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MCKINSEY & COMPANY, INC. UNITED KINGDOM

Financial Statements for the year ended December 31, 2008

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To the Directors of McKinsey & Company, Inc. United Kingdom:

You have instructed us to review the financial statements of McKinsey & Company, Inc. United Kingdom for the year ended 31st December 2008 in the context of the UK GAAP. You have not instructed us to conduct an audit and accordingly we are not giving an audit opinion on the financial statements. The financial statements have been compiled from the accounting records and information and explanations supplied. These financial statements comprising the profit and loss account, balance sheet and related notes 1 to 5 have been prepared under the accounting policies set out therein, in a manner consistent with UK GAAP.

The Gallagher Partnership LLP
Chartered Accountants
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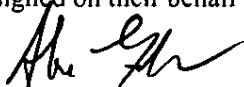
29 October 2009

McKinsey & Company, Inc. United Kingdom
Balance Sheet as at 31st December 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
Fixed Assets	1 & 2	13,778,724	13,814,444
Non-current asset-Deferred tax	1	8,200,661	7,721,534
Current Assets:			
Accrued Income	1	8,825,940	8,989,595
Debtors	3	47,035,335	15,945,878
Cash		14,619,372	29,167,509
		<u>70,480,647</u>	<u>54,102,982</u>
Creditors: Amounts falling due within one year	4	(75,922,039)	(56,410,586)
Net Current Assets / (Liabilities)		(5,441,392)	(2,307,604)
		<u>16,537,993</u>	<u>19,228,374</u>
Share Capital		100	100
Capital Contribution		40,449,433	40,449,433
Capital Reserve		4,390,487	4,390,487
Retained Earnings	5	(28,302,027)	(25,611,646)
		<u>16,537,993</u>	<u>19,228,374</u>

The accompanying notes are an integral part of this balance sheet

Approved by McKinsey & Company, Inc. United Kingdom
and signed on their behalf by



Alex Geddes
Director - Finance and Administration

Date: 29.10.2009

COMPANY REGISTRATION NO. FCO 12665

McKinsey & Company, Inc. United Kingdom
Profit and Loss account for the year ended 31st December 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
Revenues	1	226,839,433	203,393,303
Personnel Costs		<u>155,047,242</u>	<u>147,629,720</u>
Gross Profit		71,792,191	55,763,583
Administrative Expenses	1	79,007,498	64,293,279
Other Income		4,045,799	426,557
Net loss before Tax		<u>(3,169,508)</u>	<u>(8,103,139)</u>
Taxation			
Deferred Tax	1	479,127	1,358,512
Net loss after Tax		<u><u>(2,690,381)</u></u>	<u><u>(6,744,627)</u></u>

The accompanying notes are an integral part of this profit and loss account.

Approved by McKinsey & Company, Inc. United Kingdom
and signed on their behalf by



Alex Geddes
Director - Finance and Administration
Date : 29.10.2009

McKinsey & Company, Inc. United Kingdom
Notes to the financial statements
for the year ended 31st December 2008

1 ACCOUNTING POLICIES

- 1.1 The financial statements for McKinsey & Company, Inc. United Kingdom ('McKinsey UK') have been prepared under the historical cost convention and in conformity with accounting principles generally accepted in United Kingdom. The entity is not required legally or otherwise to present financial statements that give a true and fair view.

1.2 Fixed assets and depreciation -

Fixed assets are recorded at historical cost less accumulated depreciation. Depreciation is provided on the following basis:

- Motor vehicles are depreciated over a period of 3 years on straight line basis.
- Leasehold improvements are amortised over the remaining term of the lease.
- Furniture and equipment is depreciated on straight line basis over 3 to 10 years.

1.3 Corporation tax -

Corporation tax is provided on taxable profits at the prevailing rate.

1.4 Deferred tax -

Deferred tax is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on the current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations of periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.5 Accrued Income -

Accrued income values contracts in progress at the year end including the relevant profit element. Any amounts received on account from clients for which services have not been rendered are included in creditors in accordance with guidelines on revenue recognition.

1.6 Pension -

McKinsey UK operates pension schemes for its employees. The amount charged to the profit and loss account represents the amount payable for the year.

McKinsey & Company, Inc. United Kingdom
Notes to the financial statements
for the year ended 31st December 2008

1.7 Revenues -

Revenues are recognised as services are rendered. The impact of revisions to engagement revenues are recognised in the period in which those changes become known.

1.8 Currency exchange -

Pounds Sterling is the functional currency for McKinsey UK. All assets and liabilities denominated in foreign currency are translated at year-end exchange rates, other than fixed assets that are translated at the applicable historical rates. Revenues and expenses are translated at current monthly exchange rates, except for depreciation / amortization of Fixed assets that are recorded at historical rates.

1.9 Comparative figures have been adjusted to conform with changes in presentation in the current year where necessary

2 FIXED ASSETS

	<u>Leasehold Improvements</u>	<u>Furniture & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
Cost -				
Cost brought forward	20,230,178	12,108,766	107,925	32,446,869
Additions	979,340	1,278,341	64,259	2,321,940
Disposals	-	-	(83,281)	(83,281)
Cost carried forward	<u>21,209,518</u>	<u>13,387,107</u>	<u>88,903</u>	<u>34,685,528</u>
Depreciation -				
Depreciation brought forward	9,241,945	9,341,248	49,233	18,632,426
Charge for the year	1,240,978	1,070,365	17,850	2,329,193
Eliminated in respect of disposals	-	-	(54,815)	(54,815)
Depreciation carried forward	<u>10,482,923</u>	<u>10,411,613</u>	<u>12,268</u>	<u>20,906,804</u>
Net book value -				
As at 31 December 2008	<u>10,726,595</u>	<u>2,975,494</u>	<u>76,635</u>	<u>13,778,724</u>
As at 31 December 2007	<u>10,988,234</u>	<u>2,767,518</u>	<u>58,692</u>	<u>13,814,444</u>

McKinsey & Company, Inc. United Kingdom
Notes to the financial statements
for the year ended 31st December 2008

	<u>2008</u> £	<u>2007</u> £
3 DEBTORS		
Trade debtors	44,692,047	10,946,661
Prepayments	2,265,617	4,933,507
Other receivables	77,671	65,710
	<u>47,035,335</u>	<u>15,945,878</u>
4 CURRENT LIABILITIES		
Trade creditors	4,728,696	11,563,335
Other creditors	19,159,216	19,852,870
Intercompany balance	22,741,589	2,966,035
Accruals	22,908,127	18,563,140
Payments on account and short term balances	6,384,411	3,465,206
	<u>75,922,039</u>	<u>56,410,586</u>
5 RETAINED EARNINGS		
Loss brought forward from previous year	25,611,646	18,867,019
Loss for the year	2,690,381	6,744,627
Balance carried forward	<u>28,302,027</u>	<u>25,611,646</u>