For immediate release **1 August 2019**

RPS Group plc

(‘RPS’ or the ‘Group’)

Interim Results

‘Difficult markets in Australia and slow start in North America, but strong platform for growth; dividend rebased’

RPS, a leading multi-sector global professional services firm, today announces its Interim Results for the six months ended 30 June 2019 (‘H1 2019’).

	H1 2019	H1 2018	H1 2018 at constant currency(1)
Revenue (£m)	**309.7**	321.1	321.0
Fee income (1) (£m)	**280.3**	289.1	289.1
PBTA(1) (£m)	**18.2**	27.4	27.4
Adjusted earnings per share (1) (diluted) (p)	**6.06**	8.70	8.70
Dividend per share (p)	**2.42**	4.80	4.80
Statutory profit before tax (£m)	**13.1**	22.6	22.6
Statutory earnings per share (diluted) (p)	**4.35**	7.29	7.29

Financial key points

- Fee income £280.3m (H1 2018: £289.1m); 3% decline at constant currency
- PBTA £18.2m (H1 2018: £27.4m); 34% reduction at constant currency
- Underlying operating profit return on fees 7.5% (H1 2018: 10.2%)
- EPS (adjusted, diluted) 6.06p (H1 2018: 8.70p)
- Statutory profit before tax £13.1m (H1 2018: £22.6m)
- Cash conversion 50% (H1 2018: 48%); last twelve months cash conversion 98% (June 2018: 85%)
- Net bank borrowings were £101.3m (30 June 2018: £90.5m, 31 December 2018: £73.9m) impacted by Corview acquisition
- Proposed Interim dividend of 2.42p per share (H1 2018: 4.80p), reflecting rebasing of dividend in new, sustainable dividend policy equal to 40% of adjusted earnings

Business headlines

- Norway and Energy segments showing good growth, performing well
- Results significantly impacted by difficult market conditions in Australia and a slow start in North America, now recovering
- Acquisition of Corview, an Australian based transport consultancy, for consideration of £17.3m

Strategy

- Investment in our People starting to deliver improvement
- New global brand to position the Group for future growth
- Greater connectivity between RPS’ businesses leading to cross-selling opportunities

Post-period end

- Refinanced our revolving credit facility

Commenting on the Interim Results, John Douglas, Chief Executive, said: *"In our June trading update we anticipated this disappointing set of results, largely due to softness in the Australian market and a weak first quarter in North America. RPS has a strong presence in Australia and we are well placed to benefit as this market recovers. We anticipate a stronger performance from AAP, North America and the Group in total during H2 2019.*

Despite a backdrop of volatile markets, we continue to make solid progress in achieving our strategic priorities. As part of a disciplined approach to capital allocation, the Board has decided to rebase the dividend. RPS continues to be a highly cash generative business, well placed with strong market positions in our segments and good underlying fundamentals. The steps taken will support RPS' growth in the medium to long term and improve shareholder returns in the future."

(1) Alternative Performance Measures are used consistently throughout this announcement: these include PBTA, fee income, items prefaced "adjusted" such as adjusted EPS, segment profit, underlying profit, underlying operating profit, rebrand costs, amounts labelled "at constant currency", EBITDAS, conversion of profit into cash, net bank borrowings, leverage. For further details of their purpose, definition and reconciliation to the equivalent statutory measures see note 2.

A meeting for analysts will be held at the office of Buchanan, 107 Cheapside, London, EC2V 6DN commencing at 9.30 a.m. Attendance is strictly limited. A video webcast of the meeting will be available from 12 noon via the following link: https://webcasting.buchanan.uk.com/broadcast/5d2eff5e48a6d52f84f6a4ac

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Founded in 1970, RPS is a leading global professional services firm of 5,100 consultants and service providers. Having operated in 125 countries across six continents RPS defines, designs and manages projects that create shared value for a complex, urbanising and resource scarce world.

RPS delivers a broad range of services in six sectors: property, energy, transport, water, defence and government services and resources. Services provided across RPS' six sectors cover twelve service clusters: project and program management, design and development, water services, environment, advisory and management consulting, exploration and development, planning and approvals, health, safety and risk, oceans and coastal, laboratories, training and communication and creative services.

RPS stands out for its clients by using its deep expertise to solve problems that matter, making them easy to understand. Making complex easy.

RPS' London Stock Exchange ticker is RPS.L. For further information, please visit www.rpsgroup.com

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of RPS Group plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are many factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

Results

PBTA was £18.2m, (H1 2018: £27.4m, £27.4m at constant currency), on fee income of £280.3m (H1 2018: £289.1m, £289.1m at constant currency). Profit before tax was £13.1m (H1 2018: £22.6m, £22.6m at constant currency). The effective tax rate for the period on PBTA is estimated to be 24.6% (H1 2018: 28.7%). Adjusted diluted EPS was 6.06p (H1 2018: 8.70p, 8.70p at constant currency). Statutory diluted earnings per share was 4.35p (H1 2018: 7.29p, 7.29p at constant currency). The impact of currency movements between H1 2019 and H1 2018 was negligible.

Trading performance

£m	**H1 2019**	H1 2018	H1 2018 at constant currency
Energy	**4.5**	4.7	4.8
Consulting - UK and Ireland	**7.1**	8.1	8.1
Services - UK and Netherlands	**6.1**	6.8	6.8
Norway	**3.7**	3.3	3.2
North America	**2.0**	3.4	3.7
AAP	**2.6**	7.1	7.0
Total segment profit	**25.9**	33.5	33.5
Unallocated costs	**(3.9)**	(4.1)	(4.1)
Rebrand costs	**(1.0)**	-	-
Underlying operating profit	**21.1**	29.4	29.4

Fees for the period were slightly lower by £8.8m and segment profit lower by £7.5m. Segment profit margin was 9.3% (H1 2018: 11.6%), largely resulting from the initial underutilisation of staff in AAP, an issue that has been subsequently addressed and a slow start in NA. The overall segment results include the effect of the investments made by the Group in people, brand and connectivity to drive future growth. Norway performed well and Energy grew its profitability after taking account of bad debt recoveries in the comparable period (adjusted profit H1 2019: £4.4m; H1 2018: £3.7m). Services was impacted by reduced activity due to the regulatory cycle effects on the GB water business. The results of Consulting have been affected by political uncertainty in UK. In North America we had a slow first quarter, but a much better second quarter. Our business in AAP suffered from subdued markets. Unallocated costs are lower this year as a result of reduced bonus and long-term incentive costs. The rebrand costs incurred are part of a programme that will be completed in H2 2019 and are one off costs.

Borrowings and cash flow

Net bank borrowings were £101.3m (30 June 2018: £90.5m; 31 Dec 2018: £73.9m). Net cash inflow from operating activities was £6.8m (H1 2018: £9.1m). Our conversion of profit into operating cash flow was 50% (H1 2018: 48%) whilst for the last twelve months was 98% (12 months ended June 18: 85%). This reflects our focus this year to increase the speed of conversion of work into invoices and collections from clients relative to last year. Net cash used in investing activities was £18.4m (H1 2018: £6.5m) including the acquisition of Corview at £8.6m (see note 9) and the purchase of property plant and equipment at £10.0m, including investment in ERP of £2.7m. The amount paid in respect of dividends was £11.4m (H1 2018: £11.4m).

Deferred consideration outstanding at 30 June 2019 was £7.8m (30 June 2018: £0.7m; 31 December 2018: £0.3m). Our leverage (being net bank debt plus deferred consideration expressed as a ratio of adjusted EBITDA) calculated in accordance with our bank's financial covenants was 2.0x at the period end (30 June 2018: 1.4x; 31 December 2018: 1.3x) and is projected to be somewhat lower at the year end.

Net finance costs were £2.9m (H1 2018: £2.0m), which includes £0.9m interest relating to leases, which are now accounted for under the new standard IFRS16.

Since the period end, the Group has successfully refinanced its revolving credit facility. We have arranged a committed £100.0m facility and an uncommitted £60.0m accordion facility. The facilities have a three year term with the possibility of extending by another two years, with NatWest joining Lloyds Bank and HSBC who provided the original facility.

Dividend

The Board recognises that an appropriate dividend policy should be sustainable and progressive and reflect future strategy. Accordingly, we feel it is appropriate to rebase our policy and from now on will pay dividends equal, in total, to 40% of the adjusted earnings (being profit after tax before amortisation of intangibles and transaction related costs and tax thereon) for the financial year with an appropriate split between the interim and the final dividend. We are therefore intending to pay an interim dividend of 40% of earnings for the first half of the year and a final dividend of 40% of earnings for the second half of the year. This new dividend policy will apply for 2019 and the Board is confident it will be progressive and is in the interests of all shareholders to reset the existing level, in order to invest and deliver sustainable future returns. The proposed interim dividend is 2.42p (H1 2018: 4.80p) and will be paid on 11 October 2019 to shareholders on the register of members at the close of business on 13 September 2019.

Markets and trading

Energy

	H1 2019	H1 2018	H1 2018 at constant currency
Fee income (£m)	**50.5**	48.6	49.3
Segment profit * (£m)	**4.5**	4.7	4.8
Margin (%)	**8.9**	9.7	9.8

* after reorganisation costs: 2019 £nil, 2018 £0.4m; including IFRS 16 adjustment 2019 £0.1m, 2018 £nil

The demand for our Exploration and Development, Oceans and Coastal and Training services grew although there remains pressure on rates, whilst demand for our Consulting services was subdued. Performance in H1 2019 benefitted from £0.1m of bad debt provision reversals (H1 2018: £1.0m). Our work advising clients on renewables is gaining momentum and we are confident it will provide a strong revenue stream in the future. The oil and gas industry is still recovering and although the recent weakness in the oil price has had some impact, management is confident that the segment will grow year on year.

Consulting - UK and Ireland

	H1 2019	H1 2018	H1 2018 at constant currency
Fee income (£m)	**63.4**	61.0	60.8
Segment profit * (£m)	**7.1**	8.1	8.1
Margin (%)	**11.2**	13.3	13.3

* after reorganisation costs: 2019 £nil, 2018 £0.1m; including IFRS 16 adjustment 2019 £0.2m, 2018 £nil

Demand for our consulting services in the Republic of Ireland was strong, leading to good fee growth. In Northern Ireland, despite political uncertainty, high public sector investment is helping to create demand for our services also growing fees. In the rest of the United Kingdom, market conditions continue to be affected by political uncertainty which is impacting clients' investment decisions affecting our higher margin business units and led to a flat fee performance. We anticipate that once the Brexit uncertainty is resolved market demand may improve, which we would be well positioned to capitalise on. Our strong market position gives us confidence in the prospects for this business.

Services - UK and the Netherlands

	H1 2019	H1 2018	H1 2018 at constant currency
Fee income (£m)	**53.3**	54.4	54.3
Segment profit * (£m)	**6.1**	6.8	6.8
Margin (%)	**11.4**	12.5	12.5

* after reorganisation costs: 2019 £nil, 2018 £0.1m; including IFRS 16 adjustment 2019 £0.1m, 2018 £nil

We are in the last year of the Ofwat AMP 6 cycle and this, as usual, is affecting the demand for our water services in England and Wales as the sector prepares for the new AMP cycle that will commence in April 2020. The Netherlands business is performing well and is benefitting from the organic investments we made last year. Our health and safety business in the UK under performed during the period. We have strong market presence in both the UK and the Netherlands and are confident that this segment is capable of good growth once the new AMP 7 cycle commences.

Norway

	H1 2019	H1 2018	H1 2018 at constant currency
Fee income (£m)	**36.2**	35.0	34.2
Segment profit * (£m)	**3.7**	3.3	3.2
Margin (%)	**10.2**	9.4	9.4

* after reorganisation costs: 2019 £nil, 2018 £nil; including IFRS 16 adjustment 2019 £0.1m, 2018 £nil

Our range of project management services remain very attractive in a stable economy, supported by a strong sovereign wealth fund. The co-location of our teams in Oslo has been completed and we are benefitting from working as a fully integrated business. We have a high share of the Norwegian project management market and an excellent reputation. We are exploring the opportunity to develop our on-line training to other parts of RPS where we already offer project management services such as Australia and the UK. This is an exciting opportunity and we are confident that our project and program management businesses will grow and have a bright future.

North America

	H1 2019	H1 2018	H1 2018 at constant currency
Fee income (£m)	**29.8**	29.8	31.5
Segment profit * (£m)	**2.0**	3.4	3.7
Margin (%)	**6.6**	11.6	11.6

* after reorganisation costs: 2019 £0.1m, 2018 £nil; including IFRS 16 adjustment 2019 £0.1m, 2018 £nil

Client delays in the commencement of work in infrastructure, and a slower start to the environmental due diligence market, impacted North America's Q1 2019 results. Conditions got better during Q2 2019 and performance improved significantly. The US economy remains strong and performance in H2 2019 is expected to be at a good level, although results will be impacted by the departure of a small team from the environmental risk business.

AAP

	H1 2019	H1 2018	H1 2018 at constant currency
Fee income (£m)	**49.3**	62.1	60.7
Segment profit * (£m)	**2.6**	7.1	7.0
Margin (%)	**5.3**	11.5	11.5

* after reorganisation costs: 2019 £0.5m, 2018 £0.1m; including IFRS 16 adjustment 2019 £0.1m, 2018 £nil

Public sector work accounts for the majority of our work in Australia, where infrastructure spend has been affected by recent state elections in Victoria and in NSW. The recent Federal election also resulted in a slower than normal release of major defence projects which affected our project management business However, following a lull due to these elections, we expect public expenditure to increase in H2 2019 and encouragingly we have secured two major defence contracts since the period end. The integration of Corview, which largely services public sector infrastructure markets, is progressing well. Our private sector work in AAP is focused on a property sector which is currently subdued. However, the Federal election result has produced more property sector friendly policies and a recent interest rate cut will also be helpful. We expect performance in H2 2019 to improve, due, in part, to capacity reductions we have made to match capacity to markets while retaining capability. Looking further ahead we are confident that our strong presence will benefit us as the Australian market recovers.

Strategy

RPS is transitioning from a conglomerate of small consulting and service businesses to becoming a leading mid-sized global firm that uses its combined expertise to deliver professional services around the world. We have made significant progress in respect of each of our strategic priorities:

- **People:** We have a complete and settled Board and management team with all senior position filled. Our HR function has been updated and the necessary process improvements to support a modern workforce are in place. We are starting to see signs that this investment will lead to lower staff turnover
- **Brand:** Our new brand has been built, is being delivered and will be completed by the end of this year. A new website, designed to attract new talent and retain existing clients and staff, has sent a strong signal externally of RPS' transformation and is attracting more traffic
- **Connectivity:** Fostering greater connectivity within and between segments and across the Group is progressing, enabling the transfer of ideas within the Group helping to win more work. The substantial investment that we are making in our new ERP system will provide a platform that will allow greater connectivity and collaboration in the future. We are also mindful of the impact of technology in the markets we operate in and we will continue to respond as appropriate
- **Energy:** We have successfully revitalised the Energy business after the oil market collapse in 2014 and 2015 and performance of this business, which is the largest independent global consultancy in this sector, is steadily improving. Whilst much of our business is in oil and gas we are growing our services in renewables
- **Organic growth and selective acquisition:** We generated organic fee growth in Norway, Energy, in our Consulting business in Ireland and in our Services business in Netherlands whilst our Consulting business in the UK was steady. Services in UK reduced due to the temporary effect of the Ofwat AMP 6 cycle. In North America fees declined due to a slow start to the year and in AAP due to difficult markets. We are committed to very selective acquisitions that add density, not greater diversity, that are value accretive and congruent with our brand. We are particularly keen on

acquiring businesses that involve data provision and expertise. The acquisition of Corview is a good example of the successful achievement of this priority.

Group prospects

The H1 2019 results are very disappointing largely due to softness in the Australia market. However, RPS has a strong presence in this market and we are well placed to benefit as it recovers, which is expected in H2 2019.

We have strong competitive positions in Energy, Consulting - UK and Ireland, Services - UK and the Netherlands, Norway and AAP and we have substance in North America. The outlook for each of our business segments, is positive. The Board anticipates a stronger overall Group performance during H2 2019 with operating profit margin expansion, improved operating cash flow and lower debt.

Despite a backdrop of tougher markets, we continue to make solid progress in achieving our strategic priorities. As part of a disciplined approach to capital allocation, the Board has decided to rebase the dividend. RPS continues to be a highly cash generative business, well placed with strong market positions in our segments and good underlying fundamentals. The steps taken will support RPS' growth in the medium to longer term and improve shareholders returns in the future.

Board of Directors
RPS Group plc
1 August 2019

Condensed consolidated income statement (unaudited)

£000's	Notes	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Year ended 31 December 2018
Revenue	**5**	**309,677**	321,090	637,383
Recharged expenses	**5**	**(29,426)**	(32,021)	(63,226)
Fee income	**5**	**280,251**	289,069	574,157
Operating profit before amortisation and impairment of acquired intangibles and transaction related costs	**5**	**21,089**	29,410	54,041
Amortisation and impairment of acquired intangibles and transaction related costs	**6**	**(5,039)**	(4,809)	(9,181)
Operating profit	**5**	**16,050**	24,601	44,860
Finance costs		**(3,026)**	(2,099)	(4,111)
Finance income		**88**	83	232
Profit before tax, amortisation and impairment of acquired intangibles and transaction related costs		**18,151**	27,394	50,162
Profit before tax		**13,112**	22,585	40,981
Tax expense	**7**	**(3,292)**	(6,212)	(11,240)
Profit for the period attributable to equity holders of the parent		**9,820**	16,373	29,741
Basic earnings per share (pence)	**8**	**4.39**	7.35	13.34
Diluted earnings per share (pence)	**8**	**4.35**	7.29	13.23
Adjusted basic earnings per share (pence)	**8**	**6.12**	8.77	16.47
Adjusted diluted earnings per share (pence)	**8**	**6.06**	8.70	16.34

Condensed consolidated statement of comprehensive income (unaudited)

£000's	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Year ended 31 December 2018
Profit for the period	**9,820**	16,373	29,741
Exchange differences*	**735**	(2,244)	(2,174)
Tax on share schemes	**(13)**	-	-
Re-measurement of net defined benefit liability	**-**	-	677
Tax on re-measurement of defined benefit liability	**-**	-	(149)
Total recognised comprehensive income for the period attributable to equity holders of the parent	**10,542**	14,129	28,095

*may be reclassified subsequently to profit or loss in accordance with IFRS.

Condensed consolidated balance sheet (unaudited)

£000's	Notes	As at 30 June 2019	As at 30 June 2018	As at 31 December 2018
Assets				
Non-current assets:				
Intangible assets	**9**	**399,411**	390,096	385,699
Property, plant and equipment	**11**	**38,422**	29,475	32,005
Right of use assets		**41,740**	-	-
Deferred tax asset		**3,450**	3,766	3,795
		483,023	423,337	421,499
Current assets:				
Trade and other receivables	**12**	**173,776**	183,368	166,418
Cash and cash equivalents		**20,307**	20,430	17,986
		194,083	203,798	184,404
Liabilities				
Current liabilities:				
Borrowings	**14**	**-**	2,084	2,581
Deferred consideration		**2,624**	496	53
Lease liabilities		**8,922**	-	-
Trade and other payables	**13**	**109,640**	120,927	117,914
Corporation tax		**3,247**	4,402	3,648
Provisions		**1,566**	2,278	2,119
		125,999	130,187	126,315
Net current assets		**68,084**	73,611	58,089
Non-current liabilities:				
Borrowings	**14**	**121,564**	108,826	89,280
Deferred consideration		**5,133**	249	249
Lease liabilities		**37,699**	-	-
Other payables		**1,326**	2,507	1,719
Deferred tax		**6,120**	7,720	6,405
Provisions		**2,530**	4,551	4,363
		174,372	123,853	102,016
Net assets		**376,735**	373,095	377,572
Equity				
Share capital	**15**	**6,796**	6,763	6,783
Share premium		**121,033**	119,197	120,400
Retained earnings		**211,181**	209,763	213,656
Merger reserve		**21,256**	21,256	21,256
Employee Trust		**(9,492)**	(9,092)	(9,801)
Translation reserve		**25,961**	25,208	25,278
Total shareholders' equity		**376,735**	373,095	377,572

Condensed consolidated cash flow statement (unaudited)

£000's	Notes	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Year ended 31 December 2018
Net cash from operating activities	**17**	**6,805**	9,086	44,488
Cash flows from investing activities:				
Purchases of subsidiaries net of cash acquired		**(8,592)**	(165)	(165)
Deferred consideration		**(51)**	(1,178)	(1,611)
Purchase of property, plant and equipment		**(9,975)**	(5,197)	(11,872)
Proceeds from sale of property, plant and equipment		**177**	82	222
Net cash used in investing activities		**(18,441)**	(6,458)	(13,426)
Cash flows from financing activities:				
Cost of issue of share capital		**-**	(9)	(9)
Proceeds from/(repayment of) bank borrowings		**32,937**	11,710	(8,891)
Payment of lease liabilities		**(3,965)**	-	-
Dividends paid	**16**	**(11,406)**	(11,358)	(22,115)
Net cash used in financing activities		**17,566**	343	(31,015)
Net increase in cash and cash equivalents:		**5,930**	2,971	47
Cash and cash equivalents at beginning of period		**15,405**	15,376	15,376
Effect of exchange rate fluctuations		**(1,028)**	(1)	(18)
Cash and cash equivalents at end of period		**20,307**	18,346	15,405

Cash and cash equivalents comprise:			
Cash at bank	**20,307**	20,430	17,986
Bank overdraft	**-**	(2,084)	(2,581)
Cash and cash equivalents at end of period	**20,307**	18,346	15,405

Condensed consolidated statement of changes in equity (unaudited)

£000's	Share capital	Share premium	Retained earnings	Merger reserve	Employee Trust	Translation reserve	Total equity
At 31 December 2018	6,783	120,400	213,656	21,256	(9,801)	25,278	377,572
Effect of changes in accounting standards	-	-	(1,240)	-	-	(52)	(1,292)
At 1 January 2019	6,783	120,400	212,416	21,256	(9,801)	25,226	376,280
Profit for the period	-	-	9,820	-	-	-	9,820
Other comprehensive income	-	-	(13)	-	-	735	722
Total comprehensive income for the period	-	-	9,807	-	-	735	10,542
Issue of new ordinary shares	13	633	(520)	-	(126)	-	-
Share based payment expense	-	-	1,319	-	-	-	1,319
Transfer on release of shares	-	-	(435)	-	435	-	-
Dividends	-	-	(11,406)	-	-	-	(11,406)
At 30 June 2019	6,796	121,033	211,181	21,256	(9,492)	25,961	376,735
At 31 December 2017	6,745	117,790	205,143	21,256	(8,602)	27,452	369,784
Effect of changes in accounting standards	-	-	(521)	-	-	-	(521)
At 1 January 2018	6,745	117,790	204,622	21,256	(8,602)	27,452	369,263
Profit for the period	-	-	16,373	-	-	-	16,373
Other comprehensive income	-	-	-	-	-	(2,244)	(2,244)
Total comprehensive income for the period	-	-	16,373	-	-	(2,244)	14,129
Issue of new ordinary shares	18	1,407	(944)	-	(490)	-	(9)
Share based payment expense	-	-	1,070	-	-	-	1,070
Dividends	-	-	(11,358)	-	-	-	(11,358)
At 30 June 2018	6,763	119,197	209,763	21,256	(9,092)	25,208	373,095

Notes to the condensed consolidated financial statements

1. Basis of preparation

RPS Group Plc (the "Company") is a company domiciled in England. The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group first applied IFRS 16 "Leases" from 1 January 2019. Adjustments to the 1 January 2019 opening retained earnings and accounting policy changes have been made as a result of adopting IFRS 16. The impact of the new standard is described more fully in Note 3 below.

Otherwise the condensed interim financial statements have been prepared using accounting policies set out in the Report and Accounts 2018. They are in accordance with IAS 34 as adopted by the European Union. They are unaudited but have been reviewed by the Company's auditor. The results for the year end 31 December 2018 and the balance sheet as at that date are abridged from the Company's Report and Accounts 2018 which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not draw attention to any matters by way of emphasis and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

The condensed interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

In assessing the going concern basis, the directors considered the Group's business activities, the financial position of the Group and the Group's financial risk management objectives and policies. The directors have a reasonable expectation that, despite the current uncertain economic environment, the Company and Group have adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the Group's interim financial statements.

2. Alternative performance measures

Throughout this document the Group presents various non-GAAP performance measures ('alternative performance measures'). The measures presented are those adopted by the Chief Operating Decision Maker and analysts who follow us in assessing the performance of the business.

Group Profit and earnings measures

PBTA

Profit before tax and amortisation and impairment of acquired intangibles and transaction related costs (PBTA) is used by the Board to monitor and measure the trading performance of the Group. It excludes certain items which the Board believes distort the trading performance of the Group. These items are either acquisition and disposal related or they are non-cash items.

Delivering the Group's strategy includes investment in selected acquisitions that enhance the depth and breadth of services that the Group offers in the territories in which it operates. In addition, from time to time the Group chooses to exit a particular market or service offering because it is not offering the desired returns. By excluding acquisition and disposal related items from PBTA, the Board has a clearer view of the performance of the Group and is able to make better operational decisions to support its strategy.

Accordingly, transaction related costs including costs of acquisition and disposal, losses on the closure of businesses and amortisation and impairment of intangible assets are excluded from the Group's preferred performance measure, PBTA.

Items are treated consistently year-on-year, and these adjustments are also consistent with the way that performance is measured under the Group's incentive plans and its banking covenants.

Operating profit before amortisation and impairment of acquired intangible assets is a derivative of PBTA. A reconciliation is shown below.

	£000s	H1 2019	H1 2018
	Profit before tax	**13,112**	22,585
Add:	Amortisation and impairment of acquired intangibles and transaction related costs	**5,039**	4,809
	PBTA	**18,151**	27,394
Add:	Net finance costs	**2,938**	2,016
	Operating profit before amortisation and impairment of acquired intangibles and transaction related costs	**21,089**	29,410

Adjusted profit attributable to ordinary shareholders

It follows that the Group uses adjusted profit attributable to ordinary shareholders (after tax) as the input to its adjusted EPS measures (note 8).

	£000s	H1 2019	H1 2018
	Profit attributable to equity holders of the parent	**9,820**	16,373
Add:	Amortisation and impairment of acquired intangibles and transaction related costs	**5,039**	4,809
Deduct:	Tax on amortisation and impairment of acquired intangibles and transaction related costs	**(1,180)**	(1,662)
	Adjusted profit attributable to equity holders of the parent	**13,679**	19,520

Constant currency

The Group generates revenues and profits in various territories and currencies because of its international footprint. Those results are translated on consolidation at the foreign exchange rates prevailing at the time. These exchange rates vary from year to year, so the Group presents some of its results on a constant currency basis. This means that the prior year's results have been retranslated using current year exchange rates. This eliminates the effect of exchange from the year-on-year comparison of results. The difference between the reported numbers and the constant currency numbers is the "constant currency effect".

£000s	H1 2018	Constant currency effect	H1 2018 at constant currency
Revenue	321,090	(91)	320,999
Fee income	289,069	11	289,080
PBTA	27,394	(2)	27,392
Profit before tax	22,585	(2)	22,583

Segment profit and underlying profit

Segment profit is presented in our segmental disclosures. This excludes the effects of financing and amortisation which are metrics outside of the control of segment management. It also excludes unallocated expenses. Segment profit is then adjusted by excluding reorganisation costs to give underlying profit for the segment. This reflects the underlying trading of the business. For 2019 segment profit and underlying profit also include the impact of conversion to IFRS 16 and exclude rebrand costs. A reconciliation between segment profit and operating profit is given in note 5.

Reorganisation costs

This classification comprises costs and income arising as a consequence of reorganisation such as redundancy costs, profit or loss on disposal of plant, property and equipment and the costs of consolidating office space.

Unallocated expenses

Certain central costs are not allocated to the segments because they predominantly relate to the stewardship of the Group. They include the costs of the main board and the Group finance, marketing and human resource functions and related IT costs.

Rebrand costs

In 2019 the Group has undertaken a rebranding exercise. The Group has collated the costs of rebranding and has reported them separately outside of segment profit, in note 5.

Revenue measures

The Group disaggregates revenue into Fee Income and Recharged Expenses. This provides insight into the performance of the business and our productive output. This is reconciled on the face of the income statement. Fee income by segment is reconciled in note 5.

Fee income represents the Group's personnel, subcontractor and equipment time and expenses sold to clients. Recharged expenses is the recharge of costs incidental to fulfilling the Group's contracts, for example mileage, flights, subsistence and accommodation and subcontractor costs on which a negligible margin is earned by the Group.

Cash flow measures

EBITDAS
EBITDAS is operating profit adjusted by adding back non-cash expenses, tax and financing costs. The adjustments include interest, tax, depreciation, amortisation and impairment and transaction related costs and share scheme costs. This generates a cash-based operating profit figure which is the input into the cash flow statement. A reconciliation between Operating Profit and EBITDAS is given in note 17.

Conversion of profit into cash

A measure of the Group's cash generation is the conversion of profit into cash. This is the cash generated from operations divided by EBITDAS expressed as a percentage. This metric is used as a measure against which the Group's long and short-term performance incentive schemes are judged and reflects how much of the Group's profit has been collected as cash in the period.

Net bank borrowings

Net bank borrowings is the total of cash and cash equivalents and interest bearing bank loans. This measure gives the external indebtedness of the Group and is an input into the leverage calculations. This is analysed in note 14.

Leverage
Leverage is the ratio of net bank borrowings plus deferred consideration to annualised EBITDAS and is one of the financial covenants included in our bank facilities.

Tax measures

The adjusted tax charge on PBTA in the period is the tax charge arising only on the Group's adjusted profit measure, PBTA. When this is expressed as a percentage of PBTA it is the tax rate on PBTA. Note 7 includes further detail.

3. Changes in accounting policies
This note explains the impact of the adoption of IFRS 16 "Leases" and discloses the new accounting policies that the Group has applied since 1 January 2019.

The Group has applied IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and adjustments arising from the application of the new standard are therefore recognised in the opening balance sheet on 1 January 2019.

Accounting adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under IAS 17 "Leases". These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 January 2019 was 3.96%.

£000s	
Operating lease commitments disclosed as at 31 December 2018	57,075
Less: short term leases recognized on a straight line basis as an expense	(2,148)
Less: low value leases recognized on a straight line basis as an expense	(19)
Add / less: adjustments as a result of different treatment of extension and termination options	1,331
Effect of discounting	(7,031)
Lease liability recognized at 1 January 2019	49,208
Of which are:	
Current lease liabilities	8,054
Non current lease liabilities	41,154

The associated right of use assets were measured on a retrospective basis as if the new rules had always been applied. Onerous lease contracts have been adjusted through the right of use assets.

The right of use assets relate to the following types of assets:

£000s	
Properties	40,646
Equipment	242
Vehicles	3,968
Total right of use assets	44,856

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

£000s	
Right of use assets increased by:	44,856
Deferred tax asset increased by:	350
Prepayments reduced by:	482
Accruals reduced by:	1,096
Lease liabilities increased by:	49,208
Provisions reduced by:	2,096
Translation reserve reduced by:	52
Retained earnings reduced by:	1,240

Impact on PBTA, Operating profit before amortisation, segment profit, finance costs and earnings per share

Earnings per share decreased by 0.1p for the period to 30 June 2019 as a result of the adoption of IFRS 16. PBTA decreased by £300,000, operating profit before amortisation increased by £610,000 and finance costs increased by £910,000.

Segment profit has been disclosed including the effects of IFRS 16 transition. This is consistent with how management reviews the performance of the business. The IFRS 16 adjustments that have been posted to each segment for the half year ending 30 June 2019 are as follows:

Segment	Segment profit per note 5	IFRS 16 adjustment	Segment profit pre IFRS 16 adjustment
Energy	4,513	(55)	4,458
Consulting UK and Ireland	7,119	(238)	6,881
Services UK and Netherlands	6,061	(51)	6,010
Norway	3,685	(64)	3,621
North America	1,955	(76)	1,879

AAP	2,607	(105)	2,502
Total	25,940	(589)	25,351

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate for a portfolio of leases with reasonably similar characteristics.
- Reliance on previous estimates of whether leases are onerous.
- The accounting for operating leases with a remaining life of less than one year as at 1 January 2019 as short term leases.
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has elected not to reassess whether a contract is or contains a lease at the date of initial application. The Group has relied upon the assessment made under IAS 17.

The Group's leasing profile and accounting policies

The Group leases offices, equipment and vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Until the 2018 financial year, operating lease expenses were charged to the income statement on a straight line basis over the life of the lease.

From 1 January 2019, leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and the interest cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- Fixed payments less any incentives receivable;
- Variable lease payments based on an index or rate; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the incremental borrowing rate in all cases, as the interest rate implicit in the Group's leases cannot be determined.

Right of use assets

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Short term leases and low value assets

Payments associated with short term leases and leases of low value assets are recognized on a straight line basis as an expense in profit or loss. Short term leases are leases with a term of 12 months or less. Low value assets generally include small pieces of office equipment such as coffee machines and photocopiers.

Extension and termination options

Extension and termination options are included in a number of the Group's property leases.

In determining the lease term, the Group considers the facts and circumstances that incentivise the Group to exercise an option to extend or terminate. Extension options are only included in the lease if they are reasonably certain to be exercised. Likewise, the period after a termination option is only excluded from a lease if the option to terminate is reasonably certain to be exercised.

4. Responsibility Statement

The directors confirm that, to the best of their knowledge this condensed set of financial statements has been prepared in accordance with IAS 34 and that this Interim Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

On behalf of the Board:

John Douglas	**Gary Young**
Chief Executive	**Group Finance Director**
1 August 2019	1 August 2019

5. Business segments

Segment information is presented in the financial statements in respect of the Group's business segments, as reported to the Chief Operating Decision Maker. The business segment reporting format reflects the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as central costs that are allocated in compliance with international transfer pricing rules.

The business segments of the Group are as follows:

- Energy
- Consulting – UK and Ireland
- Services – UK and Netherlands
- Norway
- North America
- Australia Asia Pacific ("AAP")

Segment results for the period ended 30 June 2019:

£000s	Fee income	Expenses	Intersegment revenue	External revenue
Energy	50,467	5,733	(402)	55,798
Consulting – UK and Ireland	63,414	15,127	(823)	77,718
Services – UK and Netherlands	53,320	4,834	(1,071)	57,083
Norway	36,150	435	(81)	36,504
North America	29,796	479	(142)	30,133
AAP	49,289	3,305	(153)	52,441
Group eliminations	(2,185)	(487)	2,672	-
Total	280,251	29,426	-	309,677

£000s	Underlying profit	Reorganisation costs	Segment profit
Energy	4,513	-	4,513
Consulting – UK and Ireland	7,119	-	7,119
Services – UK and Netherlands	6,082	(21)	6,061
Norway	3,685	-	3,685
North America	2,014	(59)	1,955
AAP	3,098	(491)	2,607
Total	26,511	(571)	25,940

Segment results for the period ended 30 June 2018:

£000s	Fee income	Expenses	Intersegment revenue	External revenue
Energy	48,565	6,581	(415)	54,731
Consulting – UK and Ireland	60,965	15,051	(717)	75,299
Services – UK and Netherlands	54,441	6,520	(417)	60,544
Norway	34,963	369	(78)	35,254
North America	29,784	653	(190)	30,247
AAP	62,080	3,178	(243)	65,015
Group eliminations	(1,729)	(331)	2,060	-
Total	289,069	32,021	-	321,090

£000s	Underlying profit	Reorganisation costs	Segment profit
Energy	5,164	(443)	4,721
Consulting – UK and Ireland	8,163	(84)	8,079
Services – UK and Netherlands	6,880	(59)	6,821
Norway	3,287	-	3,287
North America	3,459	(12)	3,447
AAP	7,195	(62)	7,133
Total	34,148	(660)	33,488

Segment results for the period ended 31 December 2018:

£000s	Fee income	Expenses	Intersegment revenue	External revenue
Energy	101,067	12,800	(802)	113,065
Consulting – UK and Ireland	122,089	30,679	(1,371)	151,397
Services – UK and Netherlands	110,567	11,414	(1,178)	120,803
Norway	69,012	965	(171)	69,806
North America	58,671	1,149	(524)	59,296
AAP	116,830	6,714	(528)	123,016
Group eliminations	(4,079)	(495)	4,574	-
Total	574,157	63,226	-	637,383

£000s	Underlying profit	Reorganisation costs	Segment profit
Energy	9,579	(676)	8,903
Consulting – UK and Ireland	15,501	(84)	15,417
Services – UK and Netherlands	13,581	(69)	13,512
Norway	6,978	(786)	6,192
North America	5,245	(125)	5,120
AAP	13,328	(62)	13,266
Total	64,212	(1,802)	62,410

Group reconciliation

£000's	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Year ended 31 December 2018
Revenue	**309,677**	321,090	637,383
Recharged expenses	**(29,426)**	(32,021)	(63,226)
Fee income	**280,251**	289,069	574,157
Underlying profit	**26,511**	34,148	64,212
Reorganisation costs	**(571)**	(660)	(1,802)
Segment profit	**25,940**	33,488	62,410
Unallocated expenses	**(3,899)**	(4,078)	(8,369)
Rebrand costs	**(952)**	-	-
Operating profit before amortisation and impairment of acquired intangibles and transaction related costs	**21,089**	29,410	54,041
Amortisation and impairment of acquired intangibles and transaction related costs	**(5,039)**	(4,809)	(9,181)
Operating profit	**16,050**	24,601	44,860
Net finance costs	**(2,938)**	(2,016)	(3,879)
Profit before tax	**13,112**	22,585	40,981

Total segment assets were as follows:

£000's	**As at 30 June 2019**	As at 30 June 2018	As at 31 Dec 2018
Energy	**65,378**	79,153	76,297
Consulting – UK and Ireland	**192,117**	174,295	169,879
Services – UK and Netherlands	**109,083**	108,917	104,950
Norway	**62,171**	59,313	56,670
North America	**67,781**	65,703	66,656
AAP	**165,120**	129,675	118,608
Unallocated	**15,456**	10,079	12,843
Total	**677,106**	627,135	605,903

6. Amortisation and impairment of acquired intangibles and transaction related costs

£000's	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Year Ended 31 December 2018
Amortisation of acquired intangibles	**4,642**	4,795	9,144
Third party advisory costs	**397**	14	37
Total	**5,039**	4,809	9,181

7. Income taxes

The tax charge for the period has been calculated using an estimate of the effective annual rate of tax for each taxing jurisdiction for the full year. These rates have been applied to the pre-tax profits for each jurisdiction for the six months ended 30 June 2019. The Group has separately calculated the tax rates applicable to amortisation of intangibles and transaction related costs for the period. Tax rate changes that were substantively enacted at the balance sheet date have been factored into the calculation of the effective tax rates.

Analysis of the tax expense in the income statement for the period:

£000's	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Year ended 31 December 2018
Current tax expense	**4,115**	7,362	13,461
Deferred tax credit	**(823)**	(1,150)	(2,221)
Total tax expense in the income statement	**3,292**	6,212	11,240
Add back:			
Tax on amortisation of acquired intangibles and acquisition related costs	**1,180**	1,662	2,205
Adjusted tax charge on PBTA for the period	**4,472**	7,874	13,445
Tax rate on PBT	**25.1%**	27.5%	27.4%
Tax rate on PBTA	**24.6%**	28.7%	26.8%

8. Earnings per share

The calculations of earnings per share are based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the period as shown below:

£000's	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Year ended 31 December 2018
Profit attributable to ordinary shareholders	**9,820**	16,373	29,741
000's			
Weighted average number of ordinary shares for the purposes of basic earnings per share	**223,653**	222,678	222,946
Effect of employee share schemes	**2,118**	1,781	1,793
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**225,771**	224,459	224,739
Basic earnings per share (pence)	**4.39**	7.35	13.34
Diluted earnings per share (pence)	**4.35**	7.29	13.23

The directors consider that earnings per share before amortisation and impairment of acquired intangibles and transaction related costs provides a more consistent measure of the Group's performance than statutory earnings per share. The calculations of adjusted earnings per share were based on the number of shares as above, and are shown in the table below:

£000's	**Six months ended 30 June 2019**	Six months ended 30 June 2018	Year ended 31 December 2018
Profit attributable to ordinary shareholders	**9,820**	16,373	29,741
Amortisation and impairment of acquired intangibles and transaction related costs	**5,039**	4,809	9,181
Tax on amortisation and impairment of acquired intangibles and transaction related costs	**(1,180)**	(1,662)	(2,205)
Adjusted profit attributable to ordinary shareholders	**13,679**	19,520	36,717
Adjusted basic earnings per share (pence)	**6.12**	8.77	16.47
Adjusted diluted earnings per share (pence)	**6.06**	8.70	16.34

9. Intangible assets

The Group tests goodwill and other intangibles annually for impairment in November unless it identifies indicators of impairment at other times of the year.

At 30 June 2019 impairment indicators were noted in the AAP and North America segments due to the poor performance in these CGU groups in the first half of the year. Consequently, the Group has undertaken a full impairment review of the goodwill and other intangibles allocated to these segments and no impairment charge has been deemed necessary.

Sensitivity of impairment tests to changes in estimates

The determination of whether or not goodwill is impaired requires an estimate to be made of the value in use of the CGU groups to which goodwill has been allocated. Those value in use calculations include estimates about the future financial performance of the CGUs based on budgets and forecasts, medium term and long term growth rates, discount rates and the markets in which the business operates.

Both AAP and North America have headroom. However, reasonably possibly changes to some of the inputs to our modelling could reduce the headroom to £nil.

	Estimated adjustment to input that would reduce headroom to £nil		
CGU Group	Discount rate	Medium term growth rate	Forecast performance
North America	+6.8 percentage points	-23%	-51%
AAP	+3.9 percentage points	-15%	-36%

Both CGU groups are most sensitive to the achievement of forecast performance over the next twelve months and the subsequent growth in the medium term. The forecasts include estimates of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board. Whilst we are able to manage staff costs, direct costs and overheads, the revenue projections are inherently uncertain due to the short term nature of our order book.

Accumulated impairment losses in respect of goodwill at 1 January 2019 were £40,435,000 and at 30 June 2019 were £40,440,000.

No negative goodwill was recognised in 2018 or 2019.

10. Acquisition

On 1 February 2019, the Group acquired the trade and assets of Corview Pty Ltd an Australian transport advisory consultancy that is included in the AAP segment. This acquisition further strengthens RPS's deep expertise in the region.

The Group has allocated provisional fair values to the net assets of Corview as it did not have complete information at the balance sheet date. The provisional amounts recognised in respect of the identifiable assets acquired and liabilities assumed, the fair value of consideration and the resulting goodwill are as follows:

£000's	
Intangible assets:	
Order book	776
Customer relations	3,359
Trade names	67
Property, plant and equipment	29
Cash	1,164
Other assets	57
Other liabilities	(1,442)
Net assets acquired	4,010
Satisfied by:	
Initial cash consideration	9,756
Fair value of deferred cash consideration	7,548
Total consideration	17,304
Goodwill	13,294

Goodwill arising represents the value of the workforce acquired, potential synergies, future contracts and access to new markets. There is no tax deductible goodwill.

The total fair value of receivables acquired was £67,000. The breakdown between gross receivables and amounts estimated irrecoverable was as follows:

£000's	
Gross receivables	67
Estimated irrecoverable	-
Fair value of assets acquired	67

The Group incurred acquisition related costs of £397,000 which have been expensed through the income statement and are included within amortisation of acquired intangibles and transaction related costs.

The contribution of Corview to the Group's results for the period is given below

£000's	
Revenue	3,451
Fees	2,891
Operating profit before amortisation	655
Operating profit	(120)

The pro forma Group revenue and operating profit assuming that the acquisition had been completed on the first day of the year would have been £310,371,000 and £16,091,000 respectively.

A reconciliation of the goodwill movement in 2019 in respect of the acquisition of Corview is as follows:

£000's	
On acquisition	13,294
Foreign exchange revaluation	(70)
As at 30 June 2019	13,224

11. Property, plant and equipment

During the six months ended 30 June 2019 the Group acquired assets with a cost of £11,037,000 (six months to 30 June 2018: £5,425,000), which includes £29,000 acquired through business combinations (six months to 30 June 2018: £nil). Assets with a net book value of £86,000 were disposed of during the six months ended 30 June 2019 (six months ended 30 June 2018: £46,000).

12. Trade and other receivables

£000's	**As at 30 June 2019**	As at 30 June 2018	As at 31 Dec 2018
Trade receivables	**106,880**	118,235	106,509
Contract assets	**50,678**	49,381	44,907
Prepayments	**9,821**	10,964	10,406
Other receivables	**6,397**	4,788	4,596
Total	**173,776**	183,368	166,418

The Group measures the loss allowance for trade receivables as an amount equal to the lifetime expected credit loss (ECL). This loss is estimated using the Group's history of loss for similar assets, adjusted for the markets and territories that the trade receivable is exposed to. This takes into account current and forecast conditions. The Group has considered the potential impact of Brexit on the ECL and has deemed this to be immaterial given the Group's history of trade receivable recoveries after historical downturns.

13. Trade and other payables

£000's	**As at 30 June 2019**	As at 30 June 2018	As at 31 Dec 2018
Trade payables	**25,580**	28,996	33,210
Accruals	**38,011**	44,142	38,015
Contract liabilities	**24,997**	24,277	22,931
Creditors for taxation and social security	**15,886**	17,608	18,385
Other payables	**5,166**	5,904	5,373
Total	**109,640**	120,927	117,914

14. Borrowings

£000's	**As at 30 June 2019**	As at 30 June 2018	As at 31 Dec 2018
Bank loans	**64,895**	53,472	32,800
US loan notes	**56,770**	55,805	56,751
Bank overdraft	**-**	2,084	2,581
Bank borrowings	**121,665**	111,361	92,132
Lease liabilities	**46,621**	-	-
Arrangement fees	**(101)**	(451)	(271)
Total	**168,185**	110,910	91,861

£000's	**As at 30 June 2019**	As at 30 June 2018	As at 31 Dec 2018
Borrowings are repayable as follows:			
Due for settlement within 12 months	**8,922**	2,084	2,581
Due between 1 and 2 years	**80,093**	53,472	32,800
In third to fifth year inclusive	**67,299**	55,805	56,751
More than 5 years	**11,972**	-	-
Total	**168,286**	111,361	92,132

The principal features of the Group's borrowings are as follows:

i) An uncommitted £3,000,000 bank overdraft facility, repayable on demand.

ii) An uncommitted Australian Dollar denominated overdraft facility of AUD 1,500,000 repayable on demand.

iii) At the period end, the Group had one principal bank facility: a multicurrency revolving credit facility of £150,000,000 with Lloyds Bank Plc and HSBC Bank Plc, expiring in 2020. This facility has since been refinanced. See below. Term loans drawn under this facility carry interest fixed for the term of the loan equal to LIBOR (or the currency equivalent) plus a margin determined by reference to the leverage of the Group.
There were loans drawn totalling £64,895,000 at 30 June 2019 (£32,800,000 at 31 December 2018) The facility is guaranteed by the Company and certain subsidiaries but no security over the Group's assets exists.

iv) In September 2014 the Group issued seven year non-amortising US private placement notes of $34,070,000 and £30,000,000 with fixed interest chargeable at 3.84% and 3.98% respectively, that are repayable in September 2021. The notes are guaranteed by the Company and certain subsidiaries but no security over the Group's assets exists.

Since the period end the Group has refinanced this revolving credit facility. The new revolving credit facility expires in July 2022, with options to extend for a further two years. The committed facility amount is £100,000,000 and there is an uncommitted £60,000,000 accordion facility. The facilities have been provided by Lloyds Bank Plc, HSBC Bank Plc and NatWest Bank Plc

15. Share capital

	2019 Number 000's	2019 £000's	2018 Number 000's	2018 £000's
Authorised:				
Ordinary shares of 3p each at 30 June	**240,000**	**7,200**	240,000	7,200
Issued and fully paid:				
Ordinary shares of 3p each at 1 January	**226,105**	**6,783**	224,817	6,745
Issued under employee share schemes	**414**	**13**	629	18
At 30 June	**226,519**	**6,796**	225,446	6,763

16. Dividends

The following dividends were recognised as distributions to equity holders in the period:

£000's	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
Final dividend for 2018 5.08p per share	**11,406**	-	-
Interim dividend for 2018 4.80p per share	**-**	-	10,757
Final dividend for 2017 5.08p per share	**-**	11,358	11,358
	11,406	11,358	22,115

An interim dividend in respect of the six months ended 30 June 2019 of 2.42 pence per share, amounting to a total dividend of £5,472,000 was approved by the Directors of RPS Group Plc on 31 July 2018. These condensed consolidated interim financial statements do not reflect this dividend payable.

17. Note to the condensed consolidated cash flow statement

£000's	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
Operating profit	**16,050**	24,601	44,860
Adjustments for:			
Depreciation	**8,929**	4,058	8,256
Amortisation of acquired intangibles	**4,642**	4,795	9,144
Non-cash movement on provision	**-**	(226)	(461)
Share based payment expense	**1,319**	1,070	2,338
(Profit)/loss on sale of property, plant and equipment	**(91)**	(36)	37
EBITDAS	**30,849**	34,262	64,174
(Increase)/decrease in trade and other receivables	**(5,940)**	(15,348)	1,964
Decrease in trade and other payables	**(9,485)**	(2,598)	(5,779)
Cash generated from operations	**15,424**	16,316	60,359

Interest paid	**(2,753)**	(1,935)	(3,773)
Interest received	**88**	83	232
Income taxes paid	**(5,954)**	(5,378)	(12,330)
Net cash from operating activities	**6,805**	9,086	44,488

The table below provides an analysis of net bank borrowings, comprising cash and cash equivalents and interest bearing bank loans, during the six months ended 30 June 2019.

£000's	At 1 January 2019	Cash flow	Prepaid Arrangement fees	Foreign exchange	At 30 June 2019
Cash at bank	17,986	3,349	-	(1,028)	20,307
Overdrafts	(2,581)	2,581	-	-	-
Cash and cash equivalents	15,405	5,930	-	(1,028)	20,307
Bank loans and notes	(89,280)	(32,937)	(169)	822	(121,564)
Net bank borrowings	(73,875)	(27,007)	(169)	(206)	(101,257)
Lease liability	(49,208)	3,965	-	(1,378)	(46,621)
Net borrowings	(123,083)	(23,042)	(169)	(1,584)	(147,878)

£000's	At 1 January 2018	Cash flow	Prepaid Arrangement fees	Foreign Exchange	At 30 June 2018
Cash at bank	15,588	4,843	-	(1)	20,430
Overdrafts	(212)	(1,872)	-	-	(2,084)
Cash and cash equivalents	15,376	2,971	-	(1)	18,346
Bank loans and notes	(96,008)	(11,710)	(183)	(925)	(108,826)
Net bank borrowings	(80,632)	(8,739)	(183)	(926)	(90,480)

The cash balance includes £1,871,000 (31 December 2018: £2,164,000) that is restricted in its use.

18. Events after the balance sheet date

There have been no events arising after the balance sheet date requiring adjustment to the results or disclosure.

19. Contingent liabilities

From time to time the Group receives claims from clients and suppliers. Some of these result in payments to the claimants by the Group and its insurers. The Board reviews all significant claims at each Board meeting and more regularly if required. The Board is currently satisfied that the Group has sufficient provisions in its balance sheet to meet all likely uninsured liabilities.

RPS has notified the US government of potential issues regarding its administration of government contracts and/or projects. We are attempting to identify the implications, if any, of the conduct under review. The impact, if any, is unknown at this time.

20. Principal risks and uncertainties

The nature of the principal risks and uncertainties faced by the Group have not changed significantly since the 2018 Report and Accounts was published. These risks, together with a description of the approach to mitigate them, are set out on pages 27 to 29 of the 2018 Report and Accounts (available on the Group's website at www.rpsgroup.com) and are summarised as follows:

- Economic environment
- Recruitment and retention of staff
- Political events
- Business acquisitions
- Health and safety
- Regulatory and compliance
- Service failures
- Financial risks
- Information technology and security risks

The Board keeps under review the potential effect of economic circumstances. The decision of the UK to leave the EU has created uncertainty, although it is too early to say what the overall impact on the Group will be.

21. Related party transactions

There are no significant changes to the nature and treatment of related party transactions for the period to those reported in the 2018 Report and Accounts.

22. Forward-looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of RPS Group plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are numerous factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The continuing uncertainty in global economic outlook inevitably increases the risks to which the Group is exposed and the 2016 EU referendum vote in the UK creates another source of potentially significant risk. Statements in respect of the Group's performance in the year to date are based upon unaudited management accounts for the period January to June 2019. Nothing in this announcement should be construed as a profit forecast.

23. Publication

A copy of this announcement will be posted on the Company's website at www.rpsgroup.com.

INDEPENDENT REVIEW REPORT TO RPS GROUP PLC

We have been engaged by RPS Group Plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30th June 2019 which comprises the condensed consolidated income statement and statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and related notes 1 to 23. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30th June 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Statutory Auditor
Reading, United Kingdom
1 August 2019