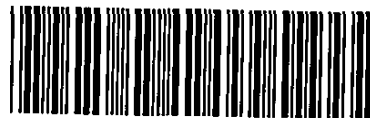


Company Registration No 02485577 (England and Wales)

METHODS CONSULTING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2013

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METHODS CONSULTING LIMITED

COMPANY INFORMATION

Directors	P Rowlin M P A Thompson
Company number	02485577
Registered office	9th Floor 125 Shaftesbury Avenue London WC2H 8AD
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3LR

METHODS CONSULTING LIMITED

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METHODS CONSULTING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2013

The directors present their report and financial statements for the year ended 30 April 2013

Principal activities and review of the business

The principal activity of the company during the year continued to be that of business, management and IS consultancy services, primarily for the public sector. The company has once again had a strong year, enjoying significant growth across its core markets of Health, Criminal Justice, and Central and Local Government, in spite of the challenging market conditions. We are also looking at new public service work streams in utilities and social housing.

Reflecting this growth, the company has invested significantly in both front and back office resources to ensure that this continued growth is supported with sustainable capabilities to enable future delivery commitments. We have continued to hand-pick key staff to further strengthen our pre-sales and delivery capability across Innovation & Delivery and Re-sourcing divisions within the business, a strategy that has pulled through into visible benefits in terms of increased sales, depth of client relationships, and delivery outcomes.

A particular investment for the year has been the addition of a specialist healthcare data analytics, including the development of a proprietary healthcare data portal and supporting analytical toolsets.

Market awareness of the company's activities and brand continues to grow - both in the range of client relationships, as well as through increased marketing capability and more sophisticated use of social media.

We are pleased with the growth in the number of assignments we are undertaking, the increase in the number of active clients and the larger scale of work we are able to undertake and have successfully delivered.

Dividends

No dividends will be distributed for the year ended 30 April 2013.

Operating performance and key performance indicators

Operating Performance	2013	2012
	£m	£m
Revenue	35.5	28.7
Operating profit/(loss)	0.5	0.5
Profit before tax	0.4	0.1
Key Performance indicators	2013	2012
Operating profit margin	1.3%	1.7%
EBITDA (1)	£0.5m	£0.5m

(1) Earnings before interest, tax, depreciation and amortisation

Future developments

With continued future growth and an increasing range of specialist and expert services, we expect to diversify our organisational structure during 2013-14 to enable the development of the individual service lines, focusing on the depth of the expertise. This will allow greater definition of service offerings within each service line, together with increased granularity of management reporting. We are also investing in a new set of core ICT systems based on a cloud platform, to support our increased growth and the wider range of assignments we are handling.

We expect the growth strategy to act as a firm basis for continued growth, and increased specialisation.

METHODS CONSULTING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

Directors

The directors who served during the year were

P Rowlin

M P A Thompson

P A Heather

C Day

(Resigned 24 July 2013)

(Resigned 31 May 2013)

Environment

Methods Consulting maintains a significant focus on minimising its carbon footprint. We ensure our environmental commitments play a role in our strategic decision making and we are currently shifting our IT systems onto a cloud-based externally-hosted platform.

We are ensuring that our re-accreditation to ISO 14001 four years ago, includes a continuous improvement in our operating processes and practices aimed at on-going reductions in the company's environmental impact. We have achieved our stated aims of carbon reduction, and reduction in waste that we produce, and will continue in our quest to reduce our environmental impact through reducing our use of consumables and electricity, as well as having water filters to reduce consumption of bottled water.

We support our employees' use of public transport via initiatives such as the National Cycle to Work scheme, an interest-free travel loan, and the fact that we do not have company cars. Our office environment is in a shared building which is both modern and efficient and centrally controlled by a Building Management System, and we regularly look at new techniques and technologies to reduce consumption and waste in all aspects of our business and our day to day activities.

We are committed to identifying new initiatives and opportunities for improvement, and will continue to strive for an efficient and effective business that minimises its impact on the environment.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

The auditors - are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board



P Rowlin

Director

Dated

28/01/14

METHODS CONSULTING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period. In preparing these financial statements, the directors 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 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.

METHODS CONSULTING LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF METHODS CONSULTING LIMITED

We have audited the financial statements of Methods Consulting Limited for the year ended 30 April 2013 set out on pages 5 to 16. 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 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 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.

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.

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.

Paul Beber (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3FR

Dated

29 January 2014

METHODS CONSULTING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2013

	Notes	2013 £	2012 £
Turnover	2	35,534,158	28,738,572
Other external charges		(29,922,407)	(23,539,658)
Staff costs	4	(3,152,068)	(2,742,161)
Depreciation		(11,705)	(20,720)
Other operating charges		(1,980,693)	(1,947,978)
Operating profit	3	467,285	488,055
Other interest receivable and similar income		1,343	2,223
Amounts written off investments	5	-	(335,000)
Interest payable and other expenses	6	(7,310)	(10,258)
Profit on ordinary activities before taxation		461,318	145,020
Tax on profit on ordinary activities	7	(110,281)	(129,592)
Profit for the year	16	351,037	15,428

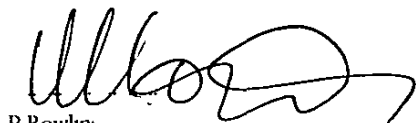
The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

METHODS CONSULTING LIMITED**BALANCE SHEET****AS AT 30 APRIL 2013**

	Notes	2013 £	2012 £
Fixed assets			
Intangible assets	8	18,780	13,297
Investments	9	320,000	320,000
		<u>338,780</u>	<u>333,297</u>
Current assets			
Debtors	10	15,159,185	12,634,099
Cash at bank and in hand		646,131	142,611
		<u>15,805,316</u>	<u>12,776,710</u>
Creditors amounts falling due within one year	11	<u>(8,220,620)</u>	<u>(5,438,635)</u>
Net current assets		<u>7,584,696</u>	<u>7,338,075</u>
Total assets less current liabilities		<u>7,923,476</u>	<u>7,671,372</u>
Creditors amounts falling due after more than one year	12	<u>-</u>	<u>(98,933)</u>
		<u>7,923,476</u>	<u>7,572,439</u>
Capital and reserves			
Called up share capital	15	400	400
Share premium account	16	352,184	352,184
Profit and loss account	16	7,570,892	7,219,855
Shareholders' funds	17	<u>7,923,476</u>	<u>7,572,439</u>

Approved by the Board and authorised for issue on 28/01/14



P Rowlin

Director

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

1.3 Revenue recognition

Turnover represents amounts receivable for services net of VAT and trade discounts

Time and materials revenue is recognised to the extent that time has been completed and materials expensed in the period

Fixed price contract revenues are recognised as contract activity progresses to reflect partial performance of the company's contractual obligations. Where this right to consideration arises the occurrence of a critical event (stage of deliverables or contract milestone) the revenue is recognised when the event occurs. Where it is considered that the outcome of the contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised. Foreseeable losses on contracts are recognised immediately

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	33% straight line
Fixtures, fittings & equipment	33% straight line
Vehicles	10% straight line

1.5 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.8 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

1 Accounting policies

(Continued)

1.9 Share based options

The ultimate parent company issues equity-settled share based payments to certain employees (including directors). The company accounts for share-based payments transactions with employees in accordance with Financial Reporting Standard (FRS) No. 20 'Share-based payments'. The cost of granting share options is recognised through the profit and loss account from the date of grant and over the vesting period of the options. Where the performance of certain non-market conditions are required to be satisfied before the options can vest, the company estimates the fair value of the options to be nil if these conditions are not likely to arise in the near future. This estimate is revised at each financial year end. Where the options vest on date of grant and the company expects the options to be exercised within a short period of time, the company calculates the cost of the grant using the intrinsic value of the underlying shares to be obtained on exercise as this is expected to amount to a reasonable approximation of the fair value of the options.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

2013	2012
£	£

Operating profit is stated after charging

Depreciation of owned tangible fixed assets

11,705	20,720
--------	--------

Operating lease rentals

- Plant and machinery

16,945	14,211
--------	--------

- Other assets

240,075	236,925
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Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

25,096	14,300
--------	--------

Non audit work performed

2,357	-
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27,453	14,300
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METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

4 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Office and Admin	6	5
Sales and Marketing	20	16
Consultants	21	18
	<u>47</u>	<u>39</u>

Employment costs

	2013 £	2012 £
Wages and salaries	2,791,635	2,415,849
Social security costs	330,358	295,084
Other pension costs	30,075	31,228
	<u>3,152,068</u>	<u>2,742,161</u>

5 Amounts written off investments

	2013 £	2012 £
Amounts written off fixed asset investments - permanent diminution in value	<u>-</u>	<u>335,000</u>

6 Interest payable and other expenses

	2013 £	2012 £
Interest payable	54	398
Other expenses	7,256	9,860
	<u>7,310</u>	<u>10,258</u>

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

7 Taxation	2013	2012
	£	£
Domestic current year tax		
U K corporation tax	110,281	127,781
Adjustment for prior years	-	1,811
	<hr/>	<hr/>
Current tax charge	110,281	129,592
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	461,318	145,020
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.92% (2012 - 25.84%)	110,347	37,473
	<hr/>	<hr/>
Effects of		
Non deductible expenses	5,119	96,996
Depreciation add back	3,564	5,354
Capital allowances	(10,610)	(8,270)
Adjustments to previous periods	-	1,508
Other tax adjustments	1,861	(3,469)
	<hr/>	<hr/>
	(66)	92,119
	<hr/>	<hr/>
Current tax charge	110,281	129,592
	<hr/>	<hr/>

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Vehicles	Total
	£	£	£	£
Cost				
At 1 May 2012	556,785	171,950	68,000	796,735
Additions	17,888	-	-	17,888
At 30 April 2013	574,673	171,950	68,000	814,623
Depreciation				
At 1 May 2012	544,281	171,857	68,000	784,138
Charge for the year	11,612	93	-	11,705
At 30 April 2013	555,893	171,950	68,000	795,843
Net book value				
At 30 April 2013	18,780	-	-	18,780
At 30 April 2012	13,204	93	-	13,297

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

9 Fixed asset investments

	Unlisted investments £
Cost	
At 1 May 2012 & at 30 April 2013	655,000
Provisions for diminution in value	
At 1 May 2012 & at 30 April 2013	335,000
Net book value	
At 30 April 2013	320,000
At 30 April 2012	320,000

In the opinion of the directors, the value of the unquoted investments are not less than their costs

The unquoted investments include an amount of £335,000 (2012 335,000) relating to an interest in Big Screen Productions 7 LLP, and an amount of £320,000 (2012 £320,000) relating to an interest in Big Screen Productions 13 LLP

The latest available financial statements for Big Screen Productions 7 LLP are for the year ended 31 March 2013 and for that year a profit of £150,000 (2012 profit £34,000) was reported with total members' interests of £1,166,000 (2012 £1,230,000). The company's share of investment is 1.36%. The latest available financial statements for Big Screen Productions 13 LLP are for the period ended 31 March 2013 and for that period a profit of £344,000 (2012 profit £113,000) was reported with total members' interests of £4,186,000 (2012 £3,915,000). The company's share of this investment is 0.68%.

As at 30 April 2013, the directors do not believe that the investment in Big Screen Productions 7 LLP is recoverable and therefore the provision made in the year ended 30 April 2012 has remained.

10 Debtors	2013 £	2012 £
Trade debtors	3,733,401	2,684,087
Amounts owed by group undertakings	7,434,228	7,196,009
Other debtors	57,777	46,698
Prepayments and accrued income	3,933,779	2,707,305
	<u>15,159,185</u>	<u>12,634,099</u>

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

11	Creditors' amounts falling due within one year	2013 £	2012 £
	Trade creditors	2,906,295	2,064,695
	Amounts owed to group undertakings	505,395	-
	Corporation tax	110,279	127,781
	Other taxes and social security costs	633,123	372,580
	Directors' current accounts	211,200	281,200
	Other loans	98,932	98,933
	Other creditors	15,228	16,286
	Accruals and deferred income	3,740,168	2,477,160
		<u>8,220,620</u>	<u>5,438,635</u>

12	Creditors: amounts falling due after more than one year	2013 £	2012 £
	Other loans	-	98,933
		<u>-</u>	<u>98,933</u>

13 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund and amounted to £30,075 (2012- £31,228).

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

14 Share-based payment transactions

During the year ended 30 April 2013, the company had two share-based payment arrangements, which are described below

Type of arrangement	EMI Options	EMI Options
Date of grant	15 December 2011	18 December 2012
Number granted	22,442	3,925
Contractual life	10 years	10 years
Vesting conditions	Change of ownership, transfer of business, or listing of the company	Change of ownership, transfer of business, or listing of the company

Further details of the share option plans are as follows:

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	2013	2013	2012	2012
At 1 May 2012	22,442	1.30	-	-
Granted	3,942	4.02	22,442	1.30
Outstanding at 30 April 2012	26,384	1.71	22,442	1.30
Exercised at 30 April 2012	-	-	-	-

The options outstanding at 31 May 2013 have an exercise price of £1.30 to £4.02, and weighted average remaining contractual life of 7.3 years

15 Share capital	2013	2012
	£	£
Allotted, called up and fully paid		
400 Ordinary shares of £1 each	400	400

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

16 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 May 2012	352,184	7,219,855
Profit for the year	-	351,037
Balance at 30 April 2013	352,184	7,570,892

17 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the financial year	351,037	15,428
Opening shareholders' funds	7,572,439	7,557,011
Closing shareholders' funds	7,923,476	7,572,439

18 Financial commitments

At 30 April 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2014

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Operating leases which expire				
Between two and five years	236,925	236,925	10,692	10,692

19 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

Milestone Operations Limited is a company formerly controlled by the parent company and in which the controlling shareholding was disposed of in the year ended 30 April 2011. The remaining 20% shareholding was sold on 30 April 2013. The company is incorporated in England and Wales. At 30 April 2013 Milestone Operations Limited owed £32,452 (2012 £11,152) to the company. During the year the company was charged management fees of £105,673 (2012 £64,992).

The shareholders, who are also directors, issued an interest free loan to the company during the year ended 30 April 2010. The amount outstanding at 30 April 2013 was £211,200 (2012 £281,200).

METHODS CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2013

20 Controlling parties

The immediate parent company of the company is Methods Holdings Limited, a company incorporated in England and Wales. The ultimate parent company is Acre 1145 Limited, a company incorporated in England and Wales. Acre 1145 Limited prepares group financial statements which are available from the registered office: 9th Floor, 125 Shaftesbury Avenue, London, WC2H 8AD.

The Directors consider the ultimate controlling party to be Mr P Rowlin, by virtue of his shareholdings in Acre 1145 Limited.