PROFESSIONAL COST MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Company Registration No. 06511368 (England and Wales)

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

COMPANY INFORMATION

Directors	Herve Amar Carlos Morientes (resigned 31 December 2017) Matthieu Pettex (resigned 31 December 2017) Martin Hook (appointed 31 December 2017)
Company secretary	Broadway Secretaries Limited
Registered number	06511368
Registered office	50 Broadway London England, United Kingdom W1H 0BL
Independent auditors	Ernst & Young LLP 2 St. Peter's Square Manchester England, United Kingdom M2 3EY

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

CONTENTS

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Directors

The directors who served during the year were:

Herve Amar
Carlos Morientes (resigned 31 December 2017)
Matthieu Pettex (resigned 31 December 2017)
Martin Hook (appointed 31 December 2017)

Proposed sale of company

The directors are in the final stage of negotiating the sale of the company to a third party and expect the transaction to complete in the first half September 2018.

Going concern

Although the Company has a positive cash balance as well as positive net assets and net current assets at 31 December 2017, based on the losses in that period and management's forecasts through to December 2019, the Directors have obtained a letter of support from the current parent company, Ayming SAS. This confirms that, should there be a requirement to do so, the parent company will provide the resources necessary to allow the Company to meet its obligations as they fall due for a period of at least 12 months from the date of approval of the financial statements or up to the point of sale of the Company. The Directors' anticipate agreeing a sale of the Company imminently and they have therefore obtained undertakings from the prospective buyer that it will provide the same support to the Company, under the same terms as Ayming SAS, on completion of a sale. Having reviewed the latest audited financial statements of the buyer for its year ended 31 December 2017 and its unaudited interim financial information for the six months ended 30 June 2018 the current Directors consider that there is reasonable certainty that it has the resources and financial strength required to provide the Company with financial support if called upon to do so.

The current Directors do not however have information about the buyer's detailed plans for the business following a sale including whether the business would continue to be operated in the same way or whether the trade and assets may be transferred to other entities or otherwise restructured. The current Directors consider this to be a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

However, taking into account assurances received from the prospective buyer, the current Directors continue to adopt the going concern basis of preparation in the financial statements.

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

....

Martin Hook
Director

Date: 10 / 09 / 18

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PROFESSIONAL COST MANAGEMENT GROUP LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Professional Cost Management Group Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes 1-13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the Company is in the process of being sold and the current Directors do not have information about the buyer's detailed plans for the business following a sale including whether the business would continue to be operated in the same way or whether the trade and assets may be transferred to other entities or otherwise restructured. As stated in note 2.2, these events or conditions, as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

Ernst & Young LLP

Julian Yates (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
2 St. Peter's Square
Manchester
M2 3EY

Date: 10/9/18

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover		2,839,837	3,315,618
Cost of sales		(2,298,545)	(2,734,115)
Gross profit		541,292	581,503
Administrative expenses		(739,963)	(606,562)
Other operating income		5,052	-
Operating loss		(193,619)	(25,059)
Interest payable and expenses		(1,210)	-
Loss before tax		(194,829)	(25,059)
Tax on loss		(597)	-
Loss after tax		(195,426)	(25,059)
Retained earnings at the beginning of the year		(9,895,294)	(9,870,235)
Loss for the year		(195,426)	(25,059)
Retained earnings at the end of the year		(10,090,720)	(9,895,294)

The notes on pages 8 to 16 form part of these financial statements.

REGISTERED NUMBER:06511368

PROFESSIONAL COST MANAGEMENT GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	6		28,295		47,954
Current assets					
Debtors	7	1,102,192		1,349,146	
Cash at bank and in hand	8	156,214		175,118	
		1,258,406		1,524,264	
Creditors: amounts falling due within one year	9	(573,219)		(663,310)	
Net current assets			685,187		860,954
Total assets less current liabilities			713,482		908,908
Net assets			713,482		908,908
Capital and reserves					
Called up share capital			10,804,202		10,804,202
Profit and loss account			(10,090,720)		(9,895,294)
			713,482		908,908

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Martin Hook
Director

Date: 10/9/18

The notes on pages 8 to 16 form part of these financial statements.

1. General information

Professional Cost Management Group Limited is a private company limited by shares and registered in England and Wales. The Company's registered number is 06511368 and the Company's registered office is 50 Broadway, London, SW1H 0BL, England, United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

Although the Company has a positive cash balance as well as positive net assets and net current assets at 31 December 2017, based on the losses in that period and management's forecasts through to December 2019, the Directors have obtained a letter of support from the current parent company, Ayming SAS. This confirms that, should there be a requirement to do so, the parent company will provide the resources necessary to allow the Company to meet its obligations as they fall due for a period of at least 12 months from the date of approval of the financial statements or up to the point of sale of the Company. The Directors' anticipate agreeing a sale of the Company imminently and they have therefore obtained undertakings from the prospective buyer that it will provide the same support to the Company, under the same terms as Ayming SAS, on completion of a sale. Having reviewed the latest audited financial statements of the buyer for its year ended 31 December 2017 and its unaudited interim financial information for the six months ended 30 June 2018 the current Directors consider that there is reasonable certainty that it has the resources and financial strength required to provide the Company with financial support if called upon to do so.

The current Directors do not however have information about the buyer's detailed plans for the business following a sale including whether the business would continue to be operated in the same way or whether the trade and assets may be transferred to other entities or otherwise restructured. The current Directors consider this to be a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

However, taking into account assurances received from the prospective buyer, the current Directors continue to adopt the going concern basis of preparation in the financial statements.

2. **Accounting policies (continued)**

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Office equipment	- 33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. **Accounting policies (continued)**

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

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

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

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

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

3. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	29,097	33,370

4. Employees

The average monthly number of employees, including directors, during the year was 38 (2016 -44).

5. Intangible assets

	Goodwill £
Cost	
At 1 January 2017	14,959,264
At 31 December 2017	14,959,264
Amortisation	
At 1 January 2017	14,959,264
At 31 December 2017	14,959,264
Net book value	
At 31 December 2017	-
At 31 December 2016	-

6. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost or valuation			
At 1 January 2017	14,519	291,064	305,583
Additions	-	1,144	1,144
At 31 December 2017	14,519	292,208	306,727
Depreciation			
At 1 January 2017	14,518	243,111	257,629
Charge for the year on owned assets	-	20,803	20,803
At 31 December 2017	14,518	263,914	278,432
Net book value			
At 31 December 2017	1	28,294	28,295
At 31 December 2016	1	47,953	47,954

7. Debtors: amounts falling due within one year

	2017 £	2016 £
Trade debtors	842,643	1,190,216
Amounts owed by group undertakings	-	118,201
Other debtors	3,597	4,243
Prepayments and accrued income	253,003	32,940
Deferred taxation	2,949	3,546
	1,102,192	1,349,146

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	156,214	175,118

Cash at bank and in hand is measured at fair value, which is calculated as amounts held on deposit at banks employed by the company less any impairments. No impairments to cash balances have been made in these accounts as all cash deposits are held at credible financial institutions.

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	17,753	6,592
Amounts owed to group undertakings	229,605	164,551
Other taxation and social security	150,830	220,058
Other creditors	8,636	5,055
Accruals and deferred income	166,395	267,054
	573,219	663,310

10. Deferred taxation

	2017 £	2016 £
At beginning of year	3,546	3,546
Charged to profit or loss	(597)	-
At end of year	2,949	3,546

The deferred tax asset is made up as follows:

	2017 £	2016 £
Fixed asset timing differences	2,949	3,546

11. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	46,320	58,747
Later than 1 year and not later than 5 years	47,871	94,191
	94,191	152,938

12. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standards 102 Section 1a from the requirement to disclose related party transactions with the ultimate parent company or any wholly owned subsidary undertaking of the group.

13. Controlling party

The parent company is Ayming SAS. The ultimate parent undertaking is ACG Holding SAS. The results of this company will be consolidated into the accounts of Ayming SAS. Copies of the financial statements can be obtained from 12/17 rue Sarah Bernhardt, 92600 Asnieres-sur-Seine, France.

There was no ultimate controlling party in the year.