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MCKINSEY & COMPANY, INC UNITED KINGDOM

Financial Statements for the year ended December 31, 2009

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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 2009 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 7 have been prepared under the accounting policies set out therein, in a manner consistent with UK GAAP.



The Gallagher Partnership LLP  
Chartered Accountants  
2nd Floor Titchfield House  
69/85 Tabernacle Street  
London EC2A 4RR

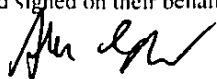
29 October 2010

McKinsey & Company, Inc United Kingdom  
Balance Sheet as at 31st December 2009

	<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
Fixed Assets	1 & 2	14,745,106	13,778,724
Non-current asset-Deferred tax	1	1,172,516	8,200,661
Current Assets			
Accrued Income	1	18,388,117	8,825,940
Debtors	3	75,553,359	47,035,335
Cash		9,107,663	14,619,372
		<u>103,049,139</u>	<u>70,480,647</u>
Creditors: Amounts falling due within one year	4	(85,557,776)	(75,922,039)
Net Current Assets / (Liabilities)		17,491,363	(5,441,392)
		<u>33,408,985</u>	<u>16,537,993</u>
Share Capital		100	100
Capital Contribution		40,449,433	40,449,433
Capital Reserve		4,390,487	4,390,487
Retained Earnings	5	(11,431,035)	(28,302,027)
		<u>33,408,985</u>	<u>16,537,993</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 29.10.2010

COMPANY NUMBER FC012665

McKinsey & Company Inc United Kingdom  
Profit and Loss account for the year ended 31st December 2009

	<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
Revenues	1	229,363,275	226,839,433
Personnel Costs		<u>141,412,723</u>	<u>155,047,242</u>
Gross Profit		87,950 552	71,792 191
Administrative Expenses	1	64,333 019	79,007 498
Other Income		281,604	4,045,799
Net profit / (loss) before tax		<u>23,899,137</u>	<u>(3,169,508)</u>
Taxation			
Deferred Tax	1	(7 028,145)	479 127
Net profit / (loss) after tax		<u><u>16,870,992</u></u>	<u><u>(2,690,381)</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 29.10.2010

McKinsey & Company, Inc United Kingdom  
Notes to the financial statements  
for the year ended 31st December 2009

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 the 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 2009

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 &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
Cost -				
Cost brought forward	21,209,518	13,387,107	88,903	34,685,528
Additions	3,173,560	200,254	-	3,373,814
Disposals / Adjustments	173,496	(187,929)	(13,172)	(27,605)
Cost carried forward	<u>24,556,574</u>	<u>13,399,432</u>	<u>75,731</u>	<u>38,031,737</u>
Depreciation -				
Depreciation brought forward	10,482,923	10,411,613	12,268	20,906,804
Charge for the year	1,393,022	991,731	19,959	2,404,712
Disposals / Adjustments	10,121	(28,419)	(6,587)	(24,885)
Depreciation carried forward	<u>11,886,066</u>	<u>11,374,925</u>	<u>25,640</u>	<u>23,286,631</u>
Net book value -				
As at 31 December 2009	<u>12,670,508</u>	<u>2,024,507</u>	<u>50,091</u>	<u>14,745,106</u>
As at 31 December 2008	<u>10,726,595</u>	<u>2,975,494</u>	<u>76,635</u>	<u>13,778,724</u>

McKinsey & Company Inc United Kingdom  
Notes to the financial statements  
for the year ended 31st December 2009

	<u>2009</u> £	<u>2008</u> £
<b>3 DEBTORS</b>		
Trade debtors	71 602,795	44,692,047
Prepayments	3,341,358	2,265,617
Other receivables	609,206	77,671
	<u>75,553,359</u>	<u>47,035,335</u>
<b>4 CURRENT LIABILITIES</b>		
Trade creditors	2,771,623	4,728 696
Other creditors	18,243,160	19 159 216
Intercompany balance	13,193,401	22 741,589
Accruals	27,611,280	22,908 127
Payments on account and short term balances	23,738,312	6 384,411
	<u>85,557,776</u>	<u>75,922,039</u>
<b>5 RETAINED EARNINGS</b>		
Loss brought forward from previous year	28,302,027	25,611,646
(Profit) / Loss for the year	<u>(16,870,992)</u>	<u>2,690 381</u>
Balance carried forward	<u>11,431,035</u>	<u>28,302,027</u>

**6 Events after the balance sheet date**

In June 2010, McKinsey UK entered into an agreement whereby it assigned the leased premises at Kensington Church Street in consideration of a reverse premium of £3.8m, paid in July 2010. In addition, the net book value of the leasehold improvements relating to the premises, of £5.1m was written off in July 2010.

McKinsey & Company Inc United Kingdom  
Notes to the financial statements  
for the year ended 31st December 2009

**7 Employee Stock Option Plan**

McKinsey and Company, Inc , the parent company of McKinsey UK ("the Firm") provides a share-based payment plan (the 'Plan'), to the eligible employees of McKinsey UK. Option awards are generally granted with an exercise price equal to the book value of the Firm's common stock at the date of grant and can be exercised not before the third anniversary of the grant and expire 30 days after the third anniversary of the grant.

The expense related to these options is reflected as a component of personnel costs in the profit and loss account. The related expense is measured as the difference between the exercise price and the book value per share as of the exercise date if exercised. The expense recognized in the financial statements for the year ended 31 December 2009 is £ 1,265,594.

The total income tax benefit related to the options granted recognized in the financial statements for the years ended 31 December 2009 was £ 354,366 (2008 Nil ).