

Limited Liability Partnership Registration No. OC359103 (England and Wales)

THE BOSTON CONSULTING GROUP UK LLP

Members' Report And Financial Statements

For The Year Ended 31 March 2013



THE BOSTON CONSULTING GROUP UK LLP

Members' Report

For the year ended 31 March 2013

The members present their report on the affairs of the entity, together with the audited financial statements and independent auditors' report, for the year ended 31 March 2013

Principal activities and review of the business

The principle activity of the partnership continues to be that of the provision of management consultancy services

Revenue from professional services for the financial year was £151,936,706 (15 months to Mar-12 £173,130,756) The profit for the financial year available for discretionary division amongst members was £55,635,042 (15 months to Mar-12 £55,088,696)

The management consultancy market is competitive and the service required by our clients, who operate in an increasingly complex and global economy, are ever changing. Our ability to serve our clients is dependent on our innovative ideas and the quality of our consulting staff. As a result, we continue to dedicate significant resources to the development and enhancement of our strategic thinking, as well as to the training of our staff. Both are key investments to the business and an integral part to its continuing success.

The LLP's performance is also subject to certain risks associated with both the local and global economies. In times of economic expansion, management consulting firms experience strong growth. However, year on year performance can deteriorate if the economic outlook becomes uncertain. While it is impossible to eliminate completely the repercussions associated with an economic downturn, we believe the deep and long standing relationships with our clients can somewhat mitigate its negative impact.

Given the LLP's continuing investment in its people, its brand and its unique relationship with many of its clients, we are confident that the LLP will maintain its current level of revenue in the future.

Given the straightforward nature of the business, the LLP's members are of the opinion that analysis of key performance indicators is not necessary as the disclosures within the financial statements give a clear and accurate view of the development, performance and position of the business.

Future developments

The members of the LLP believe that, despite the pressures of the economic downturn in developed markets, continued investment in service development, thought leadership and its people is the best way to advance the organisation and deliver sustained financial performance.

Designated Members

Designated members are those members specified as such in the membership agreement, as required under the 2000 Act. Designated members perform certain duties in relation to the legal administration of an LLP that would, for a company, be performed by the secretary or directors. The designated members (as defined in the Limited Liability Partnership Act 2000) of the LLP during the period were

Boston Consulting Group Limited (The)
BCG UK1 Limited

THE BOSTON CONSULTING GROUP UK LLP

Members' Report (Continued)

For the year ended 31 March 2013

Profit allocation and members' drawings

Members are required to provide capital contributions in accordance with the membership agreement, which they provide interest free. Capital is only repaid to members after they cease to be members of the LLP.

Profits are allocated each year as and when it is determined that sufficient profit is available. The final allocation of profits to those who are members during the financial year occurs following the finalisation of the annual financial statements of the group. As is permitted by the Limited Liability Partnership Regulations and the LLP Members' Agreements, allocated profits may not necessarily represent all the profits arising in a particular financial year, if the Remuneration Committee considers it appropriate to retain profits or allocate profits previously retained. Unallocated amounts are in "Members' other interest".

During the period, members receive monthly drawings, and from time to time, additional profits distributions. The level and timing of the additional distributions is decided by the Remuneration Committee, taking into account the cash requirements of the LLP for operating and investing activities. The drawings represent a proportion of their expected profit share and are made in 12 monthly instalments net of withholding tax. Any over distribution of profits during the period are recoverable from members.

In the balance sheet, the amounts shown as 'Total members' interests' relate to amount due to and from members of the LLP.

Charitable donations

Charitable donations in the year amounted to £15,333 (2012: £8,546).

Employees

The group is committed to employment policies which follow the best practice and are based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group give full and fair consideration to applications for employment from disabled persons, having regard for their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues their employment, either in the same or an alternative position, with appropriate retaining being given if necessary.

The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the group is considered important. The group encourages the involvement of employees by means of regular employee meetings.

THE BOSTON CONSULTING GROUP UK LLP

Members' Report (Continued)

For the year ended 31 March 2013

Financial risk management

Boston Consulting Group Limited (The) and BCG UK1 Limited are both members of the LLP, and are ultimately controlled by The Boston Consulting Group Inc (the 'group'). The policies set by the group's board of directors are implemented by the LLP's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage liquidity and interest rate risk, currency risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these. The LLP does not use derivative financial instruments to manage interest rate costs and as such, no hedge-accounting is applied.

Liquidity and interest rate risk

The LLP's arrangement with various banks ensures it can access the funds needed to meet its liquidity requirements. Cash can be obtained by withdrawing deposits held with the banks or through borrowing from The Boston Consulting Group Inc. Interest receivable/payable on balances between the LLP and banks is calculated at floating rates of interest.

Currency risk

The LLP's functional currency is sterling (GBP) and it also presents its accounts in GBP. Some purchases and sales are denominated in currencies other than GBP. In general, the LLP does not purchase derivatives to manage its exposure to currency risk, instead currency risks are managed at a group level.

Credit risk

The LLP's policies result in the establishment of contractual terms that minimise the amount of credit exposure to the lowest amount possible. The LLP performs ongoing evaluations of its receivables resulting from the performance of the above services and establishes allowances for potential losses on doubtful accounts.

Credit risk also arises from cash and deposits with banks and financial institutions. This is managed by only using banks and financial institutions that are independently rated with a minimum 'A' rating. The amount of exposure to any individual counterparty is subject to a limit, which is reviewed regularly by management.

Statement of members' responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 partnership will continue in business.

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

THE BOSTON CONSULTING GROUP UK LLP

Members' Report (Continued)

For the year ended 31 March 2013

This report was approved by the members and signed on their behalf by

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Mark B Holden

On behalf of Boston Consulting Group Limited (The)
Designated Member

20 Manchester Square
London W1U 3PZ

THE BOSTON CONSULTING GROUP UK LLP

Independent Auditors' Report

TO THE MEMBERS OF THE BOSTON CONSULTING GROUP UK LLP

We have audited the financial statements of The Boston Consulting Group UK LLP for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of the members and auditors

As explained more fully in the Statement of members' responsibilities set out on page 3, the members 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.

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2013 and of its profit 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

THE BOSTON CONSULTING GROUP UK LLP

Independent Auditors' Report (Continued)

TO THE MEMBERS OF THE BOSTON CONSULTING GROUP UK LLP

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit, or



Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and
Statutory Auditors
London

9 September 2013

THE BOSTON CONSULTING GROUP UK LLP

Profit And Loss Account

For the year ended 31 March 2013

		Year ended 31 March 2013 £	15 Month Period ended 31 March 2012 £
	Notes		
Turnover	2	151,936,706	173,130,756
Staff costs	3	(81,187,828)	(101,948,094)
Depreciation, amortisation and impairment		(1,162,784)	(1,672,588)
Other operating charges		(12,483,065)	(11,170,734)
Operating profit	6	57,103,029	58,339,340
Interest receivable and similar income	5	259,381	146,087
Interest payable and similar charges		(67,514)	(4,250)
Profit for the financial year before members' remuneration and profit shares		57,294,896	58,481,177
Members' remuneration charged as an expense		(1,659,854)	(3,392,481)
Profit for the financial year available for discretionary division among members		55,635,042	55,088,696

All the LLP's activities are continuing operations

There are no material differences between the profit and loss for the financial year before members' remuneration charged and profit shares and the profit for the financial year available for discretionary division among members and their historical costs equivalents

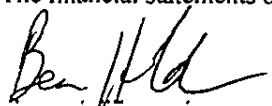
THE BOSTON CONSULTING GROUP UK LLP

Balance Sheet

As at 31 March 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	9		909,713		830,494
Current assets					
Intangible assets	8	-		681,606	
Debtors	10	87,657,017		68,056,807	
Cash at bank and in hand		15,845,883		22,643,692	
		103,502,900		91,382,105	
Creditors: amounts falling due within one year	11	(90,146,283)		(82,110,425)	
Net current assets			13,356,617		9,271,680
Total assets less current liabilities			14,266,330		10,102,174
Creditors: amounts falling due after more than one year	12		(3,480,885)		(976,583)
NET ASSETS ATTRIBUTABLE TO MEMBERS			10,785,445		9,125,591
REPRESENTED BY:					
Members' other interests:					
Members' capital classified as equity	14		5,733,110		5,733,110
Members other interests - other reserves classified as equity	14		5,052,335		3,392,481
			10,785,445		9,125,591
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	14		70,086,826		55,352,430
Members' other interests	14		10,785,445		9,125,591
			80,872,271		64,478,021

The financial statements on pages 7 to 8 were approved by the members on 9 Sept 2013 and signed on its behalf by

X  X

M Holden

Designated Member

The notes on pages 9 - 18 form part of these financial statements

Limited Liability Partnership Registration No OC359103

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements

For the year ended 31 March 2013

1 Accounting policies

1.1 Accounting basis

These financial statements are prepared on a going concern basis in accordance with the Companies Act 2006, as applied to Limited Liability Partnerships and in accordance with applicable accounting standards in the United Kingdom and the statement of recommended practice "Accounting by Limited Liability Partnerships"

1.2 Cash flow statement

The partnership is a wholly owned subsidiary entity of a group headed by BCG UK1 Limited and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the LLP has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original price of the asset and the costs attributable to bringing the asset to its working condition of its intended use, depreciation is provided at rates calculated to write off the cost (less estimated residual value of each asset) on a straight line basis over the estimated useful life as follows

Office equipment	2-5 years (20%-50% per annum)
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1.4 Intangible assets

Intangible assets relate to marketing rights which are shown at cost and are amortised until the end of 2012 which is considered to be the useful life of the asset

1.5 Deferred compensation

The LLP participates in a worldwide profit sharing scheme, which is administered by its parent company. The deferred compensation becomes payable between one to ten years of eligibility. The deferred compensation liabilities outstanding at the year-end are included in the balance sheet as a creditor.

1.6 Operating leases

Costs in respect of operating leases are charged to the profit and loss on a straight-line basis over the lease term.

1.7 Pensions

The LLP operates a defined contribution pension scheme which is insured. The assets of the scheme are held separately from those of the LLP in independently administered funds. The pension cost is the amount of the contributions payable in respect of the particular accounting period. Contributions outstanding at the year-end are included in the balance sheet as a creditor.

1.8 Provisions

Provisions are made for liabilities where, in the members' opinion, a present obligation exists and it is probable that an outflow of funds will be required to settle the financial liabilities in the future and the amounts can be estimated reliably. Where material, future cash flows are discounted in arriving at the amounts to be provided. The unwinding of the discount is reported as other finance income or costs in the profit and loss account.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

1 Accounting policies

(Continued)

1.9 Foreign currency

UK trading activities denominated in foreign currencies are recorded in sterling at the rate ruling at the date of each transaction. Any gain or loss arising from a change in exchange rates subsequent to the date of the transactions is reported as an exchange gain or loss in the profit and loss account.

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

1.10 Revenue

Revenue is stated net of sales tax and is recognised to the extent that it is probable that economic benefits will flow to the LLP and can be reliably measured. Revenue represents the fair value of professional services provided on the basis of time spent at the agreed fee rates. Under certain services or project management contracts, the LLP manages client expenditure and is obliged to purchase goods and services from third-party contractors and recharge them on to the client at cost. The amounts charged by contractors and recharged to clients are excluded from revenue and direct costs.

Revenue and costs are recognised on this basis where the outcome of the contract can be reliably measured and is reasonably certain. Full provision is made for all known or anticipated losses on each contract at the point where such losses are identified. Contract costs include direct staff costs and an appropriate allocation of overhead and disbursements.

Amounts due from clients are stated at revenue recognised to date less amounts billed on account. Amounts billed to clients are recorded in trade debtors less any provision for impairment. To the extent that fees paid on account exceed the value of work performed, they are included in trade creditors.

1.11 Work in progress

Unbilled fees for services performed are recorded at estimated billable amounts less amounts provided for as unrecoverable. Unbilled expenses recoverable from clients are recorded at cost incurred.

1.12 Share based payments

Share purchase scheme

For the share purchase scheme the ultimate parent company allows participants to buy shares in the parent, with the purchase funded by an interest-bearing loan. The LLP accounts for the plan as an equity-settled share based payment under FRS 20 as the obligation is to be settled by the ultimate parent company.

The fair value of the services received from participants in exchange for the share awards is recognised as an expense over the vesting period (if any). The fair value is measured by the use of the Black-Scholes option pricing model.

Capital interest scheme

Partners in the LLP are granted interest rights in Boston Consulting Group UK LLP. The value of the rights are tracked with reference to the value of BCG Inc shares. This is akin to a share based payment scheme. The LLP accounts for the plan as an equity-settled share based payment under FRS 20 because the obligation to settle the award resides with another group company, Boston Consulting Group Limited (The).

The fair value of the services received from participants in exchange for the share interest awards is recognised as an expense over the vesting period (if any). The fair value is measured by the use of the Black-Scholes option pricing model.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

1 Accounting policies

(Continued)

1.13 Taxation

The LLP is domiciled in England. Under the current laws of England, there is no income, estate, corporation, capital gains or other taxes payable by the LLP and any tax liability arising on the activities of the LLP will be borne by the individual members.

2 Segmental information

Contributions to turnover and profit for the financial period before members' remuneration charges and profit shares by geographical market have been omitted, as the members believe disclosure would be detrimental to the business.

3 Staff costs

Particulars of staff costs are shown below

		2013 £	2012 £
Salaries		36,000,419	41,973,469
Provision for deferred compensation	13	3,565,138	4,224,170
Social security costs		4,470,369	5,289,241
Pension costs	7	3,499,229	3,930,956
Outsourced consultancy		33,652,673	46,530,258
		<u>81,187,828</u>	<u>101,948,094</u>

Outsourced consultancy costs represent the secondment of employees from other BCG Inc. group companies.

The monthly average number of persons employed by the LLP during the year was as follows

	2013 Number	2012 Number
- Consultancy	304	254
- Administrative	115	91
	<u>419</u>	<u>345</u>

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

4 Members Remuneration

The monthly average number of members of the LLP during the year was as follows

	2013 Number	2012 Number
Consultancy	38	34
Administrative	2	2
	<u>40</u>	<u>36</u>

The partnership had 40 (2012 36) individual members and 2 (2012 2) corporate members as at 31 March 2013

The average profit per member for the year is calculated by dividing the profit for the financial year available for distribution among members by the average number of members, amount to £304,772 (2012 £577,379) (excluding the corporate members)

Profits are allocated on a gross basis before income tax charges, which are the personal liability of the individual members. Members do not receive any interest on their capital contributions or any remuneration other than their share of the profits

The profit attributable to the member with the largest entitlement to profit is Boston Consulting Group (The), amount to £43,444,147 (2012 £34,303,070)

5 Interest receivable and similar income

	2013 £	2012 £
Other interest receivable	259,381	146,087
	<u>259,381</u>	<u>146,087</u>

6 Operating profit

	2013 £	2012 £
Operating profit is stated after charging/(crediting)		
Amortisation of intangible assets	681,606	1,080,623
Depreciation of tangible assets	481,178	591,965
Fees payable to the LLP's auditors for the audit of the LLP's annual accounts	92,077	91,985
Profit on disposal of tangible assets	(1,299)	-
	<u>681,606</u>	<u>1,080,623</u>

The fees payable to the LLP's auditors and its associates for other (non-audit) services have not been disclosed because the consolidated accounts of the company's parent LLP's are required to disclose other (non-audit) services on a consolidated basis

7 Pension and other post-retirement benefit commitments

The cost for the financial year was £3,499,229 (2012 £3,930,956). Outstanding contributions at 31 March 2013 were £6,532 (2012 £11,423)

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

8 Intangible assets

	£
Cost	
At 1 April 2012 and at 31 March 2013	2,841,972
Accumulated amortisation	
At 1 April 2012	(2,160,366)
Charge for the year	(681,606)
At 31 March 2013	(2,841,972)
Net book value	
At 31 March 2013	-
At 31 March 2012	681,606

Intangible assets were fully amortised until the end of 2012, which was considered to be the useful life

9 Tangible assets

	Office equipment £
Cost	
At 1 April 2012	2,547,532
Additions	600,778
Disposals	(51,293)
At 31 March 2013	3,097,017
Accumulated depreciation	
At 1 April 2012	(1,717,038)
Disposals	10,912
Charge for the year	(481,178)
At 31 March 2013	2,187,304
Net book value	
At 31 March 2013	909,713
At 31 March 2012	830,494

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

10 Debtors		2013 £	2012 £
Trade debtors		24,593,047	49,391,310
Amounts owed by group undertakings		52,994,805	9,525,039
Other debtors		4,404,439	1,123,605
Prepayments		279,588	105,179
Unbilled fees and expenses		5,385,138	7,911,674
		<u>87,657,017</u>	<u>68,056,807</u>
11 Creditors' amounts falling due within one year		2013 £	2012 £
Amounts owed to group undertakings		7,313,161	14,665,754
Other creditors		297,989	37,628
Taxes and social security		2,858,266	3,653,935
Deferred compensation	13	148,659	1,075,107
Billings in advance		4,211,555	3,751,116
Trade creditors		115,044	592,411
Accruals		5,114,783	2,982,044
Amounts owed to members		70,086,826	55,352,430
		<u>90,146,283</u>	<u>82,110,425</u>
12 Creditors: amounts falling due after more than one year		2013 £	2012 £
Amounts owed to group undertakings		2,491,510	2,442
Deferred compensation	13	989,375	974,141
		<u>3,480,885</u>	<u>976,583</u>

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

13 Deferred compensation

(a) The deferred compensation can be analysed between amounts falling due within one year and after one year

	2013 £	2012 £
Deferred compensation as at 31 March	1,138,034	2,049,248
Less Current portion included in creditors falling due within one year	(148,659)	(1,075,107)
Deferred compensation - amounts falling due after one year	<u>989,375</u>	<u>974,141</u>

(b) The movement on deferred compensation comprises

	2013 £	2012 £
Deferred compensation transferred	-	22,032,261
Deferred compensation brought forward	2,049,248	-
Charged to profit and loss account	3,565,138	4,224,170
Recharged to inter-company	-	(214,241)
Amounts paid	(4,476,352)	(23,862,341)
Adjustments	-	(130,601)
Deferred compensation carried forward	<u>1,138,034</u>	<u>2,049,248</u>

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

14 Members' interests

	Members' other interests			Loans and other debts due to members		
	Members' capital (classified as equity)	Other reserves	Total	Members' capital (classified as a liability)	Other amounts	Total
	£	£	£	£	£	£
Members' interests at 1 April 2012	5,733,110	3,392,481	9,125,591	4,500,877	50,851,553	55,352,430
FRS 20 share based payments	-	1,659,854	1,659,854	-	-	-
Profit for the financial year available for discretionary division among members	55,635,042	-	55,635,042	-	-	-
Allocated profit	(55,635,042)	-	(55,635,042)	-	55,635,042	55,635,042
Members' interests after profit for the year	5,733,110	5,052,335	10,785,445	4,500,877	106,486,595	110,987,472
Introduced by members	-	-	-	32,294	-	32,294
Drawings	-	-	-	-	(40,932,940)	(40,932,940)
Members' interests at 31 March 2013	5,733,110	5,052,335	10,785,445	4,533,171	65,553,655	70,086,826

"Other amounts" included within Loans and other debts due to members represent allocated profits not yet paid to members and are due within one year. The basis on which profits are allocated is described in the accounting policies.

In the event of winding up, loans and other debts due to members rank equally with unsecured creditors, members' other interests (other reserves) rank after unsecured creditors and no additional protection is afforded to creditors. Members' capital contributions are determined by the Remuneration Committee of the LLP having regard, inter alia, to the working capital needs of the LLP.

15 Related party transactions

The LLP is ultimately a wholly owned subsidiary of BCG UK Limited, and therefore utilises the exemption contained in paragraph 3(c) of FRS 8 "Related party disclosures" not to disclose any transactions with any entities that are part of that group. The accounts for BCG UK Limited, its intermediary parent, which are prepared on a consolidated basis, are publicly available.

The ultimate holding company is The Boston Consulting Group Inc, incorporated in the Commonwealth of Massachusetts, USA. The Boston Consulting Group Inc, also prepares consolidated accounts, but they are not publicly available.

Details of transactions between the LLP and other related parties are disclosed below.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

15 Related party transactions	(Continued)	
	2013 £	2012 £
Year end balances arising from transactions with related parties		
Net amounts paid/(owed) to		
Other group companies	43,190,134	(5,143,157)
Costs in the year arising from transactions with related parties		
Amounts paid to		
Other group companies	4,686,914	1,401,361
Transactions relate to expenses paid to other BCG Inc group companies		

16 Share based payments

Share purchase scheme

The Boston Consulting Group Inc ("BCG Inc") allows Partners to buy shares in BCG Inc. Participants purchase their shares at fair value using an interest-bearing loan. There are no vesting conditions attaching to the purchase but the loan must be repaid when the shares are sold. The Black-Scholes pricing model has been used to calculate the FRs 20 fair value of the shares and loan. The following table summarises the fair values and key assumptions used.

	Year ended Mar-2013	15 month period ended Mar-2012
Number of share issued during the period	117,000	104,000
Weighted average fair value on issue	£11.79	£8.75
Weighted average exercise price	£134.14	£100.24
Weighted average purchase price	£134.14	£100.24
Expected dividend yield	0%	0%
Risk-free rate	0.34%	0.58%
Expected volatility	19.7%	19.3%
Expected life	2.5 years	2.5 years

Volatility has been determined by reference to historical volatility which is expected to reflect the BCG Inc's share price in the future. An expected life of 2.5 years has been assumed as the typical period before a participant will choose to sell the shares.

The weighted average purchase price is equal to the participant's actual purchase price together with the interest expected to be paid on the loan over the expected life.

As the purchase price is in US dollars the risk free interest rate is based on the US risk-free rate over the expected life.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2013

16 Share based payments

(Continued)

Capital interest scheme

During 2011, partners in the LLP were granted interest rights in The Boston Consulting Group UK LLP. The value of which are tracked with reference to the value of BCG Inc shares. This is akin to a share based payment scheme. The Black-Scholes option pricing model has been used to calculate the FRS 20 fair value of the interest on appreciation on these rights. The following table summarises the fair values and key assumptions used.

	Year ended Mar-2013	15 month period ended Mar-2012
Number of share issued during the period	16,053	197,103
Weighted average fair value on issue	£17.46	£12.59
Weighted average exercise price	£125.27	£76.11
Weighted average purchase price	£125.27	£76.11
Expected dividend yield	0%	0%
Risk-free rate	1.31%	2.59%
Expected volatility	19.7%	19.3%
Expected life	7 years	7 years

Volatility has been determined by reference to historical volatility which is expected to reflect the BCG Inc's share price appreciation in the future. An expected life of 7 years has been assumed as the typical period before a participant will choose to sell their interest.

The weighted average purchase price is equal to the participant's actual purchase price together with the interest expected to be paid on the loan over the expected life.

As the purchase price is in US dollars the risk free interest rate is based on the US risk-free rate over the expected life.

17 Control

The immediate parent company is Boston Consulting Group Limited (The). The ultimate parent and controlling company is The Boston Consulting Group Inc, a company incorporated in the Commonwealth of Massachusetts, USA.

The Boston Consulting Group Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of The Boston Consulting Group Inc are not publicly available.

BCG UK Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. Accounts can be obtained from 20 Manchester Square, London, W1U 3PZ.