

Limited Liability Partnership Registration No. OC359103 (England and Wales)

THE BOSTON CONSULTING GROUP UK LLP

Members' Report And Financial Statements

For The Year Ended 31 March 2015

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THE BOSTON CONSULTING GROUP UK LLP

Members' Report

For the year ended 31 March 2015

The members present their report on the affairs of the entity, together with the audited financial statements and independent auditors' report, for the year ended 31 March 2015.

Principal activities and review of the business

The principal activity of the partnership continues to be that of the provision of management consultancy services.

Revenue from professional services for the financial year was £185,926,669 (Mar-14: £149,015,473). The profit for the financial year available for discretionary division amongst members was £73,946,915 (Mar-14: £56,467,655).

The management consultancy market is competitive and the service 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 in 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 help to 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 LLP 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 of 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.

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 year were:

Boston Consulting Group Limited (The)
BCG UK1 Limited

THE BOSTON CONSULTING GROUP UK LLP

Members' Report (Continued)

For the year ended 31 March 2015

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 year 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 year, if the Remuneration Committee considers it appropriate to retain profits or allocate profits previously retained. Unallocated amounts are in "Members' other interest".

During the year, members receive monthly drawings, and from time to time, additional profits 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 year is recoverable from members.

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

Charitable donations

Charitable donations in the year amounted to £45,338 (2014: £16,423).

Employees

The group is committed to employment policies which follow the best practice and are based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group give 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 retaining 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 employees by means of regular employee meetings.

THE BOSTON CONSULTING GROUP UK LLP

Members' Report (Continued)

For the year ended 31 March 2015

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 LLP 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 LLP and banks is calculated at floating rates of interest.

Currency risk

The LLP's functional currency is sterling (GBP) and it also presents its financial statements 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

The members are responsible for preparing the Members' 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 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 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.

THE BOSTON CONSULTING GROUP UK LLP

Members' Report (Continued)

For the year ended 31 March 2015

This report was approved by the members and signed on their behalf by:



M Holden

On behalf of Boston Consulting Group Limited (The)

Designated Member

30 September 2015

20 Manchester Square
London W1U 3PZ

THE BOSTON CONSULTING GROUP UK LLP

Independent Auditors' Report

TO THE MEMBERS OF THE BOSTON CONSULTING GROUP UK LLP

REPORT ON THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, The Boston Consulting Group UK LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2015 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit And Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the members

As explained more fully in the Statement of members' responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, 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 this opinion, 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.

THE BOSTON CONSULTING GROUP UK LLP

Independent Auditors' Report (Continued)

TO THE MEMBERS OF THE BOSTON CONSULTING GROUP UK LLP

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Members' Report And Financial Statements 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.



Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

**Chartered Accountants and
Statutory Auditors
London**

30 September 2015

THE BOSTON CONSULTING GROUP UK LLP

Profit And Loss Account

For the year ended 31 March 2015

	Notes	Year ended 31 March 2015 £	31 March 2014 £
Turnover	2	185,926,669	149,015,473
Staff costs	3	(88,016,072)	(74,105,802)
Depreciation, amortisation and impairment		(1,338,136)	(1,304,594)
Other operating charges		(20,479,912)	(13,858,925)
Operating profit	6	76,092,549	59,746,152
Interest receivable and similar income	5	896,782	456,854
Interest payable and similar charges		(118,983)	(37,252)
Profit for the financial year before members' remuneration and profit shares		76,870,348	60,165,754
Members' remuneration charged as an expense		(2,923,433)	(3,698,099)
Profit for the financial year available for discretionary division among members		73,946,915	56,467,655

All the LLP's activities are continuing operations.

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

There are no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

THE BOSTON CONSULTING GROUP UK LLP

Balance Sheet

As at 31 March 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	8		3,797,296		3,817,051
Current assets					
Debtors	9	162,284,207		122,645,009	
Cash at bank and in hand		3,399,671		21,286,424	
		<u>165,683,878</u>		<u>143,931,433</u>	
Creditors: amounts falling due within one year	10	<u>(147,253,804)</u>		<u>(127,942,750)</u>	
Net current assets			<u>18,430,074</u>		<u>15,988,683</u>
Total assets less current liabilities			<u>22,227,370</u>		<u>19,805,734</u>
Creditors: amounts falling due after more than one year	11		-		(639,375)
Provisions for liabilities	12		<u>(1,254,944)</u>		<u>(1,117,366)</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u><u>20,972,426</u></u>		<u><u>18,048,993</u></u>
REPRESENTED BY:					
Members' other interests:					
Members' capital classified as equity	14		9,298,559		9,298,559
Members other interests - other reserves classified as equity	14		11,673,867		8,750,434
			<u>20,972,426</u>		<u>18,048,993</u>
TOTAL MEMBERS' INTERESTS			<u><u>20,972,426</u></u>		<u><u>18,048,993</u></u>
Loans and other debts due to members	14		115,522,198		108,102,361
Members' other interests	14		20,972,426		18,048,993
			<u>136,494,624</u>		<u>126,151,354</u>

The financial statements on pages 7 to 18 were approved by the members on 30 September 2015 and signed on its behalf by:

.....
J Barton

**On Behalf of Boston Consulting Group Limited (The)
Designated Member**

The notes on pages 9 - 18 form part of these financial statements.

Limited Liability Partnership Registration No. OC359103

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements

For the year ended 31 March 2015

1 Accounting policies

1.1 Accounting basis

These financial statements are prepared on a going concern basis and under the historical cost convention 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".

1.2 Cash flow statement

The partnership is a wholly owned subsidiary entity of a group headed by BCG UK1 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'.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original price of the asset and the costs attributable to bringing the asset to its working condition of its intended use, depreciation is 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:

Land and buildings Leasehold	8 years (12.5% per annum) or over the length of the decommissioning costs if shorter
Office equipment	2-5 years (20%-50% per annum)

1.4 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.

1.5 Operating leases

Costs in respect of operating leases are charged to the profit and loss on a straight-line basis over the lease term.

1.6 Pensions

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.

1.7 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.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

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

1.10 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.

1.11 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.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

1 Accounting policies

(Continued)

1.12 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 year 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:

		2015	2014
		£	£
Wages and salaries		40,620,791	36,344,983
Provision for deferred compensation	13	(281,362)	(224,195)
Social security costs		4,514,709	4,143,570
Other pension costs	7	3,934,915	3,530,740
Outsourced consultancy		39,227,019	30,310,704
		<u>88,016,072</u>	<u>74,105,802</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:

	2015	2014
	Number	Number
- Consultancy	279	261
- Administrative	166	120
	<u>445</u>	<u>381</u>

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

4 Members Remuneration

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

	2015 Number	2014 Number
Consultancy	48	41
Administrative	2	2
	<u>50</u>	<u>43</u>

The partnership had 50 (2014: 46) individual members and 2 (2014: 2) corporate members as at 31 March 2015.

The average profit per member for the year is calculated by dividing the profit for the financial year available for discretionary distribution among members by the average number of members, amount to £984,171 (2014: £828,451) (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.

The profit attributable to the member with the largest entitlement to profit is Boston Consulting Group Limited (The), amount to £26,706,713 (2014: £6,622,624).

5 Interest receivable and similar income

	2015 £	2014 £
Other interest receivable	896,782	456,854
	<u>896,782</u>	<u>456,854</u>

6 Operating profit

	2015 £	2014 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	1,338,136	1,304,594
Fees payable to the LLP's auditors for the audit of the LLP's annual accounts	101,000	96,936
(Profit)/loss on foreign exchange transactions	(259,398)	310,480
	<u></u>	<u></u>

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

7 Pension and other post-retirement benefit commitments

The cost for the financial year was £3,934,915 (2014: £3,530,740). Outstanding contributions at 31 March 2015 were £408,177 (2014: £109,491).

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

8 Tangible assets	Land and buildings Leasehold	Office equipment	Total
	£	£	£
Cost			
At 1 April 2014	3,996,719	3,312,230	7,308,949
Additions	845,725	476,074	1,321,799
Disposals	-	(702,846)	(702,846)
At 31 March 2015	<u>4,842,444</u>	<u>3,085,458</u>	<u>7,927,902</u>
Accumulated depreciation			
At 1 April 2014	(801,183)	(2,690,715)	(3,491,898)
Disposals	-	699,428	699,428
Charge for the year	(924,080)	(414,056)	(1,338,136)
At 31 March 2015	<u>1,725,263</u>	<u>2,405,343</u>	<u>4,130,606</u>
Net book value			
At 31 March 2015	<u>3,117,181</u>	<u>680,115</u>	<u>3,797,296</u>
At 31 March 2014	<u>3,195,536</u>	<u>621,515</u>	<u>3,817,051</u>

9 Debtors	2015	2014
	£	£
Trade debtors	47,000,646	41,684,348
Amounts owed by group undertakings	97,989,827	70,482,625
Other debtors	284,362	264,078
Unbilled fees and expenses	13,415,601	8,574,672
Prepayments and accrued income	3,593,771	1,639,286
	<u>162,284,207</u>	<u>122,645,009</u>

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

10 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	720,490	389,216
Amounts owed to group undertakings	15,834,567	7,146,798
Other creditors	25,422	2,291,669
Taxation and social security	5,993,386	3,992,918
Deferred compensation	13 358,013	95,442
Billings in advance	4,079,479	2,164,393
Amounts owed to members	115,522,198	108,102,361
Accruals and deferred income	4,720,249	3,759,953
	<u>147,253,804</u>	<u>127,942,750</u>
	<u>£</u>	<u>£</u>
11 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Deferred compensation	13 -	639,375
	<u>£</u>	<u>£</u>
12 Provisions for liabilities		Other
		£
Balance at 1 April 2014		1,117,366
Profit and loss account		137,578
Balance at 31 March 2015		<u>1,254,944</u>

The provision relates to the obligation to return the leased property to its original state. The provision is expected to be fully utilised by 31 March 2021.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

13 Deferred compensation

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

	2015 £	2014 £
Deferred compensation as at 31 March	358,013	734,817
Less: Current portion included in creditors falling due within one year	(358,013)	(95,442)
	<u> </u>	<u> </u>
Deferred compensation - amounts falling due after one year	-	639,375
	<u> </u>	<u> </u>

(b) The movement on deferred compensation comprises:

	2015 £	2014 £
Deferred compensation brought forward	734,817	1,138,034
Charged to profit and loss account	(281,362)	(224,195)
Amounts paid	(95,442)	(179,022)
	<u> </u>	<u> </u>
Deferred compensation carried forward	358,013	734,817
	<u> </u>	<u> </u>

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

14 Members' interests

				Loans and other debts due to members		
	Members' capital	Other reserves	Total	Members' capital (classified as a liability)	Other amounts	Total
	£	£	£	£	£	£
Amount due from members at 1 April 2014				-		
Members' interests at 1 April 2014	9,298,559	8,750,434	18,048,993	15,783,879	92,318,481	108,102,360
FRS 20 share based payments	-	2,923,433	2,923,433	-	-	-
Profit for the financial year available for discretionary division among members	73,946,915	-	73,946,915	-	-	-
Allocated profit	(73,946,915)	-	(73,946,915)		73,946,915	73,946,915
Members' interests after profit for the year	9,298,559	11,673,867	20,972,426	15,783,879	166,265,396	182,049,275
Introduced by members	-	-	-	254,063	-	254,063
Drawings	-	-	-	(3,310,600)	(63,470,540)	(66,781,140)
Amount due from members at 31 March 2015						
Members' interests at 31 March 2015	9,298,559	11,673,867	20,972,426	12,727,342	102,794,856	115,522,198

"Other amounts" included within Loans and other debts due to 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 accounting policies.

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 transactions

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 financial statements for BCG UK1 Limited, its intermediary parent, which are prepared on a consolidated basis, are publicly available.

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 financial statements, but they are not publicly available.

Details of year end balances arising from transactions between the LLP and all group companies are disclosed in notes 9 and 10.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

15 Related party transactions (Continued)

	2015	2014
	£	£
Revenue in the year arising from transactions with related parties		
Net amounts paid from:		
Other group companies	32,456,746	30,426,530
Costs in the year arising from transactions with related parties		
Amounts paid to:		
Other group companies	45,826,595	31,335,765

Transactions relate to revenue and expenses paid to and from other BCG Inc. group companies.

16 Control

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 2012. 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. Financial statements can be obtained from 20 Manchester Square, London, W1U 3PZ.

THE BOSTON CONSULTING GROUP UK LLP

Notes To The Financial Statements (Continued)

For the year ended 31 March 2015

17 Share based payments

Capital interest scheme

During 2014, partners in the LLP were granted interest rights in The 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:

	Year ended Mar-2015	Year ended Mar-2014
Number of share issued during the period	175,550	16,053
Weighted average fair value on issue	£3.44	£17.46
Weighted average exercise price	£169.28	£125.27
Weighted average purchase price	£169.28	£125.27
Expected dividend yield	0%	0%
Risk-free rate	2.00%	1.31%
Expected volatility	17.8%	19.7%
Expected life	7 years	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.

18 Financial commitments

At 31 March 2015 the limited liability partnership was committed to making the following payments under non-cancellable operating leases in the year 31 March 2016:

	Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
In over five years	4,167,335	4,095,462