

Company Registration No. 02485577 (England and Wales)

METHODS ADVISORY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016



METHODS ADVISORY LIMITED

COMPANY INFORMATION

Directors	P Rowlin M Thompson A Hartshorn
Company number	02485577
Registered office	16 St Martin's Le Grand London EC1A 4EN
Auditor	HW Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Business address	16 St Martin's Le Grand London EC1A 4EN

METHODS ADVISORY LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 27

METHODS ADVISORY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present the strategic report for the year ended 30 April 2016.

Fair review of the business

The company has had a solid year of trading across its core markets of local and central government and healthcare, in spite of the challenging market conditions from austerity measures. We also consolidated our position in the police market, with some significant delivery contracts that enabled a broadening of our skill base.

Principal risks and uncertainties

The Board reviews and agrees policies for managing the main risks to the group which are summarised below:

Political Risk

The main uncertainties arising for the company are around the public sector spending profile adopted by the government in future parliaments and changes in procurement practices in the public sector away from the commercial enabling frameworks the group participates in.

Public Sector Spending

Whilst the company's income is predominantly public sector based, our market share is not considered high enough to be materially impacted by public sector spending cuts, in fact the current focus on getting much greater value from suppliers plays well to the company's capabilities and competitive positioning. The on-going pro-activity by UK government to promote the use of SME suppliers works to our advantage. The public sector's adoption of new techniques and technologies also favours the company's offerings over and above traditional competitors.

Public Sector Procurement Frameworks

Public sector procurement organisations use standard procurement frameworks to simplify and standardise buying procedures and contractual terms. The company has won positions on various frameworks through which it does the majority of its business. The company works hard to promote the use of these frameworks with its clients and we participate in and regularly review the frameworks as they come up for renewal to ensure we are able to take full advantage of them in the future.

Development and performance

The company made a pre-tax profit of £317,485 (2015: a loss of £7,218,396) for the year on a turnover of £12,620,599 (2015: £10,143,847).

At 30 April 2016 the company had net assets of £564,619 (2015: £360,551).

Key performance indicators

Operating profit margin: 2.3% (2015: 3.7%)

EBITA (1): £309,846 (2015: £401,350)

(1) = Earnings before interest, tax, depreciation, amortisation, exceptional items and amounts written off investments.

On behalf of the board



P Rowlin

Director

31/1/17

METHODS ADVISORY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present their report and financial statements for the year ended 30 April 2016.

Principal activities

The principal activity of the company continued to be the provision of business change, technology and procurement consultancy services, primarily for public sector clients.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Rowlin
M Thompson
A Hartshorn

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Financial risk management

The company's financial instruments comprise cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operation. The main financial risks arising from these financial instruments are liquidity and credit risk.

Liquidity risk

Liquidity risk arises in relation to the company's management of working capital and the risk that the company will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and ongoing working capital requirements are regularly reviewed by the directors.

Credit risk

Trade debtors and trade creditors give risk to credit risk for the company.

Trade debtors are, where appropriate, subject to a credit check, and regular reviews are undertaken of exposures to key customers and those where known risks have arisen or still persist. Unpaid balances are rigorously followed up on an ongoing basis. Any indications of impairment to the recoverability of trade debtor balances are provided for in the profit and loss account.

The risk arising from the possible non-advance of credit by the company's trade creditors either by exceeding the credit limit or not paying within the specified terms is managed by prompt payment and regular monitoring of the trade balance and credit limit terms for all suppliers.

The financial risk regarding amounts owed by connected companies is considered low risk as they are under the control of the ultimate shareholders.

Future developments

Looking ahead, we will aim for 10% revenue growth in the next trading year. We will remain focused on the public sector as our client base, continuing to diversify service offerings into more non-technology related change activities. A large number of public sector organisations are undergoing significant change as they adapt to greater expectations from the public, lower budgets and having to adapt to new ways of working, and we expect this market demand to continue.

Auditor

The auditor, HW Fisher & Company, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

METHODS ADVISORY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
P Rowlin

Director

.....31/11/17.....

METHODS ADVISORY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2016

The directors are responsible for preparing the annual 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;
- 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 ADVISORY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF METHODS ADVISORY LIMITED

We have audited the financial statements of Methods Advisory Limited for the year ended 30 April 2016 set out on pages 7 to 27. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

METHODS ADVISORY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF METHODS ADVISORY LIMITED

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 HW Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

31/1/17

METHODS ADVISORY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	12,620,599	10,143,847
Other operating income		130,951	-
Other external charges		(8,105,052)	(6,434,256)
Staff costs		(3,125,070)	(2,298,896)
Depreciation and other amounts written off tangible and intangible fixed assets		(21,306)	(13,009)
Other operating charges		(1,211,582)	(1,009,345)
Operating profit	4	288,540	388,341
Interest receivable and similar income	7	28,945	-
Interest payable and similar charges	8	-	(354)
Amounts written off investments	9	-	(249,547)
Exceptional profit on sale of trade and assets		-	7,443,164
Exceptional loss on loan waivers		-	(14,800,000)
Profit/(loss) before taxation		317,485	(7,218,396)
Taxation	10	(113,417)	(355,505)
Profit/(loss) for the financial year		204,068	(7,573,901)

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

METHODS ADVISORY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2016

	2016	2015
	£	£
Profit/(loss) for the year	204,068	(7,573,901)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>204,068</u>	<u>(7,573,901)</u>

METHODS ADVISORY LIMITED

BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12		30,804		20,747
Current assets					
Debtors	15	14,312,775		14,872,308	
Cash at bank and in hand		1,781,667		51,155	
		16,094,442		14,923,463	
Creditors: amounts falling due within one year	16	(14,702,824)		(13,777,659)	
Net current assets			1,391,618		1,145,804
Total assets less current liabilities			1,422,422		1,166,551
Provisions for liabilities	17		(857,803)		(806,000)
Net assets			564,619		360,551
Capital and reserves					
Called up share capital	20		400		400
Share premium account			352,184		352,184
Profit and loss reserves			212,035		7,967
Total equity			564,619		360,551

The financial statements were approved by the board of directors and authorised for issue on 31/1/17 and are signed on its behalf by:



 P Rowlin
 Director

Company Registration No. 02485577

METHODS ADVISORY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 May 2014		400	352,184	7,731,868	8,084,452
Year ended 30 April 2015:					
Loss and total comprehensive income for the year		-	-	(7,573,901)	(7,573,901)
Dividends	11	-	-	(150,000)	(150,000)
Balance at 30 April 2015		400	352,184	7,967	360,551
Year ended 30 April 2016:					
Profit and total comprehensive income for the year		-	-	204,068	204,068
Balance at 30 April 2016		400	352,184	212,035	564,619

METHODS ADVISORY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	26	1,714,180		396,785	
Interest paid		-		(354)	
Income taxes refunded/(paid)		18,750		(184,880)	
Net cash inflow from operating activities		1,732,930		211,551	
Investing activities					
Purchase of tangible fixed assets		(31,363)		(31,088)	
Interest received		108		-	
Other investment income received		28,837		-	
Net cash used in investing activities		(2,418)		(31,088)	
Financing activities					
Dividends paid		-		(150,000)	
Net cash used in financing activities		-		(150,000)	
Net increase in cash and cash equivalents		1,730,512		30,463	
Cash and cash equivalents at beginning of year		51,155		20,692	
Cash and cash equivalents at end of year		1,781,667		51,155	

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

Company information

Methods Advisory Limited is a private company limited by shares incorporated in England and Wales. The registered office is 16 St Martin's Le Grand, London, EC1A 4EN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 April 2016 are the first financial statements of Methods Advisory Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for services net of VAT.

Time and materials revenue is recognised to the extent that time has been completed and materials expensed in the year. The amount recognised is based on the billable value of time worked.

Revenue from fixed price contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. If it is expected that there will be a loss on a contract as a whole, all of the loss is recognised as soon as it is foreseen.

Where the right to consideration arises from the occurrence of a critical event (stage of deliverables or contract milestone) the revenue is recognised when the event occurs.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Straight line over 3 years
Fixtures, fittings & equipment	Straight line over 3 years
Vehicles	10% straight line

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from group and connected companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

(Continued)

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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.

1.13 Share-based payments

The parent company participates in an equity-settled share based payments arrangement granted to certain employees of this company. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the directors' valuation and agreed with HMRC.

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. Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

The parent company has no cash-settled arrangements.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Loss making contracts

Where a contract is loss making the company provides for the full loss of the contract once the loss has been identified and validated by management.

Bad and doubtful debt

The company creates a provision for bad debts when management judge there is likelihood that the debt will not be collectable.

Provisions

The company has recognised a provision for possible clawback of previous years corporation tax relief in its financial statement which requires management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience, documentation from HMRC and other reasonable and relevant factors.

Accruals

Accruals are based on the best estimate of costs that are expected to be invoiced after the year end. These are based on management's knowledge of costs relating to the group that have not yet been billed and invoices relating to the financial year that are received after the year end.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

Revenue is recognised based on the value of services delivered in a period. For time and materials engagements this is based on the billable value of time worked. For fixed price projects the company recognises revenue based on the percentage completion of the contract. Percentage completion is calculated by dividing the total cost to date on the contract by the total estimated cost for the whole contract. Total estimated costs are based on management judgement and detailed project plans. The accounting policy for revenue is disclosed in note 1.3 of the financial statements and the turnover for the year is disclosed in note 3 of the financial statements.

Tangible assets

The cost of tangible fixed assets is depreciated over its estimated useful economic life. Management estimates the useful lives of these tangible assets to vary. Changes in the expected level of usage and technological developments could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised. The accounting policy for tangible fixed assets is described in note 1.4. The carrying amount of the tangible fixed assets in the balance sheet is disclosed in note 12 of the financial statements.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Rendering of services	12,620,599	10,143,847
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	108	-
	<u> </u>	<u> </u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	12,620,599	10,143,847
	<u> </u>	<u> </u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	8,000	17,000
Depreciation of owned tangible fixed assets	21,306	13,009
Profit on disposal of tangible fixed assets	-	(17,581)
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Office and Admin	1	3
Sales and Marketing	2	1
Consultants	41	23
	<u> </u>	<u> </u>
	44	27
	<u> </u>	<u> </u>

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

5 Employees (Continued)

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,711,565	2,017,554
Social security costs	359,795	258,274
Pension costs	53,710	23,068
	<u>3,125,070</u>	<u>2,298,896</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	156,000	182,860
Company pension contributions to defined contribution schemes	3,750	3,450
	<u>159,750</u>	<u>186,310</u>

The above details of directors' remuneration does not include the remuneration of two directors, who are paid by a connected company and recharged to the company as part of a management charge. This management charge, which in 2016 amounted to £1,068,418 (2015 - £819,071), also includes a recharge of administrative costs borne by the connected company on behalf of the company and it is not possible to identify separately the amount of the two directors remuneration.

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	108	-
Income from fixed asset investments		
Income from other fixed asset investments	28,837	-
Total income	<u>28,945</u>	<u>-</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>108</u>	<u>-</u>
--	------------	----------

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

8 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	354
	<u> </u>	<u> </u>

9 Amounts written off investments

	2016	2015
	£	£
Other gains and losses	-	(249,547)
	<u> </u>	<u> </u>

10 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	113,417	479,254
Adjustments in respect of prior periods	-	(123,749)
	<u> </u>	<u> </u>
Total current tax	113,417	355,505
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	£	£
Profit/(loss) before taxation	317,485	(7,218,396)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.92%)	63,497	(1,510,088)
Tax effect of expenses that are not deductible in determining taxable profit	128	48,483
Gains not taxable	-	(1,557,110)
Adjustments in respect of prior years	-	(123,749)
Capital allowances in excess of depreciation	(2,011)	26,809
Exceptional loss on loan waivers	-	3,096,160
Provision of possible clawback of previous years corporation tax relief	51,803	375,000
	<u> </u>	<u> </u>
Taxation for the year	113,417	355,505
	<u> </u>	<u> </u>

11 Dividends

	2016	2015
	£	£
Interim paid	-	150,000
	<u> </u>	<u> </u>

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

12 Tangible fixed assets

	Plant and Fixtures, fittings machinery & equipment		Vehicles	Total
	£	£	£	£
Cost				
At 1 May 2015	42,624	-	68,000	110,624
Additions	30,170	1,193	-	31,363
At 30 April 2016	72,794	1,193	68,000	141,987
Depreciation and impairment				
At 1 May 2015	21,877	-	68,000	89,877
Depreciation charged in the year	20,908	398	-	21,306
At 30 April 2016	42,785	398	68,000	111,183
Carrying amount				
At 30 April 2016	30,009	795	-	30,804
At 30 April 2015	20,747	-	-	20,747

13 Fixed asset investments

	2016	2015
	£	£
Unlisted investments	-	-

Movements in fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 May 2015 & 30 April 2016	655,000
Impairment	
At 1 May 2015 & 30 April 2016	655,000
Carrying amount	
At 30 April 2016	-
At 30 April 2015	-

The unlisted investments represent minority interest in two Limited Liability Partnerships. As at 30 April 2016, the directors do not believe that the investments are recoverable and therefore the full provision against the investments made in the previous years have remained.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

14 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	14,267,485	14,713,625
Carrying amount of financial liabilities		
Measured at amortised cost	13,490,515	12,693,095

15 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	2,496,158	5,078,543
Other debtors	10,633,411	6,573,526
Prepayments and accrued income	942,477	2,979,510
	14,072,046	14,631,579
Amounts falling due after more than one year:		
Other debtors	240,729	240,729
Total debtors	14,312,775	14,872,308

Included within trade debtors is a provision for bad and doubtful debts of £16,273 (2015 - £Nil).

16 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	586,490	492,474
Corporation tax	62,169	(18,195)
Other taxation and social security	982,427	984,885
Other creditors	11,666,174	8,705,728
Accruals and deferred income	1,405,564	3,612,767
	14,702,824	13,777,659

Included within other creditors is £300 (2015: £84,191) owed to RBS Invoice Finance Limited. This amount is secured by a fixed and floating charge over the assets of the company.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

17 Provisions for liabilities

	2016 £	2015 £
Provision of possible clawback of previous years corporation tax relief	857,803	806,000

Movements on provisions:

	Provision of possible clawback of previous years corporation tax relief £
At 1 May 2015	806,000
Additional provisions in the year	51,803
At 30 April 2016	857,803

The provision relates to a possible clawback of previous years' corporation tax relief. This is not expected to be settled within 12 months of the balance sheet date.

18 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	53,710	23,068

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

19 Share-based payment transactions

During the year ended 30 April 2016, the parent company had one equity-settled share-based payment arrangement, which is detailed below. The equity-settled share-based payment arrangement is in respect of employees of this company. The parent company does not have any employees.

Type of Arrangement: Enterprise Management Incentive ("EMI") Scheme

Date of Grant: 29 October 2014.

Number Granted: 198,030.

Contractual Life: 10 years.

Vesting requirements: Options may be exercised on a change of ownership, transfer of business or a listing but does not include a reorganisation.

The estimated fair value of each share option granted is £1.67

The options were valued at the grant date by the directors and agreed with HMRC.

	Number of share options		Weighted average exercise price	
	2016 Number	2015 Number	2016 £	2015 £
Outstanding at 1 May 2015	190,796	-	1.67	-
Granted	-	198,030	-	1.66
Forfeited	(47,234)	(7,234)	1.68	1.38
Outstanding at 30 April 2016	<u>143,562</u>	<u>190,796</u>	<u>1.67</u>	<u>1.67</u>
Exercisable at 30 April 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 30 April 2016 had an exercise price ranging from £1.38 to £1.70 and a remaining contractual life of 8.5 years.

Liabilities arising in relation to equity settled share based payment transaction during the year was £0 (2015 - £0).

During the year, the company recognised total share-based payment expenses of £0 (2015 - £0) which related to equity settled share based payment transactions.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

20 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
400 Ordinary shares of £1 each	400	400
	<u>400</u>	<u>400</u>

21 Financial commitments, guarantees and contingent liabilities

The company and connected companies (through common ownership) are party to a banking arrangement with Coutts & Company, whereby an unlimited cross guarantee is given for all liabilities to the bank of any kind whether incurred alone or jointly with another. At the year end, the overall liability of the company and connected companies to the bank was £Nil (2015 - £Nil).

The company, its parent company and connected companies (through common ownership) are party to an invoice discounting facility with RBS Invoice Finance Limited, whereby an unlimited multi-party guarantee is given for all liabilities to RBS Invoice Finance Limited. At the year end, the overall liability of the company, its parent company and connected companies to RBS Invoice Finance Limited was £45,064 (2015 - £104,631).

22 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	278,551	153,597
Between two and five years	730,399	1,008,950
	<u>1,008,950</u>	<u>1,162,547</u>

There is no operating lease expense recognised in the profit and loss account, since the lease expense is paid by a connected company, and recharged to the company in the form of a management charge.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	159,750	186,310

The above details of key management personnel compensation do not include two of the directors' compensation, which is paid by a connected company and recharged to the company as part of a management charge. This management charge, which in 2016 amounted to £1,068,418 (2015 - £819,071), also includes a recharge of administrative costs borne by the connected company on behalf of the company and it is not possible to identify separately the amount of the two directors compensation.

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Rendering of services		Purchase of services	
	2016 £	2015 £	2016 £	2015 £
Entities under common control	372,715	351,640	17,332,164	31,829,504

	Management charges	
	2016 £	2015 £
Entities under common control	1,068,418	819,071

Due to the company acting as an agent for £16,199,867 (2015 - £31,345,027) of the purchases of services included in the above, these have been netted off against the respective turnover with third parties in the profit and loss account.

The following amounts were outstanding at the reporting end date:

	2016 £	2015 £
Amounts owed to related parties		
Entities under common control	11,623,738	10,870,948

These balances are unsecured, interest free and repayable on demand.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

23 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2016
	Balance
Amounts owed by related parties	£
Entities under common control	10,518,681
	<u> </u>
	2015
	Balance
Amounts owed in previous period	£
Entities under common control	6,582,644
	<u> </u>

These balances are unsecured, interest free and repayable on demand.

Dividends totalling £Nil (2015: £150,000) were declared to the parent company.

The company waived loans totalling £Nil (2015 - £14,800,000).

24 Directors' transactions

The shareholders, who are also directors, were owed £Nil (2015: £112,500) in respect of an interest free loan provided to the company. This amount was unsecured and repayable on demand.

25 Controlling party

The immediate and ultimate parent company is Methods Consulting (Advisory) Limited, a company incorporated in England and Wales. Methods Advisory Limited is a wholly owned subsidiary undertaking of Methods Consulting (Advisory) Limited.

The directors consider the ultimate controlling party to be the director, Mr P Rowlin, by virtue of his majority shareholding in Methods Consulting (Advisory) Limited.

Methods Consulting (Advisory) Limited is the parent undertaking of the largest and smallest group for which group accounts are drawn up, and of which the company is a member. The group accounts are publicly available from the registered office: 16 St Martin's Le Grand, London, EC1A 4EN.

METHODS ADVISORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

26 Cash generated from operations

	2016	2015
	£	£
Profit/(loss) for the year	204,068	(7,573,901)
Adjustments for:		
Taxation charged	113,417	355,505
Finance costs	-	354
Investment income	(28,945)	-
Gain on disposal of tangible fixed assets	-	(17,581)
Exceptional profit on sale of trade and assets	-	(7,443,164)
Exceptional loss on loan waivers		14,800,000
Depreciation and impairment of tangible fixed assets	21,306	13,009
Amounts written off investments	-	249,547
Movements in working capital:		
Decrease/(increase) in debtors	559,533	(8,435,711)
Increase in creditors	844,801	8,448,727
Cash generated from operations	1,714,180	396,785