

Registered number: 01793933

JOHN ROBERTSON ARCHITECTS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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JOHN ROBERTSON ARCHITECTS LTD

COMPANY INFORMATION

Directors	S M Bhat F Moffat D I J Pasint Magyar N G Bergvall (appointed 21 November 2022) E A Fitzpatrick (appointed 1 September 2023) A J St Clair-Ford (appointed 1 September 2023) A M Wibberley (appointed 1 September 2023)
Company secretary	S M Bhat
Registered number	01793933
Registered office	111 Southwark Street London SE1 0JF
Independent auditor	CLA Evelyn Partners Limited Statutory Auditor & Chartered Accountants 45 Gresham Street London EC2V 7BG
Bankers	Royal Bank of Scotland plc 49 Charing Cross London SW1A 3DX

JOHN ROBERTSON ARCHITECTS LTD

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JOHN ROBERTSON ARCHITECTS LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present the Strategic Report for John Robertson Architects Ltd for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is the provision of architectural services.

Overview

John Robertson Architects Limited (JRA) is a well-established limited company, founded in 1993, with a highly respected track record, primarily in workplace design; refurbishment, retrofit, repositioning, heritage work, fit out and new build.

The Head Office is based in Southwark, London, and in total, the group employs approximately 43 employees.

The central aim of our practice is to provide clients with an architectural service of the very highest quality, created by a dedicated team of professionals supported by efficient modern technology and systems.

The ethos of our office is collaborative, open and non-hierarchical, with younger staff strongly encouraged to forge their professional careers and to innovate and develop design ideas.

Our service is strongly focused upon the corporate and commercial sectors with particular attention to development, repositioning and fitting out. Clients range from individual development companies to banks and large institutions, each commands the attention of all our staff and enjoys direct access to the directors.

We seek to work in partnership with our clients, to be aware of their aims and requirements and to support each of them in the attainment of their goals.

Our core values are:

1. We will ensure the JRA name is always associated with quality.
2. We will act honestly and fairly in our dealings with staff and others.
3. We will enhance career prospects and prosperity of all JRA staff.
4. We aim to deliver real value to our clients.
5. We will always work creatively.
6. We will continually improve the technical delivery of our projects.

JOHN ROBERTSON ARCHITECTS LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Our objectives are:

- To create sustainable architecture that is characterized by 'firmness, commodity and delight' (Vitruvius). This means growing our reputation as innovative designers who consistently resolve client's ambitions and complex problems with purpose and flair.
- To make evident - to our staff, our colleagues in the industry and our clients - the culture of our practice and our way of working.
- To continue to enhance our design profile, specifically by thinking intelligently about where we do shine and add value.

Business review

The Company made a loss after taxation of £314,687 (2021 profit - £468,770).

JRA has continued to concentrate on its central London market focus and largely completed its internal restructuring, to move away from residential delivery projects in order to concentrate on new build and retrofit office projects.

JRA has a growing speciality in acting as part of a client monitoring team and has developed an expertise in embodied carbon analysis, both of which are work streams which we look to grow in the future.

JRA is active in the following sectors: Workplace, Higher Education, Residential, Client monitoring Due Diligence and Delivery.

JRA has a strong history in the areas of retrofit and sustainability, and were early 'pioneer' in both areas.

JRA is also known for technical expertise and competence, with CMT and Delivery work evolving from this. Occasionally the practice has collaborated with other firms, mostly where an international firm is looking for a local partner (eg Link up with UN Studio for UCA Epsom) but sometimes with fellow UK practices (e.g with Studio RHE on Bermondsey Yards).

JRA has continued to compete for high quality projects in London and has been undeterred by Brexit and the recent pandemic.

JOHN ROBERTSON ARCHITECTS LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

As we emerge from the Covid 19 pandemic, the long term impacts of changes to working patterns - and their implications for the London property market - are yet to be fully determined.

The current workplace market – our primary work sector - is evolving and in a state of transition post pandemic carrying both risks and opportunities for the business.

Various factors have seen the rise of refurbishment and retrofit projects (particularly low cost, minimum intervention schemes which demand innovative and high impact responses on a 'shoe string' budget) and the advent of increasingly higher standards in sustainability (to respond to the global climate crisis) and wellbeing (post pandemic this has accelerated as a client demand).

We have an opportunity to demonstrate our specific expertise in these key areas:

- We have completed, or are in the process of completing, projects which will endorse our capability.
- We have a long standing track record in retrofit and sustainability and working with demanding budgets but achieving high impact results.
- We have a long history of our technical competence.
- Within our portfolio, we have a strong profile in fitting out work and can demonstrate this with recent completed projects/current projects.
- We have experience of fit out/interior design which we should aim to promote, especially as this is a new opportunity in respect of post covid changes to the working environment.

Brexit and its impact on the construction industry is also yet to be fully understood.

The Russian invasion of the Ukraine has had a wide global effect. The current NATO and UK sanctions on financial institutions and individuals will have a 'knock-on' effect for the City of London, which is where our main source of work arises. In addition, rising fuel costs and instability of the markets may have an effect on our client's ability to pay invoices. The war may also impact on the Polish branch due to its proximity to Ukraine, the immediate influx of refugees and rising costs in fuel and taxes.

The insurance market, following on from the Grenfell Tower tragedy, is of a concern with increased premiums and reduced levels of cover leading to an increase in overhead at this time.

JOHN ROBERTSON ARCHITECTS LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

External risks

Architecture and the Construction Industry are very susceptible to changes in the economy and business confidence. This is particularly true of the commercially driven sectors which JRA works in. JRA does not currently undertake public sector work so Government policy in this area has less impact.

With long project programmes, inflation can impact on the value of our fees over time.

Government legislation and policy related to construction, the UK's international relationships (particularly in relation to London), business and employment have the potential to impact on JRA.

Maintaining a balance of clients and not being over-reliant on single organisations is important to business stability.

The skills of new architects and trainee architects coming into the job market from Architecture Schools are important to the business, particularly in relation to technical design skills and use of modern technology.

Changes to the relationships between architects and clients and contractors continue to impact JRA. New forms of client and contractual structures mean increased pressure on fees and increased expectations relating to performance as well as costs and resources associated with legal review.

Technological change needs to be anticipated and carefully managed. Changes to CAD (Computer-Aided Design)/BIM (Business Information Modelling) requirements by clients and Central Government impact the ability of JRA to work and to win new work.

Competition from other practices is always a factor in maintaining a flow of new projects and income and in defining competitive fees.

Contractor clients take a much more aggressive stance on liability for errors or financial loss.

JRA employs professional sub-consultants for some project work. There is risk associated with the responsibility/liability for this and the management of them. This can result in additional risk of claims against JRA and financial liabilities where additional fees are being negotiated.

JOHN ROBERTSON ARCHITECTS LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Internal risks

Maintaining Organisational Knowledge; ensuring that design skills and understanding of JRA project working techniques are not lost through too many experienced personnel leaving the practice (staff retention). Ensuring that organisational knowledge is well documented wherever possible to mitigate against the effect of loss of individuals.

Maintaining and developing staff competence; ensuring JRA employs suitably qualified staff who develop and improve through continual professional development and training.

Ensuring Top Management maintain clear and structured decision making and organisational processes through management of the senior staff and the balance of staff across grades and roles within the business.

Maintaining suitable and effective business support systems to ensure the smooth operation of the practice in support of the clients' projects and Shareholder Directors' financial objectives.

Maintaining prudent financial control systems to ensure that the business continues to be financially viable and able to service the clients' projects and the Shareholder Directors' financial objectives.

Maintaining effective legal and insurance compliance with legislative requirements and managing effective appointment procedures in order to minimise risk to the business.

Ensuring that succession planning has been carried out to minimise damage to the business caused by the unexpected loss of key senior management members, which we have sought to mitigate through a VIMBO and expanding the board of JRA by promoting key staff from within.

Financial risk management

Details of the Company's financial instruments and its policies with regard to financial risk management are given in note 23 to the financial statements.

This report was approved by the board and signed on its behalf.


festus moffat (Sep 29, 2023 14:06 GMT+1)

F Moffat
Director

Date: 29/09/2023

JOHN ROBERTSON ARCHITECTS LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation, amounted to £314,687 (2021 - profit £468,770).

No dividends have been paid or proposed in the year (2021 - £Nil).

Directors

The directors who served during the year were:

S M Bhat
F Moffat
D I J Pasint Magyar
J W Robertson (resigned 23 September 2022)
N G Bergvall (appointed 21 November 2022)

Future developments

We will be rebranding John Robertson Architects Ltd to JRA throughout our internal documents and wider external presence.

We will continue to maintain the high standards and reputation that the Company has built up.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Post balance sheet events

Subsequent to the year-end, the Company declared a dividend of £56,102 to JRA Holdco Ltd.

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

JOHN ROBERTSON ARCHITECTS LTD

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved by the board and signed on its behalf.

festus moffat
festus moffat (Sep 29, 2023 14:06 GMT+1)

F Moffat
Director

Date: 29/09/2023

JOHN ROBERTSON ARCHITECTS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report, the 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 the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN ROBERTSON ARCHITECTS LTD

Opinion

We have audited the financial statements of John Robertson Architects Ltd (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, the Analysis of Net Debt and the 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 FRS 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 December 2022 and of its loss 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.

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.

JOHN ROBERTSON ARCHITECTS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN ROBERTSON ARCHITECTS LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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 8, 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.

JOHN ROBERTSON ARCHITECTS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN ROBERTSON ARCHITECTS LTD (CONTINUED)

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the Company's legal and regulatory framework through enquiry of management of their understanding of the relevant laws and regulations, the Company's policies and procedures regarding compliance and how they identify, evaluate and rectify any instances of non-compliance. We also drew on our existing understanding of the Company's industry and regulation.

We understand the Company complies with requirements of the framework through:

- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The engagement of external experts to ensure ongoing tax compliance and to assist with the preparation of the statutory accounts.

In the context of the audit, we have considered those laws and regulations which determine the form and content of the financial statements, which are central to the Company's ability to conduct business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence on compliance with the significant laws and regulations above: We made enquiries of management regarding their knowledge of any possible non-compliance with laws and regulations, we obtained written management representations that they have disclosed to us all known instances of non-compliance with laws and regulations and we reviewed board meeting minutes of the Company for any evidence of non-compliance.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of revenue transactions to underlying documentation; and
- Testing of manual journal entries, selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

JOHN ROBERTSON ARCHITECTS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN ROBERTSON ARCHITECTS LTD
(CONTINUED)

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 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.

Timothy Adams

Timothy Adams (Sep 29, 2023 14:25 GMT+1)

Timothy Adams (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Statutory Auditor

Chartered Accountants

45 Gresham Street

London

EC2V 7BG

Date: 29/09/2023

JOHN ROBERTSON ARCHITECTS LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	4,279,522	4,805,715
Cost of sales		(3,144,617)	(2,892,048)
Gross profit		1,134,905	1,913,667
Administrative expenses		(1,522,169)	(1,435,447)
Other operating income	5	-	38,301
Operating (loss)/profit	6	(387,264)	516,521
Interest receivable and similar income	10	1,934	1,484
Interest payable and similar expenses		(80)	-
(Loss)/profit before tax		(385,410)	518,005
Tax on (loss)/profit	11	70,723	(49,235)
(Loss)/profit for the financial year		(314,687)	468,770

There was no other comprehensive income for 2022 (2021 - Nil).

The notes on pages 18 to 33 form part of these financial statements.

JOHN ROBERTSON ARCHITECTS LTD
REGISTERED NUMBER:01793933

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	247,901	287,739
		<u>247,901</u>	<u>287,739</u>
Current assets			
Debtors: amounts falling due within one year	13	1,576,873	4,924,609
Bank and cash balances		679,114	1,014,749
		<u>2,255,987</u>	<u>5,939,358</u>
Creditors: amounts falling due within one year	14	(1,256,420)	(1,757,217)
Net current assets		<u>999,567</u>	<u>4,182,141</u>
Total assets less current liabilities		<u>1,247,468</u>	<u>4,469,880</u>
Provisions for liabilities			
Deferred tax	15	-	(58,125)
Net assets		<u><u>1,247,468</u></u>	<u><u>4,411,755</u></u>
Capital and reserves			
Called up share capital	16	8,750	8,750
Other reserves	17	140,311	62,546
Retained earnings	17	1,098,407	4,340,459
Shareholders' funds		<u><u>1,247,468</u></u>	<u><u>4,411,755</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Festus Moffat
Festus Moffat (Sep 29, 2023 14:06 GMT+1)

F Moffat
Director

Date: 29/09/2023

The notes on pages 18 to 33 form part of these financial statements.

JOHN ROBERTSON ARCHITECTS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2021	8,750	21,250	3,871,689	3,901,689
Comprehensive income for the year				
Profit for the year	-	-	468,770	468,770
Contributions by and distributions to owners				
Capital contribution	-	41,296	-	41,296
Total transactions with owners	-	41,296	-	41,296
At 31 December 2021	8,750	62,546	4,340,459	4,411,755
Comprehensive income for the year				
Loss for the year	-	-	(314,687)	(314,687)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(2,927,365)	(2,927,365)
Capital contribution	-	77,765	-	77,765
At 31 December 2022	8,750	140,311	1,098,407	1,247,468

JOHN ROBERTSON ARCHITECTS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(314,687)	468,770
Adjustments for:		
Depreciation of tangible assets	89,188	95,896
Government grants	-	(38,301)
Interest received	(1,934)	(1,484)
Taxation charge	(70,723)	49,235
Decrease/(Increase) in debtors	3,347,736	(4,036,180)
(Decrease)/increase in creditors	(467,476)	279,503
Corporation tax (paid)/received	(20,723)	15,570
Share based payment charge	77,765	41,295
Net cash generated from/(used in) operating activities	2,639,146	(3,125,696)
Cash flows used in investing activities		
Purchase of tangible fixed assets	(49,350)	(32,631)
Interest received	1,934	1,484
Net cash used in investing activities	(47,416)	(31,147)
Cash flows (used in)/generated from financing activities		
Dividends paid	(2,927,365)	-
Government grants received	-	38,301
Net cash (used in)/generated from financing activities	(2,927,365)	38,301
Net decrease in cash and cash equivalents	(335,635)	(3,118,542)
Cash and cash equivalents at beginning of the year	1,014,749	4,133,291
Cash and cash equivalents at the end of the year	679,114	1,014,749
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	679,114	1,014,749
	679,114	1,014,749

JOHN ROBERTSON ARCHITECTS LTD

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,014,749	(335,635)	679,114
	<u>1,014,749</u>	<u>(335,635)</u>	<u>679,114</u>

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

John Robertson Architects Ltd is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 01793933) The address of the registered office is 111 Southwark Street, London, SE1 0JF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

As at 31 December 2022 the Company has net current assets of £999,567 (2021 - £4,182,141) and generated a loss before tax of £385,410 (2021 - profit £518,005). The Company has no debt, has not relied on support from other entities and had a cash balance of £679,114 as at 31 December 2022 (2021 - £1,014,749).

The directors have reviewed cashflow forecasts for at least the 12-month period from the date of signing these financial statements and have considered the current and potential impact of the Vendor Initiated Management Buy Out (VIMBO) on the Company's ability to maintain its day-to-day services, fulfil its statutory obligations and meet future obligations as they fall due.

The Company has modelled a series of potential scenarios, and in all of these the Company would still be in a position to continue to trade in operational existence for period of at least 12 months from the signing of these financial statements.

The directors note that the Company has significant cash reserves which will enable the Company to continue as a going concern for the foreseeable future, being a period of at least 12 months from the signing of the financial statements and have hence prepared the financial statements on a going concern basis.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Turnover arising from the provision of services is recognised by reference to the stage of completion as follows:

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Turnover is discounted to reflect uncertainty where contracts are not sufficiently complete. Turnover derived from variations on contracts is recognised only when it has been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to turnover or to assets. Grants relating to turnover are recognised in other income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in other income in the period in which it becomes receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the life of the lease
Motor vehicles	- 25% per annum
Fixtures and fittings	- 20% per annum
Computer equipment	- 33.3% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Employee benefits

Short-term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Balance Sheet.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.12 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Share options are issued in the parent company (JRA Holdco Limited) to employees of John Robertson Architects Limited. This is recorded as a capital contribution from the parent company and the expense is recognised in John Robertson Architects Limited, the trading entity.

Options are valued at the grant date, using a Black-Scholes model.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates of the carrying value of certain assets or liabilities where uncertainty could have a material impact on the value in the next financial year.

Note 2.4 contains details of accounting estimates and judgements in relation to turnover.

The percentage of completion method of accounting for ongoing contracts has been applied. Judgement from management is required to determine the expected future costs of each project up until their completion. This judgement directly impacts the value of turnover recognition, deferred income and amounts recoverable on contracts.

Bad debt provisions

The trade debtors balances of £756,121 (2021 - £812,923) recorded in the Balance Sheet comprise a relatively small number of large balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Fees related to architecture services	4,192,949	4,799,734
Other fees	86,573	5,981
	<u>4,279,522</u>	<u>4,805,715</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Furlough	-	38,301

In the previous year, government grants of £38,301 were received under the Coronavirus Job Retention Scheme as part of a government initiative to provide immediate financial support as a result of the Covid-19 pandemic to reimburse the Company for 80% of the wages of certain employees who were placed on a temporary period of absence but were kept on the payroll. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2022 £	2021 £
Exchange differences	4,428	5,391
Other operating lease rentals	236,164	226,324
Depreciation on tangible fixed assets	89,188	95,896
Bad debt write off	4,946	(2,883)
	<u>430,726</u>	<u>324,728</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	33,200	27,000
	<u>33,200</u>	<u>27,000</u>

8. Employees

	2022 £	2021 £
Wages and salaries	2,423,587	2,343,472
Social security costs	268,915	256,244
Cost of defined contribution scheme	72,593	3,662
	<u>2,765,095</u>	<u>2,603,378</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Architects	36	35
Administration	7	8
	<u>43</u>	<u>43</u>

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	492,169	437,380
Company contributions to defined contribution pension schemes	15,697	11,958
	<u>507,866</u>	<u>449,338</u>

During the year retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £127,854 (2021 - £114,371).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,833 (2021 - £3,431).

10. Interest receivable

	2022 £	2021 £
Bank interest	<u>1,934</u>	<u>1,484</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	110,268
Adjustments in respect of previous periods	(12,598)	(76,489)
Total current tax	<u>(12,598)</u>	<u>33,779</u>
Deferred tax		
Origination and reversal of timing differences	-	1,542
Changes to tax rates	-	13,914
Adjustments in respect of prior periods	(58,125)	-
Total deferred tax	<u>(58,125)</u>	<u>15,456</u>
Taxation on (loss)/profit on ordinary activities	<u>(70,723)</u>	<u>49,235</u>

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	(385,410)	518,005
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(73,228)	98,421
Effects of:		
(Credit)/expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,694	3,494
Depreciation for the year in excess of capital allowances	8,456	9,895
R&D tax credit	-	(76,489)
Re-measurement of deferred tax - change in the UK tax rate	(13,661)	13,914
Adjustments to tax charge in respect of prior periods	(53,903)	-
Movement in deferred tax not recognised	56,919	-
Total tax charge for the year	(70,723)	49,235

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	696,697	74,344	359,215	830,518	1,960,774
Additions	-	-	-	49,350	49,350
Disposals	-	-	(13,200)	(6,833)	(20,033)
At 31 December 2022	<u>696,697</u>	<u>74,344</u>	<u>346,015</u>	<u>873,035</u>	<u>1,990,091</u>
Depreciation					
At 1 January 2022	450,298	74,344	341,852	806,541	1,673,035
Charge for the year	59,311	-	10,051	19,826	89,188
Disposals	-	-	(13,200)	(6,833)	(20,033)
At 31 December 2022	<u>509,609</u>	<u>74,344</u>	<u>338,703</u>	<u>819,534</u>	<u>1,742,190</u>
Net book value					
At 31 December 2022	<u>187,088</u>	<u>-</u>	<u>7,312</u>	<u>53,501</u>	<u>247,901</u>
At 31 December 2021	<u>246,399</u>	<u>-</u>	<u>17,363</u>	<u>23,977</u>	<u>287,739</u>

13. Debtors

	2022 £	2021 £
Trade debtors	756,121	812,923
Other debtors	58,234	2,911,203
Prepayments and accrued income	336,300	286,039
Amounts recoverable on long-term contracts	426,218	914,444
	<u>1,576,873</u>	<u>4,924,609</u>

Other debtors includes £56,102 (2021 - £2,911,203) due from JRA Holdco Ltd, the parent entity. This is interest free and repayable on demand.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Creditors: Amounts falling due within one year

	2022	<i>As restated</i> 2021
	£	£
Trade creditors	114,891	271,226
Corporation tax	-	33,321
Other taxation and social security	253,102	282,886
Other creditors	14,501	10,900
Accruals and deferred income	873,926	1,158,884
	<u>1,256,420</u>	<u>1,757,217</u>

During the year the director's made the decision to reclassify payments received on account to deferred income, this had no affect on other areas of the financial statements.

15. Deferred taxation

	2022	2021
	£	£
At beginning of year	58,125	42,670
Credit to profit or loss	(58,125)	15,455
At end of year	<u>-</u>	<u>58,125</u>

The deferred taxation balance is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	-	57,974
Short-term timing differences	-	151
	<u>-</u>	<u>58,125</u>

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
87,500 Ordinary shares of £0.10 each	8,750	8,750

Ordinary shares confer the right to vote and to participate in dividends, capital and other distributions.

17. Reserves

Other reserves

This reserve arises on the repurchase of shares in the Company for cancellation and capital contributions from the parent entity in respect of share based payments.

Retained earnings

This reserve relates to the cumulative profit earned by the Company less amounts distributed to shareholders.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Share-based payments

The fair value of options for share reserve accounting purposes is obtained via a Black Scholes valuation.

Fair value of options issued in 2022 was £nil (2021 - £67.44).

The parent Company operates and EMI qualifying share option scheme for UK employees of the Company, therefore the scheme is recognised in the Company as employees are awarded options for their service to John Robertson Architects Limited. This is treated as a capital contribution in the parent entity.

The share options vest over 12 - 36 months under various performance conditions as set out in the share option plan.

The charge recognised for the year the charge recognised for share based payments was £77,765 (2021 - £41,296)

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	43.75	2,712	-	-
Granted during the year	-	-	43.75	2,712
Forfeited during the year	-	-	-	-
Exercised during the year	43.75	(247)	-	-
Outstanding at the end of the year	43.75	2,465	43.75	2,712

19. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £72,593 (2021 - £3,662). Contributions totalling £56,896 (2021 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Commitments under operating leases

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	220,424	211,600
Later than 1 year and not later than 5 years	846,400	846,400
Later than 5 years	599,533	811,133
	<u>1,666,357</u>	<u>1,869,133</u>

21. Other financial commitments

At the year end, loans of £726,300 (2021 - £726,300) held by the parent company were secured over the assets of the business.

22. Related party transactions

During the year a director charged the Company £211,600 (2021 - £211,600) in respect of rent.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Company. In the opinion of the board, the Company's key management are the directors of the Company. Total compensation to key management is £574,762 (2021 - £464,021).

Other debtors includes £56,102 (2021 - £2,911,203) due from JRA Holdco Ltd, the parent entity. This is interest free and repayable on demand.

JOHN ROBERTSON ARCHITECTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. Financial instruments

The Company's financial instruments comprise cash equivalents and items such as trade debtors and trade creditors which arise directly from its operations.

The Company's operations expose it to a variety of financial risk including credit risk and liquidity risk. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. The Company has implemented policies that require appropriate credit checks on potential clients before work is undertaken.

The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

The Company actively monitors its level of working capital to ensure that it can meet its financial obligations as they fall due. The Company does not have any debt finance.

Foreign currency exchange rate risk

The Company is exposed to foreign currency exchange rate risk as a result of transactions in foreign currencies. The Company has no material financial exposure to foreign exchange gains and losses on financial assets or liabilities at the year-end and does not hedge any of its trading activities.

24. Post balance sheet events

Subsequent to the year-end, the Company declared a dividend of £56,102 to JRA Holdco Ltd,

25. Controlling party

The immediate and ultimate parent undertaking is JRA Holdco Ltd, a company registered in England and Wales.

The ultimate controlling party is F Moffat, by virtue of his shareholding and directorship of the ultimate parent undertaking.