

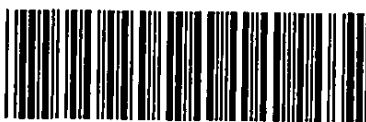
Registration number 06511368

Professional Cost Management Group Limited

Directors' report and financial statements

for the year ended 31 December 2012

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Professional Cost Management Group Limited

Company information

Directors	JOHN COURY VINCENT TAUPIN
Secretary	BIRCHAM DYSON BELL
Company number	06511368
Registered office	50 BROADWAY LONDON SW1H 0BL
Auditors	ERNST & YOUNG LLP 100 BARBIROLI SQUARE MANCHESTER M2 3EY

Professional Cost Management Group Limited

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Professional Cost Management Group Limited

Directors' report for the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was undertaking cost recovery audits on customers' utility expenditure

REVIEW OF BUSINESS

Results and dividends

The loss for the year after taxation amounted to £282,834 (2011 £6,754,340) and is after depreciation and amortisation of £690,836 (2011 £5,487,443) The directors do not recommend payment of a dividend (2012 £nil)

While 2012 was a difficult year for Professional Cost Management group, progress is expected in 2013 and beyond

Development and Performance

The company is a wholly owned subsidiary of Alma Consulting Group and trades as Professional Cost Management Group Ltd

The company has maintained a position of strength in the market and has continued to develop new products throughout the year, along with continued analysis of key clients from within the FTSE 100

Telecoms have continued to produce the majority of revenues, with Energy maintaining its contribution

Principal Risks and Uncertainties

The company's operations expose it to a variety of financial risks including liquidity risk, interest rate risk, currency risk and credit risk. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's Managing Director and Head of Operations

Liquidity Risk

For the whole of the period the company has operated with credit funds at the bank and has access to longer term funding from its ultimate parent if required

Interest rate risk

The company has cash balances of £319,729 (2011 - £220,971), the interest base rate being 0.5%

Currency risk

The currency risk is minimal

Credit risk

There is a risk of financial loss to the company arising from the failure of the company's customers to meet their financial obligations for the services provided by the company

The company manages this situation through credit control procedures and management are of the view that the risk is at an acceptable level

Professional Cost Management Group Limited

**Directors' report (continued)
for the year ended 31 December 2012**

Telecoms

Increasingly PCMG are being seen as an extension to a client's own in-house Revenue Assurance team, building long-term benefit

New opportunities may not be forthcoming as potential FTSE 250 clients use their existing consultants to look at billing errors. Increasingly PCMG is seeing reduced rates from our competitors as they try to win business

Clients are securing cost effective rates for their Mobile Telecoms expenditure making share of savings difficult to achieve

Expansion into Europe is evident with some key client contracts being secured

Energy

Whilst the UK energy consultancy market is crowded and mature and there may be potential for competitors to start to undertake share of savings, PCMG continues to identify new claim types each year, ensuring potential for growth

The UK energy suppliers have become more stringent in identifying undercharges, which can impact on the net recovery

Directors

The directors who served during the year are as stated below.

JOHN COURY

MARC SIMON EISENBERG (resigned 01 02 2012)

VINCENT TAUPIN (appointed 01 02 2012)

Professional Cost Management Group Limited

**Directors' report (continued)
for the year ended 31 December 2012**

Directors' responsibilities statement

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report was approved by the Board and signed on its behalf by


JOHN COURY
Director

Date 26/09/13

**Independent auditor's report to the shareholders of
Professional Cost Management Group Limited**

We have audited the financial statements of Professional Cost Management Group Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1-20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- Give a true and fair view of the state of the company's affairs as at 31 December 2012 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.

Opinion on other matter prescribed by the Companies Act 2006.

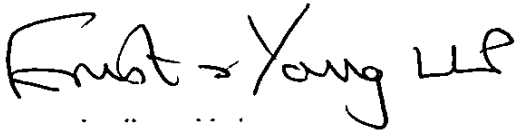
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the shareholders of
Professional Cost Management Group Limited (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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



Julian Yates (Senior statutory auditor)

For and on behalf of ERNST & YOUNG LLP, Statutory Auditor, MANCHESTER

30 September 2013

Professional Cost Management Group Limited

**Profit and loss account
for the year ended 31 December 2012**

		Continuing operations	
		2012	2011
	Notes	£	£
Turnover	2	4,096,720	3,091,682
Cost of sales		(3,255,265)	(2,803,906)
Gross profit		<u>841,455</u>	<u>287,776</u>
Administrative expenses		(1,094,094)	(3,630,850)
Exceptional items	3	<u>(107,353)</u>	<u>(3,379,000)</u>
Total administrative expenses		(1,201,447)	(7,009,850)
Other Income	4	85,644	-
Operating loss	4	(274,348)	(6,722,074)
Interest payable and similar charges	7	<u>(10,715)</u>	<u>(15,027)</u>
Loss on ordinary activities before taxation		(285,063)	(6,737,101)
Tax on loss on ordinary activities	9	2,229	(17,239)
Loss for the year	17	<u>(282,834)</u>	<u>(6,754,340)</u>

No recognised gains or losses other than the profit or loss for the above two financial years

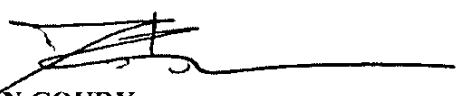
The notes on pages 8 to 15 form an integral part of these financial statements.

Professional Cost Management Group Limited

**Balance sheet
as at 31 December 2012**

		2012		2011	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10		826,197		1,487,157
Tangible assets	11		42,020		60,623
			<u>868,217</u>		<u>1,547,780</u>
Current assets					
Debtors	12	2,105,813		1,706,850	
Cash at bank and in hand		319,729		220,971	
		<u>2,425,542</u>		<u>1,927,821</u>	
Creditors: amounts falling due within one year	14	(3,016,515)		(2,915,523)	
Net current liabilities			<u>(590,973)</u>		<u>(987,702)</u>
Total assets less current liabilities			<u>277,244</u>		<u>560,078</u>
Net assets			<u>277,244</u>		<u>560,078</u>
Capital and reserves					
Called up share capital	15		10,804,202		10,804,202
Profit and loss account	16		(10,526,958)		(10,244,124)
Shareholders' funds	17		<u>277,244</u>		<u>560,078</u>

The financial statements were approved by the Board and signed on its behalf by


JOHN COURY
 Director

Date: 26/09/13

The notes on pages 8 to 15 form an integral part of these financial statements.

Professional Cost Management Group Limited

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies

Basis of preparing the financial statements going concern The company has made a loss during the year, albeit a smaller one than in recent years, but has sufficient net current assets as at 31 December 2012 The company is funded through loans by fellow subsidiaries and the parent company (Alma Consulting Group SAS) The directors have received confirmation from the parent company of its intention to carry on providing this financial support, for at least one year from the date of approval of these accounts Accordingly the directors believe the company to be a going concern and have prepared the accounts on this basis

1.1. Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

1.2. Turnover

Turnover represents the invoiced value of services provided, exclusive of VAT Revenue is earned under a wide variety of contracts to provide costs recovery audits It is recognised when it is judged that the stage of completion of the contract, the amount to be received and the costs incurred to complete the contract, can be easily measured reliably, and it is further probable the revenue will be received

1.3. Goodwill

Goodwill is capitalised in the year in which it arises and is amortised over its useful economic life of six years The carrying value of this intangible asset is reviewed for impairment if events or circumstances indicate its value may not be recoverable

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Office equipment - 33% straight line

Carrying values of tangible fixed assets are reviewed for impairment when events or circumstances indicate its value may not be recoverable

1.5. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Professional Cost Management Group Limited

Notes to the financial statements for the year ended 31 December 2012

Accounting policies (continued)

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.7. Cash Flow Statement

The company is exempt from the requirement of FRS 1 'Cash flow statements' to prepare a cash flow statement as it is a wholly owned subsidiary of Alma Consulting Group SAS, and its cash flows are included within the consolidated cash flow of that group

2. Turnover

	2012 £	2011 £
Geographical market		
UK	4,094,811	3,059,350
Europe	-	32,332
Other Income	1,909	-
	<u>4,096,720</u>	<u>3,091,682</u>

Professional Cost Management Group Limited

Notes to the financial statements for the year ended 31 December 2012

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3. Exceptional items

	2012 £	2011 £
Impairment of goodwill	-	2,929,000
Arbitration settlement	-	450,000
Easynet Costs Recoverable	(255 000)	-
Easynet Legal Costs	362,353	-
	<u>107,353</u>	<u>3 379,000</u>

No impairment charge was deemed necessary in respect of purchased goodwill (2011 - £2,929K)
During 2012 legal dispute with a debtor (Easynet) resulted in judgement being awarded from the court
Legal costs during the year amounted to £362k These costs are being recovered from Easynet via a
cost draftsman, with £255k being valued as recoverable during 2012

4. Operating loss

	2012 £	2011 £
Operating loss is stated after charging		
Depreciation of tangible assets	29,876	51,901
Amortisation of intangible assets	660,960	2,506,542
Impairment of goodwill	-	2,929,000
Profit on disposal of tangible fixed assets	-	(42,875)
Operating lease rentals		
- Land and buildings	46,756	47,090
- Motor vehicles	69,928	83,461
Auditors Remuneration (Note 6)	23,745	21,294
Other Income	<u>(85,644)</u>	<u>-</u>

5. Directors' remuneration

The directors received no remuneration for their services to Professional Cost Management Group Limited (2011: £nil) Directors' emoluments for the directors of Professional Cost Management Limited are paid by fellow group companies and their emoluments are deemed to be wholly attributable to their services to fellow group companies Local operations are overseen by the Head of Operations and UK Sales Director

6. Auditors' remuneration

	2012 £	2011 £
Auditors' remuneration - audit of the financial statements	<u>23,745</u>	<u>21,294</u>

7. Interest payable and similar charges

	2012 £	2011 £
Interest payable on loans < 1 yr	<u>10,715</u>	<u>15,027</u>

Professional Cost Management Group Limited

**Notes to the financial statements
for the year ended 31 December 2012 (Continued)**

. continued

8. Employees

Number of employees	2012	2011
The average monthly numbers of employees (including the directors) during the year were	Number	Number
	41	48
Employment costs	2012	2011
	£	£
Salaries and Commissions	2,390,843	2,158,472
Social security costs	268,468	239,912
	2,659,311	2,398 384

9. Taxation

(a) Tax on ordinary activities

The tax charge is made up as follows

	2012	2011
	£	£
Current tax		
UK corporation tax at 24.5% (2011 – 26.5)	-	-
Adjustment in respect of prior year	-	(5,247)
Deferred tax		
Origination and reversal of timing differences	2,101	(11,437)
Adjustment in respect of previous years	128	(555)
	2,229	(17,239)

Factors affecting the tax charge

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 24.5% (2011 - 26.5%) The actual tax credit for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation

Professional Cost Management Group Limited

**Notes to the financial statements
for the year ended 31 December 2012 (Continued)**

continued
Taxation (continued)

	2012	2011
	£	£
(Loss) on ordinary activities before Tax	(285,063)	(6,737,101)
(Loss) on ordinary activities multiplied by the standard rate corporation tax in the UK of 24.5% (2011 – 26.5%)	(69,840)	(1,785,332)
Disallowable expenditure	3,184	189,050
Depreciation in excess of capital allowances	2,101	(5,891)
Losses not utilised in the year	64,555	1,602,173
Current tax charge/ (credit) for the year	(-)	(-)

The Government has reduced UK Corporation tax rate from 26% to 24% with effect from 1 April 2012. Accordingly, this rate has been applied in the measurement of the Company's deferred tax assets and liabilities as at 31st December 2012.

It has also announced a further reduction in the rate to 23% from 1 April 2013. The aggregate impact of the proposed reductions from 24% to 23% has an insignificant impact on these accounts.

10. Intangible fixed assets

	Goodwill
	£
Cost	
As at January 2012	<u>14,959,264</u>
Amortisation and impairment	
At 1 January 2012	13,472,107
Charge for year	<u>660,960</u>
At 31 December 2012	<u>14,133,067</u>
Net book values	
At 31 December 2012	826,197
At 31 December 2011	<u><u>1,487,157</u></u>

Professional Cost Management Group Limited

**Notes to the financial statements
for the year ended 31 December 2012**

continued

11. Tangible fixed assets	Office equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2012	192,208	14,519	206,727
Additions	11,273	-	11,273
	<u>203,481</u>	<u>14,519</u>	<u>218,000</u>
As at December 2012			
Depreciation			
At 1 January 2012	131,586	14,518	146,104
Charge for the year	29,876	-	29,876
	<u>161,462</u>	<u>14,518</u>	<u>175,980</u>
At 31 December 2012			
Net book values			
At 31 December 2012	42,019	1	42,020
At 31 December 2011	<u>60,622</u>	<u>1</u>	<u>60,623</u>

12. Debtors	2012 £	2011 £
Trade debtors	1,401,753	1,287,626
Amount due from parent company	398,091	374,673
Prepayments and accrued income	305,439	44,551
Deferred tax	530	-
	<u>2,105,813</u>	<u>1,706,850</u>

13. Deferred Tax	2012 £	2011 £
Balance at 1 January 2012	1,699	(10,293)
Movement in year	(2,229)	11,992
Balance at 31 December 2012	<u>(530)</u>	<u>1,699</u>

Deferred tax relates to tax written down values of assets being more than their net book values (2011 less than)

Professional Cost Management Group Limited

**Notes to the financial statements
for the year ended 31 December 2012**

continued

14. Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	95,451	70,625
Amounts owed to group undertaking	2,111,270	2,635,331
Other creditors	4,258	-
Other taxes and social security costs	266,268	30,830
Accruals and deferred income	539,268	177,038
Deferred tax liability	-	1,699
	<u>3,016,515</u>	<u>2,915,523</u>
15. Share capital	2012 £	2011 £
Allotted, called up and fully paid		
10,804,202 Ordinary shares of £1 each	<u>10,804,202</u>	<u>10,804,202</u>
Equity Shares		
10,804,202 Ordinary shares of £1 each	<u>10,804,202</u>	<u>10,804,202</u>
16. Equity Reserves		Profit and loss account £
At 1 January 2012		(10,244,124)
Loss for the year		(282,834)
At 31 December 2012		<u>(10,526,958)</u>
17. Reconciliation of movements in shareholders' funds	2012 £	2011 £
Loss for the year	(282,834)	(6,754,340)
Opening shareholders' funds	560,078	7,314,418
Closing shareholders' funds	<u>277,244</u>	<u>560,078</u>

Professional Cost Management Group Limited

**Notes to the financial statements
for the year ended 31 December 2012**

continued

18. Financial commitments

At 31 December 2012, the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date:				
Within one year	-	-	7,603	7,099
Between one and five years	-	-	44,281	45,067
In over five years	50,068	50,068	-	-
	<u>50,068</u>	<u>50,068</u>	<u>51,884</u>	<u>52,166</u>

19. Related party transactions

In accordance with FRS 8 the company is exempt from disclosing transactions with Group companies.

20. Ultimate parent undertaking

The ultimate parent undertaking at the yearend was Alma Consulting Group SAS, a company registered in France. The ultimate controlling party is H A M A C. The results of this company will be consolidated into the accounts of H.A M A C. Copies of the financial statements of H A M A C can be obtained from the Secretary, 185 Avenue des Gresillhons, 92230 Gennevilliers, France.