

Registered Number 3548695

**ASMMC Limited  
(formerly CSTIM Limited)**

**Directors' report and financial statements**

**for the year ended 30 June 2008**

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## **ASMMC Limited (formerly CSTIM Limited)**

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**DIRECTORS' REPORT**

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The Directors present their report and the audited financial statements of ASMMC Limited ("the Company") for the year ended 30 June 2008. The Company changed its name from CSTIM Limited to ASMMC Limited on 2 March 2009.

**Principal activities**

During the period the Company operated with 3 distinct business units all serving clients in the investment industry both locally and globally:

- UK based management consulting services ("UK consulting");
- Luxembourg based management consulting services ("Luxembourg consulting"); and
- UK based resource placement services ("Resource placement").

The Luxembourg consulting business is a branch of the Company and is fully consolidated into these financial statements.

As detailed in the prior year's accounts and directors report, on 1 April 2007 the trade and other assets of SkillsHub Limited (now called ASMMCTWO Limited) and Morse Management Consulting Limited (a fellow subsidiary of Morse plc also providing management consulting services to the investment industry) were transferred to the Company to simplify business administration. The results for the current period therefore reflect a full years trading of these transferred businesses.

**Business review and future developments**

The Company's core business as a specialist provider of strategy and business improvement consultancy services to the investment industry supplemented by the provision of resource placement services continued in the financial year.

The Company continued to develop its range of services aligned with the new investment strategies deployed by it's clients. This involved helping clients with operating model and technology architecture redesigns to support an ever more complex set of investment instruments. As the tougher economic conditions began to effect clients, the Company was also able to help clients with cost reduction initiatives such as outsourcing.

The UK consulting business saw its operating profits grow relative to the prior year despite the tougher economic trading conditions while the Resource placement business fell back slightly compared to the prior year. The Luxembourg consulting business struggled in the period and was loss making at the local Euro level (although due to the favourable foreign exchange impact on branch consolidation it's sterling result is actually marginally profit making).

Post year end a strategic review by the Company's parent Morse plc was undertaken and the decision was made to dispose and restructure the 3 trading businesses within the Company. The UK consulting business (along with the business of its Jersey subsidiary) was sold to Navigant Consulting (Europe) Limited on 20 February 2009 for a maximum consideration of £1.7m. The Resource placement business was sold to management on 3 April 2009 for a nominal value. Due to continued difficult trading it was decided to close the Luxembourg consulting business. It has also been decided to close the Company's South African subsidiary while options for the French subsidiary remain under consideration at the date of this report.

The anticipated financial impacts of these changes to the Company's investments are reflected in note 9 (Investments) and note 14 (Reserves).

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**DIRECTORS' REPORT**

**Risk**

Historically the Company has faced risks from loss of both key clients and key staff which were both appropriately managed to mitigate these. Following the changes detailed above with the disposal or closure of all the Company's trading operations these risks are no longer relevant. The principal risk that remains in the business are with the recovery of the remaining business assets which will be mitigated by a controlled approach to this process utilising both resources of Morse Group and its professional advisors.

For a more detailed discussion of relevant risks faced as a part of the Morse Group please see Morse plc 2008 accounts, page 20.

**Environment**

Morse plc, the ultimate parent company of the Company, recognises the importance of the environment and monitors and reviews its current and ongoing impact on the environment as a whole covering all group activities. In the Morse plc annual report and accounts the Company's parent has policies to address environmental impact for the entire group, including that of the Company. Morse plc imposes upon its subsidiary companies compliance with group initiatives to require for environmentally friendly disposal of waste, recycling and reducing energy consumption as far as possible.

For a more detailed discussion of environmental policies within the Morse Group please see Morse plc 2008 accounts, page 22.

**Human resources**

Details of employees and associated remuneration costs are provided in note 3 of these financial statements.

Morse, and the Company as a member of the Morse Group, provides employees with regular information about the business through newsletters, email, and update meetings that allow the free flow of information and ideas between management and employees.

The Company recognise the importance of non-discriminatory employment practise and has an equal opportunities policy that includes the employment of people with disabilities. It gives full consideration to applications from disabled persons when the requirements for the job can be fulfilled and this applies equally where existing employees become disabled.

**Political and charitable donations**

The Company made no political donations during the year (2007: £nil). Donations to charities amounted to £5,680 (2007: £4,265).

**Results and dividends**

The results of the Company are set out in detail on page 7.

The Directors do not recommend the payment of a dividend this year (2007: £nil). The profit for the financial year was £742,999 (2007: £284,146).

**DIRECTORS' REPORT (continued)**

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**Directors**

The Directors who served the Company during the year ended 30 June 2008 and to the date of signing these accounts were as follows

K Alcock	(resigned 7 July 2008)
A Burton	(resigned 24 October 2008)
J Connor	(resigned 5 February 2009)
L De Nicola	(resigned 5 February 2009)
E Dodd	(resigned 30 September 2008)
H Ward	(resigned 24 October 2008)
D Lumer	(resigned 5 February 2009)
M Hobbs	(appointed 7 July 2008; resigned 5 February 2009)
M Phillips	(appointed 1 October 2008)
B Robinson	(appointed 5 February 2009)

**Supplier payment policy and practice**

The company supports the Better Payment Practice Code (previously the CBI's Prompt Payers Code), to which it subscribes, when dealing with all its suppliers. A copy of the code can be obtained from the Department of Trade and Industry, DTI Publications, Orderline, Admail 528, London SW1W 8YT.

It is Company policy that payments to suppliers are made in accordance with agreed terms and conditions on an individual basis provided all trading terms and conditions have been complied with.

The average number of creditor days for the Company for the year was 37 (2007: 36).

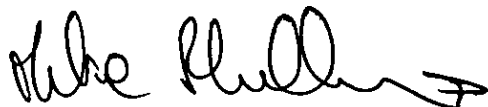
**Disclosure of information to auditors**

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

A resolution, pursuant to section 384 of the Companies Act 1985, re-appointing KPMG Audit Plc as auditors for the ensuing year will be placed before the Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:



Director

22 June 2009

Profile West  
950 Great West Road  
Brentford  
Middlesex  
TW8 9EE

**Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of ASMMC Limited**

We have audited the financial statements of ASMMC Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of ASMMC Limited** *(continued)*

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

8 Salisbury Square  
London  
EC4Y 8BB

*22 June 2009*



**ASMMC Limited (formerly CSTIM Limited)****PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 June 2008**

	Note	Year ended 30 June 2008 £	Year ended 30 June 2007 £
Revenue	2	11,409,123	9,450,500
Cost of sales		(7,624,273)	(7,483,405)
Gross profit		<u>3,784,850</u>	<u>1,967,095</u>
Administrative expenses before Investment impairment		(2,099,505)	(1,400,845)
Investment Impairment	9	(575,231)	-
Total Administrative expenses after impairment		<u>(2,674,736)</u>	<u>(1,400,845)</u>
Operating profit		<u>1,110,114</u>	<u>566,250</u>
Income from shares in group undertaking		149,201	27,582
Interest payable and similar charges	5	(647)	(17,725)
Interest receivable and similar income	6	6,404	71,453
Profit on ordinary activities before taxation	4	<u>1,265,072</u>	<u>647,560</u>
Tax on profit on ordinary activities	7	(522,073)	(363,414)
Profit for the financial year	14	<u><u>742,999</u></u>	<u><u>284,146</u></u>

See note 15 which details discontinuation of activities post the balance sheet date.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the years stated above and their historical cost equivalents.

The company has no recognised gains or losses other than the results for the year as set out above, accordingly a statement of total recognised gains and losses has not been prepared.

**ASMMC Limited (formerly CSTIM Limited)**

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**for the year ended 30 June 2008**

	<b>Year ended 30 June 2008 £</b>	<b>Year ended 30 June 2007 £</b>
Profit for the financial year	742,999	284,146
Opening shareholders' funds	4,988,184	4,704,038
Closing shareholders' funds	<u>5,731,183</u>	<u>4,988,184</u>

The notes on pages 10 to 19 form part of these accounts.

**ASMMC Limited (formerly CSTIM Limited)****BALANCE SHEET****as at 30 June 2008**

	Note	30 June 2008 £	30 June 2007 £
<b>FIXED ASSETS</b>			
Tangible assets	8	137,707	234,551
Investments	9	419,938	1,251,584
		<u>557,645</u>	<u>1,486,135</u>
<b>CURRENT ASSETS</b>			
Debtors	10	4,761,721	5,503,764
Cash at bank and in hand		3,508,428	2,610,139
		<u>8,270,149</u>	<u>8,113,903</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(3,096,611)</u>	<u>(4,611,854)</u>
<b>NET CURRENT ASSETS</b>		<u>5,173,538</u>	<u>3,502,049</u>
<b>TOTAL NET ASSETS</b>		<u>5,731,183</u>	<u>4,988,184</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	13	10,400	10,400
Profit and loss account	14	5,720,783	4,846,984
Merger reserve account	14	-	130,800
<b>SHAREHOLDERS EQUITY</b>		<u>5,731,183</u>	<u>4,988,184</u>

The financial statements were approved by the Board of Directors on 22<sup>nd</sup> June 2009 and signed on its behalf by:



Director

The notes on pages 10 to 19 form part of these accounts.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2008**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards, using the following accounting policies which have been consistently applied in dealing with items in relation to the financial statements.

Note 15 details the disposal or closure of the Company's 3 trading business units post the balance sheet date. The directors believe the going concern basis for these financial statements remains appropriate as the Company will still be able to meet its liabilities when they fall due.

**Consolidated accounts**

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. The financial statements present information about the Company as an individual undertaking and not about its group.

The Luxembourg branch is considered to be an extension of the UK business and is fully consolidated within these financial statements.

As the Company is a wholly owned subsidiary of Morse plc, the Company has taken advantage of the exemption contained in FRS 8 "Related party disclosures" and has therefore not disclosed transactions or balances which form part of the group. The consolidated financial statements of Morse plc, within which the Company is included, are available from the address stated in note 17.

**Revenue**

Revenue represents the value of advisory and resource placement services provided within the Company's ordinary activities net of Value Added Tax. Revenue recognition occurs when persuasive evidence of an arrangement exists, provision of advisory or resource placement services has occurred, the fee is determinable and collectability is probable.

**Cash flow statement**

The Company has taken advantage of the exemptions permitted by FRS 1 (Revised 1996) "Cash Flow Statement" not to produce a cash flow statement, on the basis that it is a wholly owned subsidiary undertaking of Morse plc and the cash flows of the Company are included within the consolidated group cash flow statement of Morse plc, in its published financial statements.

**Tangible fixed assets**

The cost of the tangible fixed assets, net of estimated residual value, is depreciated in equal annual instalments over the estimated useful lives of the assets. The estimated useful lives are as follows:

Leasehold improvements	-	Remaining term of the lease
Computers and office equipment	-	3 years
Fixtures and fittings	-	Remaining term of the lease

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**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 30 June 2008**

**1. ACCOUNTING POLICIES (continued)**

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

**Pension costs**

The Company makes contributions to an independently administered defined contribution scheme. Contributions are charged to the profit and loss account as they accrue. In addition the Company makes contributions to certain employees' personal pension arrangements which are charged to the profit and loss account as they accrue.

**Taxation**

The tax charge for the periods presented comprises current and deferred tax. Taxation is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the period using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of prior periods.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in future have occurred at the balance sheet date, except as otherwise required by FRS19. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**Foreign currencies**

Transactions denominated in foreign currencies are translated to Sterling at the average monthly exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. These translation differences are included in the profit and loss account.

Exchange differences arising on the Consolidation of the Company's foreign branch are included in the profit and loss account.

**Investments**

Investments in subsidiary undertakings are stated at cost less provision for any impairment in value. Trade investments are held at cost less provision for any impairment in value. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

2. SEGMENTAL REPORTING

(1) Classes of business

The Company has one class of business being that of providing advisory and placement services to companies engaged in the investment industry.

(2) Geographic areas

An analysis of revenue and profit on ordinary activities before taxation is given below:

	Year ended 30 June 2008		Year ended 30 June 2007	
	Revenue £	Profit before taxation £	Revenue £	Profit before taxation £
United Kingdom	11,333,214	1,261,690	8,889,036	549,148
Luxembourg	75,909	3,382	561,464	98,412
	<u>11,409,123</u>	<u>1,265,072</u>	<u>9,450,500</u>	<u>647,560</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Average monthly number of persons employed (including Directors)	Year ended 30 June 2008	Year ended 30 June 2007
	Number	Number
Management consultants	39	32
Administration staff	16	19
	<u>55</u>	<u>51</u>

Staff costs (including Directors)	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
Salaries	4,851,775	4,591,809
Social security costs	549,700	531,983
Pension costs	239,125	301,767
	<u>5,640,600</u>	<u>5,425,559</u>

Directors' emoluments	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
Aggregate emoluments	394,176	689,857
Company contributions to money purchase pension schemes	25,060	39,450
	<u>419,236</u>	<u>729,307</u>

NOTES TO THE FINANCIAL STATEMENTS

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

Emoluments of highest paid Director	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
Aggregate emoluments	224,840	228,437
Company contributions to money purchase pension schemes	14,280	13,020
	<u>239,120</u>	<u>241,457</u>

Two Directors participated in pension schemes (2007:Six).

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging / (crediting):	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
Depreciation of tangible fixed assets	100,391	87,547
Auditors' remuneration		
- statutory audit fees	20,335	23,067
- tax advisory	9,230	18,500
Foreign exchange (gain)/loss	(55,346)	53,595
Operating lease rentals - land and buildings	356,700	334,543
Operating lease rentals - other	12,880	12,880
Profit on disposal of fixed assets	-	(3,500)

The operating lease rentals in respect of land and buildings include a property held in the name of another group company but whose costs are borne by this Company.

The other operating lease rentals figure was not disclosed in the prior year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
Bank interest payable and similar charges	223	761
Other interest payable	424	16,964
Interest payable and similar charges	<u>647</u>	<u>17,725</u>

The Other interest payable figure was not separately disclosed in the prior year when it was all included under Bank interest payable. Other interest payable in the current and prior year relates to interest payments to tax authorities in the UK and Luxembourg.

NOTES TO THE FINANCIAL STATEMENTS

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
Bank interest received	3,407	25,811
Interest from associate undertaking	-	3,303
Interest from group undertaking	2,997	42,339
Interest receivable and similar income	<u>6,404</u>	<u>71,453</u>

During the prior year the Company entered into a UK Group wide cash pooling arrangement with bank interest from this time recognised in another UK Group company. This arrangement continued throughout the current year.

Also in the prior year interest was received on UK intercompany accounts with UK group companies. This ceased in the current year.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 June 2008	Year ended 30 June 2007
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	544,830	209,022
Adjustment in respect of prior periods	(48,075)	118,442
	<u>496,775</u>	<u>327,464</u>
<i>Foreign tax</i>		
Current tax on income for the period	-	28,900
Adjustment in respect of prior periods	(1,104)	-
	<u>(1,104)</u>	<u>28,900</u>
<b>Total current tax</b>	<u>495,651</u>	<u>356,364</u>
<i>Deferred tax</i>		
Origination of timing difference	-	7,050
Deferred tax asset considered unrecoverable in future periods	26,422	-
<b>Total deferred tax</b>	<u>26,422</u>	<u>7,050</u>
<b>Tax on profit on ordinary activities</b>	<u>522,073</u>	<u>363,414</u>



**NOTES TO THE FINANCIAL STATEMENTS**
**7. TAX ON PROFIT ON ORDINARY ACTIVITIES ( continued)**

The current tax charge is higher (2007: higher) than the standard rate of corporation tax in the UK of 29.5% (2007 - 30%). The differences are explained below.

	Year ended 30 June 2008 £	Year ended 30 June 2007 £
Profit on ordinary activities before taxation	1,265,072	647,560
Current tax at 29.5% (2007:30%)	373,196	194,268
Expenses not deductible for tax purposes	8,472	49,619
Dividends received not subject to corporation tax	(44,014)	(8,274)
Depreciation in excess of capital allowances	10,999	2,309
Losses of Branch not available for offset	26,484	-
Permanently disallowable item – investment impairment	169,693	-
Adjustments in respect of prior periods – UK	(48,075)	118,442
Adjustments in respect of prior periods – Luxembourg	(1,104)	-
Total current tax charge	495,651	356,364

**8. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Computer and office equipment £	Fixtures & fittings £	Total £
Cost				
At 30 June 2007	290,793	433,015	87,538	811,346
Additions	-	-	3,480	3,480
Disposals	-	-	-	-
Foreign exchange	-	4,399	1,166	5,565
At 30 June 2008	290,793	437,414	92,184	820,391
Depreciation				
At 30 June 2007	131,480	402,576	42,739	576,795
Charge for the year	59,743	22,200	18,448	100,391
Disposals	-	-	-	-
Foreign exchange	-	4,332	1,166	5,498
At 30 June 2008	191,223	429,108	62,353	682,684
Net book value				
At 30 June 2008	99,570	8,306	29,831	137,707
At 30 June 2007	159,313	30,439	44,799	234,551

**ASMMC Limited (formerly CSTIM Limited)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**9. INVESTMENTS**

	<b>Subsidiary undertakings £</b>	<b>Other investments £</b>	<b>Total £</b>
Cost			
At 30 June 2007	1,226,584	25,000	1,251,584
Reduction in deferred consideration payable	(256,415)	-	(256,415)
At 30 June 2008	<u>970,169</u>	<u>25,000</u>	<u>995,169</u>
Provision for Impairment			
At 30 June 2007	-	-	-
Charge to profit and loss account in year	575,231	-	575,231
At 30 June 2008	<u>575,231</u>	<u>-</u>	<u>575,231</u>
Net book value:			
At 30 June 2008	<u>394,938</u>	<u>25,000</u>	<u>419,938</u>
At 30 June 2007	<u>1,226,584</u>	<u>25,000</u>	<u>1,251,584</u>

The carrying value of the investments in subsidiaries has been impaired as a result of a review by the directors to reflect the net realisable value of those investments.

	<b>Country of incorporation</b>	<b>% of ordinary shares and voting rights held</b>	<b>Nature of business</b>
<b>Subsidiary undertakings:</b>			
Morse Limited (formerly CSTIM Jersey Limited)	Jersey	100%	Consultancy
Morse Consulting (Pty) (formerly CSTIM Management Consulting (Proprietary) Limited)	South Africa	100%	Consultancy
Morse Management Consulting S.A.S. (formerly CSTIM S.A.S.)	France	60%	Consultancy
SkillsHub Limited	England	100%	Contractor placement
<b>Other investments:</b>			
Fleming McGillivray & Co Limited	England	9.7%	Consultancy

NOTES TO THE FINANCIAL STATEMENTS

10. DEBTORS

	2008	2007
	£	£
Trade debtors	950,936	2,949,384
Amounts owed by subsidiary undertakings	91,078	577,377
Amounts owed by group undertakings	2,642,675	499,020
Other debtors	27,848	35,199
Deferred tax	-	26,422
Prepayments and accrued income	1,049,184	1,416,362
	<u>4,761,721</u>	<u>5,503,764</u>

Deferred Taxation

Year ended  
30 June 2008

Year ended  
30 June 2007

The movement in deferred taxation is as follows:

	£	£
Opening balance	26,422	33,509
(Charge) / credit for the year	(26,422)	(7,050)
Other	-	(37)
Closing balance	<u>-</u>	<u>26,422</u>

30 June 2008  
£

30 June 2007  
£

The elements of deferred taxation are as follows:

Accelerated capital allowances	-	26,422
	<u>-</u>	<u>26,422</u>

11. CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	385,797	470,998
Amounts owed to subsidiary undertakings	582,666	745,531
Amounts owed to group undertakings	626,775	1,548,350
Corporation tax	188,757	226,550
PAYE and social security	7,014	8,618
VAT	72,307	142,192
Other creditors	205,688	193,557
Accruals and deferred income	1,027,607	1,276,058
	<u>3,096,611</u>	<u>4,611,854</u>

**ASMMC Limited (formerly CSTIM Limited)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12. COMMITMENTS UNDER OPERATING LEASES**

There are no capital commitments at 30 June 2008 (2007: nil). At 30 June 2008 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2008 £	Other 2008 £	Land and buildings 2007 £	Other 2007 £
Operating leases which expire:				
Within 1 year	36,641	-	25,200	-
Between years 2 and 5	-	15,163	296,743	15,163
	<u>36,641</u>	<u>15,163</u>	<u>321,943</u>	<u>15,163</u>

In the prior year the Land and buildings annual commitments included a property held in the name of another group company but whose costs were borne by this Company so the commitment was reflected in this Company. For the current year the commitment has been reflected in the group company that holds the property.

The other operating lease rentals figure was not disclosed in the prior year.

**13. SHARE CAPITAL**

Authorised share capital:

	2008 £	2007 £
20,000 Ordinary shares of £1.00 each	<u>20,000</u>	<u>20,000</u>
Allotted, called up and fully paid:		
	2008 £	2007 £
10,400 Ordinary shares of £1.00 each	<u>10,400</u>	<u>10,400</u>

**14. RESERVES**

	Profit and loss account £	Merger reserve account £
Opening balance	4,846,984	130,800
Retained profit for the year	742,999	-
Utilisation of merger reserve	130,800	(130,800)
Balance carried forward	<u>5,720,783</u>	<u>-</u>

The transfer of the merger reserve to the profit and loss account in the period has arisen due to the investment write down against the South African subsidiary (see note 9). The merger reserve of £130,800 arose in 2004 in respect of the share issue used to acquire the South African subsidiary. The write down in the investment value of the South African subsidiary exceeded this amount so the merger reserve has been transferred in full to the profit and loss account.

**15 POST BALANCE SHEET EVENTS**

Post year end a strategic review by the Company's parent Morse plc was undertaken and the decision was made to dispose and restructure the 3 trading businesses within the Company. The UK consulting business (along with the business of its Jersey subsidiary) was sold to Navigant Consulting (Europe) Limited on 20 February 2009 for a maximum consideration of £1.7m. The Resource placement business was sold to management on 3 April 2009 for a nominal value. Due to continued difficult trading it was decided to close the Luxembourg consulting business.

It has also been decided to close the Company's South African subsidiary while options for the French subsidiary remain under consideration at the date of this report. The anticipated financial impacts of these changes to the Company's investments are detailed in note 9.

**16. RELATED PARTY TRANSACTIONS**

Fleming McGillivray & Co Limited (of which ASMMC Ltd own 9.7% – see note 9) charged the Company consultancy fees during the year ended 30 June 2008 of £19,511 (2007: £16,071) on normal commercial terms. The company made no charges to Fleming McGillivray & Co Limited during the year ended 30 June 2008 (2007: £68,786). At 30 June 2008 Fleming McGillivray & Co Limited owed the company £nil (2007: nil). At 30 June 2008 the company owed Fleming McGillivray & Co Limited £nil (2007: £nil).

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under FRS 8 "Related Party Disclosure".

**17. IMMEDIATE AND ULTIMATE PARENT COMPANY**

The immediate and ultimate parent company is Morse plc, a company registered in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Morse plc, incorporated in England and Wales. Copies of the consolidated financial statements can be obtained from:

Morse plc  
Profile West  
950 Great West Road  
Brentford  
Middlesex  
TW8 9EE