

Compass Management Consulting Limited

Report and Financial Statements

Year Ended

31 December 2008

Company Number 01535245

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Compass Management Consulting Limited

**Annual report and financial statements
for the year ended 31 December 2008**

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Directors

O S Soderblom
D J L Whitmore
R M Brown
P Teather

Secretary and registered office

R M Brown, Compass House, 60 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7YU

Company number

01535245

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

Compass Management Consulting Limited

Report of the directors for the year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008.

Results

The profit and loss account is set out on page 5 and shows the loss for the year.

Principal activities

The company's principal activity is the provision of consultancy services.

Directors

The directors of the company during the year were:

O S Soderblom
D J L Whitmore
R M Brown
P Teather (Appointed 1 June 2008)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Compass Management Consulting Limited

Report of the directors for the year ended 31 December 2008 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

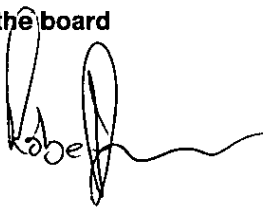
BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

R M Brown
Secretary

Date:


1/10/09.

Compass Management Consulting Limited

Independent auditor's report

To the shareholders of Compass Management Consulting Limited

We have audited the financial statements of Compass Management Consulting Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgements 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.

Compass Management Consulting Limited

Independent auditor's report (*continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss 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.



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
Epsom*

Date: 2 October 2009

Compass Management Consulting Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	6,621,968	7,315,015
Staff costs		4,054,600	4,035,253
Depreciation and other amounts written off fixed assets		39,668	32,480
Other operating charges		3,351,263	3,237,643
Operating (loss)/profit	3	(823,563)	9,639
Interest receivable and similar income	5	10,434	31,777
Interest payable and similar charges	6	(6,623)	(10,879)
(Loss)/profit on ordinary activities before and after taxation for the financial year		(819,752)	30,537

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

Compass Management Consulting Limited

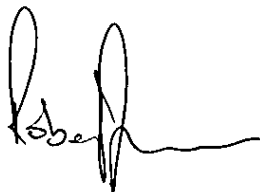
Balance sheet at 31 December 2008

<i>Company number 01535245</i>	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	8		88,874		88,337
Current assets					
Debtors	9	2,434,902		1,726,504	
Cash at bank and in hand		201,690		638,613	
		<u>2,636,592</u>		<u>2,365,117</u>	
Creditors: amounts falling due within one year	10	<u>4,175,273</u>		<u>3,083,509</u>	
Net current liabilities			<u>(1,538,681)</u>		<u>(718,392)</u>
Total assets less current liabilities			<u>(1,449,807)</u>		<u>(630,055)</u>
Capital and reserves					
Called up share capital	12	3,912,791		3,912,791	
Profit and loss account	13	(5,362,598)		(4,542,846)	
Shareholders' deficit	14		<u>(1,449,807)</u>		<u>(630,055)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board of directors and authorised for issue on 1 October 2009

R M BROWN
Director



The notes on pages 7 to 14 form part of these financial statements.

Compass Management Consulting Limited

Notes forming part of the financial statements for the year ended 31 December 2008

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

The going concern basis of preparation

The financial statements have been prepared on a going concern basis. As at 31 December 2008 the company had net current liabilities of £1,538,681. It incurred a loss for the year of £819,752.

In considering the appropriateness of the going concern assumption the directors have taken into consideration:

1. Facilities available to the group including facilities obtained subsequent to the year end; and
2. An undertaking from the group's principal lender that it will not make any demand or take other action to recover its borrowings prior to 31 December 2010 that causes the group to be in a position where it will not be able to meet its liabilities as they fall due.

The directors are confident that these factors will enable the company and the group to have sufficient funding to continue as going concerns. No adjustments have been made to the carrying values of both assets and liabilities, that would be required were the going concern assumption inappropriate

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Plant and machinery	- 33.3% on cost basis per annum
Motor vehicles	- 20%-25% of cost per annum
Fixtures, fittings and equipment	- 25%-33.3% on cost basis per annum

Long term contracts

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (continued)

1 Accounting policies (continued)

Operating leases

Annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Compass Consulting Group Holdings Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

2 Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 45.2% (2007 - 36.7%).

3 Operating (loss)/profit

	2008 £	2007 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	39,668	32,480
Hire of other assets - operating leases	60,940	44,911
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	23,048	28,164
Exchange differences	25,927	(27,242)

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (continued)

4 Directors' remuneration

	2008 £	2007 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	182,726	98,435

There was 1 director in the company's defined contribution pension scheme during the year (2007 - 1).

5 Interest receivable and similar income

	2008 £	2007 £
Bank deposits	9,911	31,777
Loans to group companies	523	-
	10,434	31,777

6 Interest payable and similar charges

	2008 £	2007 £
Bank loans and overdrafts	429	-
Other interest	2,383	2,853
Interest paid to group companies	3,811	8,026
	6,623	10,879

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*continued*)

7 Taxation on (loss)/profit on ordinary activities

The tax assessed for the year is higher than/lower than the standard rate of corporation tax in the UK applied to (loss)/profit before tax.

	2008 £	2007 £
(Loss)/profit on ordinary activities before tax	(819,752)	30,537
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2007 - 30%)	(245,926)	9,161
Effect of:		
Expenses not deductible for tax purposes	9,390	4,765
Depreciation for period in excess/(deficit) of capital allowances	5,075	(6,596)
Provisions adjustment	2,611	(4,685)
Group relief	-	(2,645)
Losses carried forward	228,850	-
Current tax charge for the year	-	-

Factors that may affect future tax charges

The company has tax trading losses carried forward of approximately £4m (2007 - £3.3m).

No provision has been made for a deferred tax asset on the losses due to uncertainty over the timing and extent of the tax benefit.

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*continued*)

8 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 January 2008	64,697	10,803	97,148	172,648
Additions	17,825	1,416	20,964	40,205
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	82,522	12,219	118,112	212,853
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2008	18,324	540	65,447	84,311
Provided for the year	21,858	2,376	15,434	39,668
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	40,182	2,916	80,881	123,979
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<i>Net book value</i>				
At 31 December 2008	42,340	9,303	37,231	88,874
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	46,373	10,263	31,701	88,337
	<hr/>	<hr/>	<hr/>	<hr/>

9 Debtors

	2008 £	2007 £
Trade debtors	1,095,603	1,363,126
Amounts owed by group undertakings	1,019,816	-
Corporation tax recoverable	23,890	-
Other debtors	-	7,897
Prepayments and accrued income	153,993	142,999
Amounts recoverable on long term contracts	141,600	212,482
	<hr/>	<hr/>
	2,434,902	1,726,504
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All amounts shown under debtors fall due for payment within one year.

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*continued*)

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Payments received on account	186,603	515,854
Trade creditors	224,573	211,774
Amounts owed to group undertakings	3,079,814	1,705,091
Taxation and social security	316,015	342,791
Accruals and deferred income	368,268	307,999
	<u>4,175,273</u>	<u>3,083,509</u>

11 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £112,660 (2007 - £131,506). Contributions amounting to £21,500 (2007 - £24,672) were payable to the fund and are included in creditors.

12 Share capital

	2008 £	2007 £
<i>Authorised</i>		
10,000 Ordinary shares of £1 each	10,000	10,000
3,990,000 Redeemable shares of £1 each	3,990,000	3,990,000
	<u>4,000,000</u>	<u>4,000,000</u>
	2008 £	2007 £
<i>Allotted, called up and fully paid</i>		
10,000 Ordinary shares of £1 each	10,000	10,000
3,990,000 Redeemable shares of £1 each	3,902,791	3,902,791
	<u>3,912,791</u>	<u>3,912,791</u>

The redeemable shares are redeemable at par, at the option of the company, and are not entitled to receive notice of, attend or vote at general meetings. The redeemable shares rank equally with the ordinary shares in respect of dividends and return of capital.

Compass Management Consulting Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*continued*)

13 Reserves

	Profit and loss account £
At 1 January 2008	(4,542,846)
Loss for the year	(819,752)
	<hr/>
At 31 December 2008	(5,362,598)
	<hr/>

14 Reconciliation of movements in shareholders' deficit

	2008 £	2007 £
(Loss)/profit for the year	(819,752)	30,537
Opening shareholders' deficit	(630,055)	(660,592)
	<hr/>	<hr/>
Closing shareholders' deficit	(1,449,807)	(630,055)
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15 Commitments under operating leases

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 one year	-	-	389	4,610
In two to five years	61,374	-	35,535	-
	<hr/>	<hr/>	<hr/>	<hr/>
	61,374	-	35,924	4,610
	<hr/>	<hr/>	<hr/>	<hr/>

Compass Management Consulting Limited

**Notes forming part of the financial statements
for the year ended 31 December 2008 (*continued*)**

16 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Compass Holding BV, incorporated in The Netherlands. The ultimate parent company is Compass Consulting Group Holdings Limited.

The largest and smallest group in which the results of the company are consolidated is that headed by Compass Consulting Group Holdings Limited. The consolidated accounts of this company are available to the public and may be obtained from the Registrar of Companies, Cardiff CF4 1UZ. No other group accounts include the results of the company.