provisions	3,576
- Unused amounts reversed	(2,435)
Balance at 31 March 2025	<u>4,256</u>

The provision relates to professional indemnity claims, as noted in the accounting policies.

**10. Share capital**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Authorised:		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted, issued and called up		
1 Ordinary share of £1	<u>-</u>	<u>-</u>

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

## **11. Pension schemes**

### *Group personal pension plan*

The group personal pension plan is in operation and is open to all employees of the company. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charged represents contributions payable by the company and amounted to £5.1m (2024: £7.6m). Contributions totalling £1.6m (2024: £0.1m) were payable to the fund at the year-end and are included in creditors.

### *Defined benefit scheme*

No contributions were paid by the company during the year (2024: £nil) and there were no outstanding contributions at the year-end. The liability for any deficit, or benefit from any surplus, of the defined benefit scheme rests with RSM UK Group LLP and does not impact upon assets or liabilities of the company.

## **12. Related party transactions**

The company has taken advantage of the exemption under FRS 102 Section 33.1A "Related Party Transactions" from disclosing transactions with wholly-owned members of the RSM UK Holdings Limited group.

## **13. Contingent liability**

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is uncertain or cannot be measured reliably.

Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

### *Professional liability claims*

Claims and regulatory proceedings are the area most likely to give rise to a contingent liability for the company. The Company is aware of other notifications, but believes it is too early to assess whether these will give rise to a liability.

### *Loans, facilities and covenants*

In the year the company provided a guarantee in respect of liabilities to Lloyds Bank plc and HSBC Holdings plc of fellow subsidiary, RSM UK Group LLP, and certain other entities within the group.

The group's revolving credit facilities of £60m (2024: £60m) were unutilised at the year end. They had not been drawn down during the year or post year end. Further details of the bank borrowings to which the guarantee applies is detailed in the financial statements of RSM UK Group LLP for the year ended 31 March 2025.

## **14. Control**

The immediate parent company for RSM UK Tax and Accounting Limited is RSM UK NLT Limited, a company incorporated in England and Wales.

For 31 March 2025 the largest and smallest group in which the results of the company are consolidated is that headed by RSM UK Holdings 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.