

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2015

Company Registration No. 06511368 (England and Wales)

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PROFESSIONAL COST MANAGEMENT GROUP LIMITED

COMPANY INFORMATION

Directors
Herve Amar
Carlos Morientes (appointed 23 April 2015)
Matthieu Pettex
John Coury (resigned 23 April 2015)

Company secretary Broadway Secretaries Limited

Registered number 06511368

Registered office
50 Broadway
London
SW1H 0BL

Independent auditors
Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

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PROFESSIONAL COST MANAGEMENT GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report for the year ended 31 December 2015.

Development and performance of the company's business during the year

The company is a wholly owned subsidiary of Ayming SAS and trades as Professional Cost Management Group Limited ("PCMG").

The company performance of 2015 reflected a positive previous year and early 2015 in terms of historic audit claims, but failed to make significant traction with the new TEM service.

PCMG has continued to identify new claim types in the energy market, ensuring potential for growth and has progressed its expansion into Europe with all service offerings.

The profit for the year after taxation amounted to £296,983 (2014: £461,586) and is after depreciation and amortisation of £12,901 (2014: £182,604). The directors do not recommend payment of a dividend (2014: £NIL).

Principal risks and uncertainties

Risks

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 Operations Director.

Liquidity risk

For the whole of the period the company had 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 £271,274 (2014: £167,505), the interest base rate being 0.5%.

Currency risk

The currency risk is minimal.

Credit risk

There is a risk of financial loss of 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.

Uncertainties

In all areas of the PCMG business (Energy, Telecoms and AP), the move towards commoditisation of the service offerings means that the company need to plan and invest in more extensive services in the next 24 months. PCMG needs to remain relevant to its customers and also to the competitive landscape, hence proactively bringing in new services is vital.

Adjusting the TEM business stream to reflect the business potential will be important going forward, as will diversifying beyond PCMG's current core service stream of historic audits as the market is becoming much more competitive in terms of pricing which is arguably going towards commodity type pricing.

A new, local Managing Director has been identified and commences end March 2016, which should also bring much needed strategy and planning to the business.

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

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



.....
Matthieu Pettex
Director

Date:

20/07/2016

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

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 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- 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.

Principal activities

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

Directors

The directors who served during the year were:

Herve Amar
Carlos Morientes (appointed 23 April 2015)
Matthieu Pettex
John Coury (resigned 23 April 2015)

Results and dividends

The profit for the year after taxation amounted to £296,983 (2014: £461,586) and is after depreciation and amortisation of £12,901 (2014: £182,604). The directors do not recommend payment of a dividend (2014: £NIL).

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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


.....
Matthieu Pettex
Director

Date:

20/07/2016

INDEPENDENT AUDITORS' 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 2015, set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, 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 Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption in preparing the Directors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PROFESSIONAL
COST MANAGEMENT GROUP LIMITED**

Ernst & Young LLP

.....
Julian Yates (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
- statutory auditor
100 Barbirolli Square
Manchester
M2 3EY

20 July 2016
.....
Date

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Turnover	1	3,908,233	4,836,129
Cost of sales		(2,979,039)	(3,521,961)
		<hr/>	<hr/>
Gross profit		929,194	1,314,168
Administrative expenses		(631,463)	(860,306)
Other operating income		250	9,256
		<hr/>	<hr/>
Operating profit	2	297,981	463,118
Interest payable and similar charges	4	(998)	(2,653)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		296,983	460,465
Tax on profit on ordinary activities	5	-	1,121
		<hr/>	<hr/>
Profit for the financial year	12	<u>296,983</u>	<u>461,586</u>

The notes on pages 9 to 13 form part of these financial statements.

PROFESSIONAL COST MANAGEMENT GROUP LIMITED
REGISTERED NUMBER: 06511368

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	7		28,637		13,218
Current assets					
Debtors	8	1,356,849		3,110,887	
Cash at bank and in hand		271,274		167,505	
		<u>1,628,123</u>		<u>3,278,392</u>	
Creditors: amounts falling due within one year	9	<u>(722,793)</u>		<u>(2,654,626)</u>	
Net current assets			905,330		623,766
Total assets less current liabilities			<u>933,967</u>		<u>636,984</u>
Capital and reserves					
Called up share capital	11		10,804,202		10,804,202
Profit and loss account	12		<u>(9,870,235)</u>		<u>(10,167,218)</u>
Shareholders' funds	13		<u>933,967</u>		<u>636,984</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

.....
Matthieu Pettex
 Director

Date:

20/07/2016

The notes on pages 9 to 13 form part of these financial statements.

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Cash flow

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 33% straight line
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1.6 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting Policies (continued)

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

2. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	12,901	-
Office equipment	-	17,367
Auditors' remuneration	28,500	27,500
Amortisation - intangible fixed assets	-	165,237
	<u> </u>	<u> </u>

3. Directors' remuneration

The directors received no remuneration for their services to Professional Cost Management Group Limited (2014: £nil). Directors' emoluments for the directors of Professional Cost Management Group 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 Operations Director and UK Sales Director, neither of which are statutory directors.

4. Interest payable

	2015 £	2014 £
On bank loans and overdrafts	998	2,653
	<u> </u>	<u> </u>

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

5. Taxation

	2015 £	2014 £
UK corporation tax charge/(credit) on profit for the year	-	(1,121)

6. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2015 and 31 December 2015	14,959,264
Amortisation	
At 1 January 2015 and 31 December 2015	14,959,264
Net book value	
At 31 December 2015	-
At 31 December 2014	-

7. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 January 2015	14,519	223,376	237,895
Additions	-	28,320	28,320
At 31 December 2015	14,519	251,696	266,215
Depreciation			
At 1 January 2015	14,518	210,159	224,677
Charge for the year	-	12,901	12,901
At 31 December 2015	14,518	223,060	237,578
Net book value			
At 31 December 2015	1	28,636	28,637
At 31 December 2014	1	13,217	13,218

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

8. Debtors

	2015 £	2014 £
Trade debtors	1,225,891	3,069,518
Amounts owed by group undertakings	89,200	259
Other debtors	38,212	37,564
Deferred tax asset (see note 10)	3,546	3,546
	<u>1,356,849</u>	<u>3,110,887</u>

9. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	45,715	9,191
Amounts owed to group undertakings	84,831	1,129,386
Other taxation and social security	284,120	562,893
Other creditors	308,127	953,156
	<u>722,793</u>	<u>2,654,626</u>

10. Deferred tax asset

	2015 £	2014 £
At beginning and end of year	<u>3,546</u>	<u>3,546</u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Balance at 1 January 2015	3,546	2,425
Movement in year	-	1,121
	<u>3,546</u>	<u>3,546</u>

11. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
10,804,202 Ordinary shares of £1 each	<u>10,804,202</u>	<u>10,804,202</u>

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12. Reserves

	Profit and loss account £
At 1 January 2015	(10,167,218)
Profit for the financial year	296,983
	<hr/>
At 31 December 2015	<u>(9,870,235)</u>

13. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	636,984	175,398
Profit for the financial year	296,983	461,586
	<hr/>	<hr/>
Closing shareholders' funds	<u>933,967</u>	<u>636,984</u>

14. Operating lease commitments

At 31 December 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	10,438	10,155
Between 2 and 5 years	77,472	149,157
	<hr/>	<hr/>

15. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard for Smaller Entities "Related Party Disclosures" from the requirement to disclose transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

16. Ultimate parent undertaking and controlling party

The parent company is Ayming SAS. The ultimate parent undertaking is AL FIN SAS. The results of this company will be consolidated into the accounts of AL FIN. Copies of the financial statements can be obtained from 12/16 rue Sarah Bernhardt, 92600 Asnieres-sur-Seine, France.

There was no ultimate controlling party in the year.

PROFESSIONAL COST MANAGEMENT GROUP LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

These pages do not form part of the audited financial statements

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT - FOR THE YEAR ENDED 31 DECEMBER 2015

	Page	2015 £	2014 £
Turnover	16	3,908,233	4,836,129
Cost of sales	16	(2,979,039)	(3,521,961)
		<hr/>	<hr/>
Gross profit		929,194	1,314,168
Other operating income	16	250	9,256
		<hr/>	<hr/>
		929,444	1,323,424
Less: Overheads			
Administration expenses	16	(631,463)	(860,306)
		<hr/>	<hr/>
Operating profit		297,981	463,118
Interest payable	17	(998)	(2,653)
		<hr/>	<hr/>
Profit for the year		<u>296,983</u>	<u>460,465</u>

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Turnover		
Sales	3,908,233	4,836,129
	2015 £	2014 £
Cost of sales		
Wages and salaries	2,581,449	3,019,911
National insurance	290,302	335,410
Subcontract labour	-	53,285
Consumables	34,860	38,209
Management fees	72,428	75,146
	2,979,039	3,521,961
	2015 £	2014 £
Other operating income		
Other operating income	250	9,256
	2015 £	2014 £
Administration expenses		
Staff training	5,747	6,285
Staff welfare	23,413	21,052
Recruitment expenses	39,433	30,755
Motor running costs	38,548	44,114
Motor vehicle leasing (operational)	75,252	83,392
Hotels, travel and subsistence	69,231	100,278
Consultancy	78,213	-
Printing and stationery	8,984	12,573
Telephone and fax	35,049	33,635
Computer costs	75,727	13,774
Advertising and promotion	28,818	61,354
Trade subscriptions	3,839	-
Legal and professional	20,529	102,890
Auditors' remuneration	28,500	27,700
Accountancy fees	7,544	-
Bank charges	1,541	1,652
Bad debts	17,296	8,440
Bad debt provision	-	19,840
Difference on foreign exchange	(53,944)	-
Sundry expenses	1,605	1,494
Sub-total carried forward	505,325	569,228

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 £	2014 £
Administration expenses (continued)		
Sub-total brought forward	505,325	569,228
Rent - operating leases	50,068	50,068
Light and heat	6,646	9,190
Repairs and maintenance	13,983	23,980
Other premises costs	42,540	25,686
Depreciation - office equipment	12,901	17,367
Amortisation - intangible fixed assets	-	165,237
Profit/loss on sale of tangible assets	-	(450)
	<u>631,463</u>	<u>860,306</u>
	2015 £	2014 £
Interest payable		
Bank loan interest payable	<u>998</u>	<u>2,653</u>