

COMPANY REGISTRATION NUMBER 03770926

PROFESSIONAL CONTRACTORS GROUP LTD

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

30 APRIL 2014

**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2014

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**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

J E Collings (Appointed 17 May 2014)
A Daines (Appointed 18 May 2013)
D Gilmour
N R Graham
D G Sharp
J Stewart (Appointed 18 May 2013)
C L Morgan (Appointed 17 May 2014)
C Bell (Served from 19 May 2012 to 17 May 2014)
I Wood (Served from 18 May 2013 to 17 May 2014)
J A Brazier (Resigned 2 June 2013)

COMPANY SECRETARY

D C Rendall

REGISTERED OFFICE

Heron House
10 Dean Farrar Street
London
United Kingdom
SW1H 0DX

AUDITOR

Menzies LLP
Chartered Accountants
Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

PROFESSIONAL CONTRACTORS GROUP LTD COMPANY LIMITED BY GUARANTEE

CHAIRMAN'S STATEMENT (continued)

YEAR ENDED 30 APRIL 2014

It is my pleasure to report on PCG's activities during the year to 30 April 2014 and to outline some of the landmark events planned for the near future.

In the last year, PCG's move to Westminster has allowed both the Policy team and the Public Relations team to increase markedly their influence with politicians, the media and other important stakeholders such as the CBI, REC and the Bank of England.

After a successful period leading the organisation on an interim basis, Chris Bryce was appointed permanent Chief Executive of PCG on 2nd December. In one of his first acts he appeared before the House of Lords Select Committee on Personal Service Companies to defend the use of 'PSCs' by freelancers. Following the enquiry, and the damning indictment of IR35 reached by the Committee, PCG called for its abolition, a culmination of what was perhaps the most effective period of campaigning against the legislation in PCG's history.

Across the summer a programme of events took place designed to advise, guide and protect PCG members working in the public sector who were to be affected by the new regulations introduced around working as a contractor. The PCG policy team met and worked closely with contractors working at the Ministry of Justice, the Cabinet Office and the Home Office to ensure that the measures impacted as little as possible on their ability to do business.

Alongside these high-profile activities, PCG continued to work hard behind the scenes on policies affecting contractors in our role as a member of the IR35 Forum, the Security Clearance Forum and on the important areas of ICT abuse, procurement and late payment.

In late 2013, the new role of Economic Adviser was created within the Policy team. Following the publication of the first of PCG's new quarterly economic paper, the Freelance Confidence Index, PCG was invited to submit data on self-employment to the Bank of England. This influence was crucial in securing the Bank's agreement with PCG's assertion that the rise in flexible working is 'structural not cyclical', and crucially, not a result of vulnerable working due to a poor jobs market.

November saw National Freelancers Day take place to unprecedented levels of interest from the media, policy makers and the public at large. The event was covered by every national broadsheet and tabloid newspaper along with the broadcast media and achieved never-before-seen levels of interest through social media. The evening event, before a sell-out crowd at LSO St Luke's, right next to London's Tech City, saw a keynote speech from Karren Brady, the Government's Small Business champion followed by a panel debate featuring Nick Ferrari, Isabel Oakeshott, Liz Barclay and John Glen MP which was streamed live around the country via the PCG website.

On International Women's Day in March 2014, PCG launched the Women's Freelance Network with a high profile event at a new workhub in Central London. The first event played host to 100 self-employed women and was followed with five other events, all equally well attended. The Women's Freelance Network is important not only to attract new PCG members from what is currently an underrepresented demographic of the membership but also places PCG at the heart of the important debate around gender inequality in the workplace.

Ahead of the European elections in May 2014, the EFIP Manifesto was launched at a Press Conference in the European Parliament in Brussels. The manifesto called for the next European Parliament to appoint an Envoy for Independent Professionals (iPros) to champion the needs of what is now the fastest growing sector of the European Labour Market. The manifesto was backed up by an extensive and important piece of research commissioned by PCG and conducted by Professor Patricia Leighton which looked at freelancing across the EU. This research, along with updated statistics to supplement our existing data from Kingston University, provided our Public Affairs and Media Relations teams with much needed information on which to continue promoting and defending our way of working to policy makers and the press.

In April 2014, and with exactly six months to go until the referendum on Scottish Independence, both Alistair Darling and Nicola Sturgeon put forward how both sides of the debate will affect freelancers working in Scotland at packed events organised by PCG in Edinburgh and Glasgow. The first of the two events saw the UK's former Chancellor and leader of the pro-union organisation Better Together Alistair Darling address freelancers over breakfast at the Balmoral Hotel in Edinburgh. Later that day,

**PROFESSIONAL CONTRACTORS GROUP LTD
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CHAIRMAN'S STATEMENT *(continued)*

YEAR ENDED 30 APRIL 2014

Scotland's Deputy First Minister Nicola Sturgeon put across her plan for independence to a packed room at the Grand Central Hotel in Glasgow.

Throughout the year, PCG has continued to support the membership with an expanded calendar of events which provide crucial advice and guidance on every aspect of running a one person business in today's challenging economic landscape. As we look to engage with an ever-wider proportion of the freelancing sector these events will continue to form a vital means of communicating our messages out to the membership and the sector as a whole.

PCG has also introduced a new member benefit in December 2013 - PCG Advantages - which gives our members access to a wide range of products and services for both business and personal use at a discount. We have also arranged for members to be able to purchase various software and business products direct from the suppliers at substantial reductions over retail pricing. In July 2014 PCG increased the compensation limits on many aspects of our PCG Plus membership level, ensuring that something that interrupts your business need not adversely affect your company's income. As always we remain committed to bringing the best available benefits to our members with the minimum fuss.

The Board made the decision to rebrand earlier in 2014, after recognising both that the working landscape for independent professionals is changing and also the need for PCG to adapt to these changes and to be truly representative of our industry and people who work independently.

This change will help the Association ensure that the needs of contractors, freelancers, independent professionals, and the self-employed are at the forefront of the minds of policymakers when they look at business legislation and taxation. IPSE will continue to provide our members with the same best-in-class services and knowledge base that we do now and we will be able to offer further specific support to other individual industry sectors.

Finally, I must thank my colleagues on the Board, the members of the Consultative Council and the Executive staff for their hard work in what has been a busy and challenging year. We look forward to an exciting future.



Julie Stewart
Chairman

PROFESSIONAL CONTRACTORS GROUP LTD COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2014

The directors present their report and the financial statements of the company for the year ended 30 April 2014.

BUSINESS REVIEW

During the year the company saw revenue increase by 10.2% for the year.

EBITDA decreased from £549,545 in 2013 to £13,414 this year.

DIRECTORS

The directors who served the company during the year were as follows:

A Daines
D Gilmour
N R Graham
D G Sharp
J Stewart
C Bell
I Wood
J A Brazier

A Daines was appointed as a director on 18 May 2013.

J Stewart was appointed as a director on 18 May 2013.

I Wood was appointed as a director on 18 May 2013.

J A Brazier resigned as a director on 2 June 2013.

J E Collings was appointed as a director on 17 May 2014.

C L Morgan was appointed as a director on 17 May 2014.

C Bell resigned as a director on 17 May 2014.

I Wood resigned as a director on 17 May 2014.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2014

During the year Kingston Smith LLP resigned as auditors and Menzies LLP were appointed to fill a casual vacancy under section 487(2) of the Companies Act 2006.

**PROFESSIONAL CONTRACTORS GROUP LTD
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DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 APRIL 2014

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:
Heron House
10 Dean Farrar Street
London
United Kingdom
SW1H 0DX

Signed by order of the directors



D C Rendall
Company Secretary

Approved by the directors on 20th September 2014

**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROFESSIONAL CONTRACTORS GROUP LTD
YEAR ENDED 30 APRIL 2014**

We have audited the financial statements of Professional Contractors Group Ltd for the year ended 30 April 2014 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the Annual Report, 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROFESSIONAL CONTRACTORS GROUP LTD
YEAR ENDED 30 APRIL 2014

Midas House
62 Goldsworth Road
Woking
Surrey
GU21 6LQ

25th September 2014

Menzies LLP

AMY ASKEW ACA (Senior Statutory
Auditor)

For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2014

| | Note | 2014 £ | 2013 £ |
|---|------|-----------|-----------|
| TURNOVER | | 4,268,987 | 3,871,385 |
| Administrative expenses | | 4,563,118 | 3,550,422 |
| Other operating income | 2 | (75,073) | (159,915) |
| OPERATING (LOSS)/PROFIT | 3 | (219,058) | 480,878 |
| Interest receivable | | 35,979 | 20,637 |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (183,079) | 501,515 |
| Tax on (loss)/profit on ordinary activities | 5 | 7,389 | 4,375 |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | (190,468) | 497,140 |

The notes on pages 11 to 15 form part of these financial statements.

**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

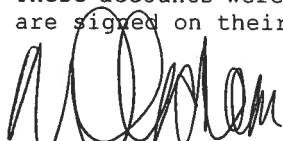
BALANCE SHEET

30 APRIL 2014

| | Note | 2014 £ | 2013 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 710,283 | 655,399 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 293,241 | 180,043 |
| Cash at bank | | 3,132,606 | 3,150,538 |
| | | <u>3,425,847</u> | <u>3,330,581</u> |
| CREDITORS: Amounts falling due within one year | 8 | <u>2,668,779</u> | <u>2,325,262</u> |
| NET CURRENT ASSETS | | <u>757,068</u> | <u>1,005,319</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,467,351</u> | <u>1,660,718</u> |
| CREDITORS: Amounts falling due after more than one year | 9 | <u>4,794</u> | <u>7,693</u> |
| | | <u>1,462,557</u> | <u>1,653,025</u> |
| RESERVES | | | |
| Other reserves | 13 | 250,000 | 250,000 |
| Profit and loss account | 13 | 1,212,557 | 1,403,025 |
| MEMBERS' FUNDS | | <u>1,462,557</u> | <u>1,653,025</u> |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the directors and authorised for issue on 20/9/14 and are signed on their behalf by:



N R Graham

Company Registration Number: 03770926

The notes on pages 11 to 15 form part of these financial statements.

PROFESSIONAL CONTRACTORS GROUP LTD COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Rebates relating to claim handlers' fees of £100,000 have been netted off against the direct cost of obtaining cover for PCG's members rather than being included as 'other operating income', as was the case in the previous year.

Turnover

Turnover represents subscriptions receivable from members and affiliates during the period exclusive of value added tax. Membership subscription is accounted for on an accruals basis, with subscriptions being spread over the term of the membership.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---------------------|---|-------------------|
| CRM System | - | 25% Straight Line |
| Fixtures & Fittings | - | 20% Straight Line |
| Motor Vehicles | - | 20% Straight Line |

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

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

Pension costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Financial instruments

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

**PROFESSIONAL CONTRACTORS GROUP LTD
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2014

Dividends and distributions relating to equity instruments are debited direct to equity.

Other operating income

Other operating income includes other sponsorship, advertising, commission and insurance receipts for various other services provided during the year.

**PROFESSIONAL CONTRACTORS GROUP LTD
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2014

2. OTHER OPERATING INCOME

| | 2014 £ | 2013 £ |
|------------------------|-----------|-----------|
| Other operating income | 75,073 | 159,915 |

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

| | 2014 £ | 2013 £ |
|--|-----------|-----------|
| Depreciation of owned fixed assets | 229,802 | 65,970 |
| Depreciation of assets held under hire purchase agreements | 2,697 | 2,697 |
| Profit on disposal of fixed assets | (2,303) | - |
| Auditor's fees | 8,500 | 9,016 |

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

| | 2014 £ | 2013 £ |
|------------------------|-----------|-----------|
| Aggregate remuneration | 327,564 | 298,855 |

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

| | 2014 £ | 2013 £ |
|--|-----------|-----------|
| Current tax: | | |
| UK Corporation tax based on the results for the year at 20% (2013 - 20%) | 7,389 | 4,375 |
| Total current tax | 7,389 | 4,375 |

6. TANGIBLE FIXED ASSETS

| | CRM System £ | Fixtures & Fittings £ | Motor Vehicles £ | Total £ |
|-------------------------|-----------------|-----------------------------|------------------------|------------------|
| COST | | | | |
| At 1 May 2013 | 649,149 | 136,750 | 29,175 | 815,074 |
| Additions | - | 298,080 | - | 298,080 |
| Disposals | - | - | (29,175) | (29,175) |
| At 30 April 2014 | <u>649,149</u> | <u>434,830</u> | <u>-</u> | <u>1,083,979</u> |
| DEPRECIATION | | | | |
| At 1 May 2013 | 47,616 | 96,985 | 15,074 | 159,675 |
| Charge for the year | 162,287 | 66,808 | 3,404 | 232,499 |
| On disposals | - | - | (18,478) | (18,478) |
| At 30 April 2014 | <u>209,903</u> | <u>163,793</u> | <u>-</u> | <u>373,696</u> |
| NET BOOK VALUE | | | | |
| At 30 April 2014 | <u>439,246</u> | <u>271,037</u> | <u>-</u> | <u>710,283</u> |
| At 30 April 2013 | <u>601,533</u> | <u>39,765</u> | <u>14,101</u> | <u>655,399</u> |

**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2014

6. TANGIBLE FIXED ASSETS (continued)

Hire purchase agreements

Included within the net book value of £710,283 is £7,193 (2013 - £9,891) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,697 (2013 - £2,697).

7. DEBTORS

| | 2014 £ | 2013 £ |
|---------------|----------------|----------------|
| Trade debtors | 32,999 | 8,364 |
| Other debtors | 260,242 | 171,679 |
| | <u>293,241</u> | <u>180,043</u> |

8. CREDITORS: Amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 279,515 | 172,777 |
| Corporation tax | 7,389 | 4,375 |
| Other taxation and social security | 210,143 | 161,632 |
| Hire purchase agreements | 2,899 | 2,516 |
| Other creditors | 2,168,833 | 1,983,962 |
| | <u>2,668,779</u> | <u>2,325,262</u> |

9. CREDITORS: Amounts falling due after more than one year

| | 2014 £ | 2013 £ |
|--------------------------|-----------|-----------|
| Hire purchase agreements | 4,794 | 7,693 |

10. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2014 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

| | 2014 £ | 2013 £ |
|--------------------------------|----------------|---------------|
| Operating leases which expire: | | |
| Within 2 to 5 years | <u>200,500</u> | <u>24,199</u> |

**PROFESSIONAL CONTRACTORS GROUP LTD
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2014

11. RELATED PARTY TRANSACTIONS

The following transactions occurred with the directors or with entities controlled by them during the year:

| Director | 2014 | | | 2013 | | |
|----------------------|-------------------|----------|--------|-------------------|----------|--------|
| | Services Rendered | Expenses | Total | Services Rendered | Expenses | Total |
| N.R. Graham | 23,600 | 387 | 23,987 | 24,300 | 536 | 24,836 |
| D.G. Sharp | 21,705 | 10,071 | 31,776 | 21,526 | 6,246 | 27,772 |
| J. Stewart | 42,853 | 21,559 | 64,412 | 1,267 | - | 1,267 |
| C. Bell | 22,470 | 5,708 | 28,178 | 21,560 | 4,918 | 26,478 |
| D. Gilmour | 20,970 | 6,928 | 27,898 | 17,431 | 4,364 | 21,765 |
| P. Daintier | 884 | 262 | 1,146 | 19,756 | 2,620 | 22,376 |
| S. Gardener | - | - | - | 21,471 | 6,081 | 27,552 |
| G.P. Jones | - | - | - | 1,073 | 28 | 1,101 |
| I. Wood | 18,220 | 6,304 | 24,524 | - | - | - |
| A. Daines | 19,217 | 409 | 19,626 | - | - | - |
| C.J. Bryce (PAYE) | 1,667 | - | 1,667 | - | - | - |

All the above transactions were for services rendered to the PCG and were on an arm's length basis

The respective related parties of the directors who controlled the company during the year are as follows:

| | |
|-------------|---------------------------------|
| N.R. Graham | Berg Kaprow Lewis LLP |
| D.G. Sharp | Morgan Johnson Networks Limited |
| J. Stewart | Scarborough Pages Limited |
| C. Bell | APT Response Limited |
| P. Daintier | Runes Limited |
| S. Gardner | SIRJ Limited |
| G.P. Jones | Arctic Systems Limited |
| I. Wood | Aarticus Limited |
| A. Daines | Laurel Software Limited |

There were no other material transactions during the year between the company and the directors or with entities controlled by them, other than those disclosed above.

12. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have share capital. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up while they are a member or within one year after they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amounts as may be required not exceeding £1.

13. RECONCILIATION OF MEMBERS' FUNDS AND MOVEMENT ON RESERVES

| | Special Projects Fund Reserve £ | Profit and loss account £ | Total members' funds £ |
|-------------------------|--|---------------------------------|---------------------------------|
| Balance brought forward | 250,000 | 1,403,025 | 1,653,025 |
| Loss for the year | - | (190,468) | (190,468) |
| Balance carried forward | <u>250,000</u> | <u>1,212,557</u> | <u>1,462,557</u> |