

The Boston Consulting Group UK LLP

Annual report for the period ended 31 March 2012

Registered Number OC359103

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Members' report for the period ended 31 March 2012

The members present their report on the affairs of the entity, together with the audited financial statements and independent auditors' report, for the period ended 31 March 2012

Principal activities and business review

The limited liability partnership (LLP) was incorporated on the 28 October 2010 and commenced trading on 1 January 2011 upon transfer of the trade and assets (with the exception of the operating lease on the Manchester Square premises and investments in The Boston Consulting Group (Moscow) Ltd and The Boston Consulting Group SL) from Boston Consulting Group Limited (The) All occupancy related transactions continue to be incurred by Boston Consulting Group Limited (The) The financial statements prepared include results for the period from 1 January 2011 to 31 March 2012

In order to gain a full understanding of the results of the Boston Consulting Group UK LLP business, reference should be made to the financial statements of Boston Consulting Group Limited (The) for the year ended 31 December 2011 These accounts will include the comparative results for the business for the year to December 2010, when the full trading activity was included Boston Consulting Group Limited (The)

The principal activity of the partnership is the provision of management consultancy services

Revenue from professional services for the financial period was £173,130,756 The profit for the financial period available for discretionary division amongst the members was £55,088,696

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

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

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

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

Members' report for the period ended 31 March 2012 (continued)

Future Developments

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

Designated members

Designated members are those members specified as such in the membership agreement, as required under the 2000 Act. Designated members perform certain duties in relation to the legal administration of an LLP that would, for a company, be performed by the secretary or directors. The designated members (as defined in the Limited Liability Partnership Act 2000) of the LLP during the period were
Boston Consulting Group Limited (The)
BCG UK1 Limited

Profit allocation and members' drawings

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

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

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

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

Members' report for the period ended 31 March 2012 (continued)

Donations

Charitable donations in the period amounted to £8,546

Employees

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

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

Financial risk management

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

Liquidity and interest rate risk

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

Members' report for the period ended 31 March 2012 (continued)

Currency risk

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

Credit risk

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

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

Statement of members' responsibilities in respect of the financial statements

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law, the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership and group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy, at any

**Members' report
for the period ended 31 March 2012 (continued)**

time, the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the members on 20/7/12 and signed on their behalf by



Mark B Holden
On behalf of Boston Consulting Group Limited (The)
Designated member

20 July 2012

20 Manchester Square
London W1U 3PZ

Independent auditors' report to the members of The Boston Consulting Group UK LLP

We have audited the financial statements of The Boston Consulting Group UK LLP for the period ended 31 March 2012 which comprises the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of members and auditors

As explained more fully in the Statement of Members' Responsibilities set out on page 5 & 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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.

Independent auditors' report to the members of The Boston Consulting Group UK LLP (continued)

Opinion on financial statements

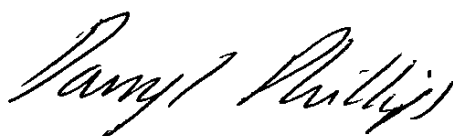
In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit



Darryl Phillips (senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 July 2012

**Profit and loss account
for the 15 month period ended 31 March 2012**

	Notes	15 month period ended 31 March 2012 £
Revenue	2	173,130,756
Operating costs		
Staff costs	3	(101,948,094)
Depreciation, amortisation & impairment		(1,672,588)
Other operating charges		(11,170,734)
Operating profit	6	58,339,340
Interest receivable & similar income	5	146,087
Interest payable & similar charges		(4,250)
Profit before partners' remuneration and profit share		58,481,177
Partners remuneration charged as an expense		(3,392,481)
Profit on operating activities available for discretionary division among members		55,088,696

All the LLP's activities are continuing operations

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

Balance sheet at 31 March 2012

	Notes	£	31 March 2012 £
Fixed assets			
Tangible assets	9		830,494
Current assets			
Intangible assets	8	681,606	
Debtors amounts falling due within one year	10	68,056,807	
Cash at bank and in hand		22,643,692	
		<u>91,382,105</u>	
Creditors: amounts falling due within one year	11	<u>(82,110,425)</u>	
Net current assets			<u>9,271,680</u>
Total assets less current liabilities			<u>10,102,174</u>
Creditors: amounts falling due after more than one year	12,13		<u>(976,583)</u>
Net assets attributable to members			<u>9,125,591</u>
Members' other interests			
Members' capital classified as equity	14		5,733,110
Members' other interests – other reserves classified as equity	14		3,392,481
			<u>9,125,591</u>
Total members' interests			
Loans and other debts due to members	14		55,352,430
Members' other interests	14		9,125,591
			<u>64,478,021</u>

The financial statements on pages 9 to 21 were approved by the members on 20 July 2012 and signed on its behalf by.

Mark B Holden
Designated member



The notes on pages 11 to 21 form part of these financial statements

Notes to the financial statements for the period ended 31 March 2012

1 Accounting basis

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

The LLP was incorporated on the 28 October 2010, and began trading on 1 January 2011. The trade and net assets of Boston Consulting Group Limited (The) were transferred to the LLP at book value on 1 January 2011.

In order to gain a full understanding of the results of the Boston Consulting Group UK LLP business, reference should be made to the financial statements of Boston Consulting Group Limited (The) for the year ended 31 December 2011. These accounts will include the comparative results for the business for the year to December 2010, when the full trading activity was included in Boston Consulting Group Limited (The).

Cash flow statement

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

Depreciation of tangible fixed assets

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

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

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

Deferred compensation

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

1 Accounting basis (continued)

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term

Pension costs

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

Provisions

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

Foreign currency

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

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

Revenue

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

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

1 Accounting basis (continued)

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

Work in Progress

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

Share Based Payments

Share purchase scheme

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

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

Capital interest scheme

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

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

Taxation

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

2 Segmental information

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

3 Staff costs

Particulars of staff costs are shown below

	2012 £
Staff costs during the year amounted to	
Salaries	41,973,469
Provision for deferred compensation	4,224,170
Social security costs	5,289,241
Pensions costs	3,930,956
Outsourced Consultancy	46,530,258
	<u>101,948,094</u>

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

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

	2012 Number
- Consultancy	254
- Administrative	91
	<u>345</u>

4 Members remuneration

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

	2012 Number
- Consultancy	34
- Administrative	2
	<u>36</u>

The partnership had 36 individual members and two corporate members at 31 March 2012

The average profit per member for the period is calculated by dividing the profit for the financial period available for distribution among members by the average number of members, amounted to £577,379 (excluding the corporate members)

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

4 Members remuneration (continued)

The profit attributable to the member with the largest entitlement to profit is Boston Consulting Group (The), amounting to £34,303,070

5 Interest receivable and similar income

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

6 Operating profit

The operating profit is stated after charging

	2012
	£
Auditors remuneration fees payable to the company's auditor for the audit of the company's financial statements	91,985
Depreciation of tangible fixed assets	591,965
Amortisation of intangible assets	1,080,623

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

7 Pensions

The cost for the financial period was £3,930,956 Outstanding contributions at 31 March 2012 were £790,571

8 Intangible assets

Cost	£
Transferred at 1 January 2011	2,046,272
Additions	<u>795,700</u>
At 31 March 2012	<u>2,841,972</u>
 Accumulated Amortisation	
Transferred at 1 January 2011	(1,079,743)
Charge for the period	<u>(1,080,623)</u>
As at 31 March 2012	<u>(2,160,366)</u>
 Net book value at 31 March 2012	<u>681,606</u>
Net book value transferred at 1 January 2011	<u>966,529</u>

The current year additions of £795,700 are in relation to marketing rights shown at cost and are amortised until the end of 2012, which is considered to be the useful life

9 Tangible fixed assets

	Office Equipment	Total
Cost	£	£
Transferred 1 January 2011	2,523,790	2,523,790
Adjustment	(347,271)	(347,271)
Additions	<u>371,014</u>	<u>371,014</u>
Cost at 31 March 2012	<u>2,547,533</u>	<u>2,547,533</u>
 Accumulated depreciation		
Transferred at 1 January 2011	(1,125,074)	(1,125,074)
Charged to profit and loss account	<u>(591,965)</u>	<u>(591,965)</u>
Accumulated depreciation at 31 March 2012	<u>(1,717,039)</u>	<u>(1,717,039)</u>
 Net book value		
At 31 March 2012	<u>830,494</u>	<u>830,494</u>
Transferred at 1 January 2011	<u>1,398,716</u>	<u>1,398,716</u>

The adjustment relates to a historical difference between asset register and general ledger

10 Debtors: amounts falling due within one year

	2012 £
Trade debtors	49,391,310
Amount owed by group undertakings	9,525,039
Other debtors	1,123,605
Prepayments	105,179
Unbilled fees and expenses	7,911,674
	<u>68,056,807</u>

11 Creditors: amounts falling due within one year

	2012 £
Trade creditors	592,411
Amounts owed to group undertakings	14,665,754
Other creditors	37,628
Taxation and social security	3,653,935
Deferred compensation (note 13)	1,075,107
Accruals	2,982,044
Billings in advance	3,751,116
Amounts due to members (note 14)	55,352,430
	<u>82,110,425</u>

12 Creditors: amounts falling due after more than one year

	2012 £
Amounts owed to other group undertakings	2,442
Deferred compensation (note 13)	974,141
	<u>976,583</u>

13 Deferred compensation

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

	2012 £
Deferred compensation as at 31st March 2012	2,049,248
Less Current portion included in creditors falling due within one year	(1,075,107)
Deferred compensation - amounts falling due after one year	974,141

(b) The movement on deferred compensation comprises

	2012 £
Deferred compensation transferred	22,032,261
Charged to profit and loss account	4,224,170
Recharged from/(to) intercompany	(214,241)
Amounts paid	(23,862,341)
Adjustments	(130,601)
Deferred compensation carried forward	2,049,248

14 Members interests

	Loans and other debts due to/from members			Members' other interests		
	Members' capital classified as a liability	Other amounts	Total	Members' capital classified as equity	Other reserves (classified as equity)	Total
	£	£	£	£	£	£
Members interests 1 January 2011	-	-	-	-	-	-
Investment by Boston Consulting Group Limited (The)	-	-	-	5,733,110	-	5,733,110
FRS 20 share based payment	-	-	-	-	3,392,481	3,392,481
Profit for the period ended 31 March 2012 available for discretionary allocation among members	-	-	-	55,088,696	-	55,088,696
Allocated profit	-	55,088,696	55,088,696	(55,088,696)	-	(55,088,696)
Drawings and distributions	-	(4,237,143)	(4,237,143)	-	-	-
Capital contributions by members	4,500,877	-	4,500,877	-	-	-
Members' interests at 31 March 2012	4,500,877	50,851,553	55,352,430	5,733,110	3,392,481	9,125,591

14 Members interests (continued)

"Other amounts" included within Loans and other debts due to/from members represent allocated profits not yet paid to members and are due within one year. The basis on which profits are allocated is described in the statement of accounting policies on page 14 & 15.

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

15 Related party disclosures

The LLP is ultimately a wholly owned subsidiary of BCG UK1 Limited, and therefore utilises the exemption contained in paragraph 3(c) of FRS 8 Related party disclosures not to disclose any transactions with any entities that are part of that group. The accounts for BCG UK1 Limited, its intermediary parent, which are prepared on a consolidated basis, are publicly available as detailed in note 18.

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

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

	2012 £
Year end balances arising from transactions with related parties	
Amounts paid to	
Other Group Companies	1,401,361
Amounts received from	
Other Group Companies	-

Transactions relate to expenses paid to other BCG Inc. Group companies

16 Share based payments

Share purchase scheme

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

16 Share based payments (continued)

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

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

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

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

Capital interest scheme

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

16 Share based payments (continued)

	15 mth period ended 2012
Number of share issue during the period	197,103
Weighted average fair value on issue	£12.59
Weighted average exercise price	£76.11
Weighted average purchase price	£76.11
Expected dividend yield	0%
Risk-free rate	2.59%
Expected volatility	19.3%
Expected life	7 years

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

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

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

17 Ultimate parent and controlling party

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

The Boston Consulting Group Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2011. The consolidated financial statements of The Boston Consulting Group Inc. are not publicly available.

BCG UK1 Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. Accounts can be obtained from 20 Manchester Square, London, W1U 3PZ.