

A & R Edelman Limited

Registered number 03280816

Report and Financial Statements

30 June 2010



A & R Edelman Limited

Registered number 03280816

Directors and advisors

Directors

I Dobson
R Edelman

Company secretary

R Payne

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

JP Morgan Chase Bank N A
Chaseside
Bournemouth
BH7 7DB

Registered office

Southside
105 Victoria Street
London
SW1E 6QT

A & R Edelman Limited

Directors' report

For the year ended 30 June 2010

The directors present their report and the audited financial statements of A & R Edelman Limited (the 'company') for the year ended 30 June 2010

Results and dividends

The profit for the year, after taxation, amounted to £488,278 (2009 loss of £159,095) The directors do not recommend the payment of a dividend for the year (2009 £nil)

Principal activities and review of the business

The principal activity of the company is the provision of public relations and corporate and social responsibility consultancy The directors consider that the result for the year to be encouraging and significantly better than previous year's results

The directors who held office during the year and up to the date of signing the financial statements are disclosed on page 1

Future developments

The directors believe that the level of activity will continue to improve for the foreseeable future as more clients continue to be gained and that the company is in a good position to take advantage of any opportunities which may arise in the future

Statement of 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 period 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

A & R Edelman Limited

Directors' report

For the year ended 30 June 2010

Directors' indemnities

The ultimate parent company, Daniel J Edelman Inc , maintains liability insurance for the directors and officers of the company

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be put to the members at the Annual General Meeting

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the board



Robin Payne
Company secretary
23 March 2011

A & R Edelman Limited

Independent auditors' report to the members of A & R Edelman Limited

We have audited the financial statements of A & R Edelman Limited (the 'company') for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 3 the directors 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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

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 company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

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 June 2010 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 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.

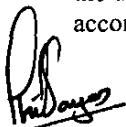
A & R Edelman Limited

Independent auditors' report to the members of A & R Edelman Limited

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 financial statements and the directors' report in accordance with the small company regime



Philip Sayers (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

23 March 2011

A & R Edelman Limited

Profit and Loss Account

for the year ended 30 June 2010

	Notes	2010 £	2009 £
Turnover	2	1,181,140	464,713
Cost of sales		(124,688)	(147,872)
Gross profit		1,056,452	316,841
Administrative expenses		(514,150)	(473,253)
Operating profit/(loss)	3	542,302	(156,412)
Interest receivable and similar income	4	5	264
Interest payable and similar charges	5	(2,142)	(1,495)
Profit / (Loss) on ordinary activities before taxation		540,165	(157,643)
Tax on profit/ (loss) on ordinary activities	8	(51,887)	(1,452)
Profit / (Loss) for the financial year	12	488,278	(159,095)

The profit and loss account has been prepared on the basis that all operations are continuing operations

The company had 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

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 8 to 13 form part of the financial statements

A & R Edelman Limited

Balance sheet

at 30 June 2010

Registered number 03280816

	Notes	2010 £	2009 £
Current assets			
Work in Progress		150,816	72,226
Debtors	9	420,759	197,292
Cash at bank and in hand		257,438	-
		<u>829,013</u>	<u>269,518</u>
Creditors amounts falling due within one year	10	(538,923)	(467,706)
		<u>290,090</u>	<u>(198,188)</u>
Net current assets / (liabilities)			
		<u>290,090</u>	<u>(198,188)</u>
Net assets/ (liabilities)			
		<u>290,090</u>	<u>(198,188)</u>
Capital and reserves			
Called up share capital	11	100	100
Capital contribution reserve	12	293,490	293,490
Profit and loss account	12	(3,500)	(491,778)
		<u>290,090</u>	<u>(198,188)</u>
Total shareholder's funds/ (deficit)	12	<u>290,090</u>	<u>(198,188)</u>

The financial statements on pages 6 to 13 were approved by the directors on 23 March 2011 and are signed on their behalf by I C Dobson



Director

A & R Edelman Limited

Notes to the financial statements

for the year ended 30 June 2010

1. Accounting policies

The following accounting policies have been applied consistently throughout the year

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below

Turnover and revenue recognition

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts

Revenue is recognised at the point at which the service is provided and the value can be determined. To the extent that revenue has been invoiced but the service not provided in the financial year covered by these statements, that revenue will be deferred to future years

Pensions

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the year to which they relate. These contributions are invested separately from the company's assets

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted, and
- deferred tax is measured on a non discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company

Interest

Interest receivable and payable are recorded in the profit and loss account as they accrue

Work in progress

Work in progress represents unbilled third-party direct costs and is valued at the lower of cost and net realisable value

A & R Edelman Limited

Notes to the financial statements

for the year ended 30 June 2010

2. Turnover

All turnover is attributable to press and public relations services and strategic brand consultancy. The analysis by geographical market is as follows:

	2010 £	2009 £
United Kingdom	1,181,140	464,713

3. Operating profit

Operating loss is stated after charging/(crediting)

	2010 £	2009 £
Auditors' remuneration	11,063	9,820
(Gain)/loss on foreign exchange	(15,656)	35,772

4. Interest receivable and similar income

	2010 £	2009 £
Bank interest receivable	5	264

5. Interest payable and similar charges

	2010 £	2009 £
On bank overdrafts	2,142	1,495

A & R Edelman Limited

Notes to the financial statements

for the year ended 30 June 2010

6. Directors' emoluments

During the year, no emoluments were paid directly in respect of qualifying services of the directors (2009 £nil). However the directors received emoluments from other group undertakings in respect of their services to the group. Emoluments are disclosed in Daniel J Edelman Limited financial statements. No share options were granted or exercised during the year (2009 £nil).

7. Staff costs

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Wages and salaries	351,849	290,726
Social security costs	35,506	25,207
Other pension costs (note 13)	8,940	8,115
	<u>396,295</u>	<u>324,048</u>

The average monthly number of employees during the year was as follows

	<i>2010</i>	<i>2009</i>
	<i>number</i>	<i>number</i>
Full time professional staff	<u>7</u>	<u>4</u>

A & R Edelman Limited

Notes to the financial statements

for the year ended 30 June 2010

8. Tax on profit/ (loss) on ordinary activities

(a) Tax on profit/(loss) on ordinary activities

The standard rate of corporate tax in the United Kingdom was 28% (2009 28%)

The charge is based on ordinary activities before tax and comprises

	2010 £	2009 £
Current tax:		
UK corporation tax on profits for the period	114,319	-
Adjustments in respect of previous years	(59,915)	1,452
Current tax charge	54,404	1,452
Deferred tax:		
Origination and reversal of timing differences	(2,517)	-
Tax on profit / (loss) on ordinary activities	51,887	1,452

(b) Factors affecting the current tax charge

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2009 28%) These differences are reconciled below

	2010 £	2009 £
Profit/ (loss) on ordinary activities before taxation	540,165	(157,643)
Profit / (loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2009 28%)	151,246	(44,140)
Effects of		
Non-deductible expenses	518	114
Adjustments to tax charge in respect of previous years	(59,915)	1,452
Utilisation of losses	(37,056)	46,350
Other short term timing differences	-	(1,838)
Accelerated capital allowances	(389)	(486)
Current tax charge	54,404	1,452

Deferred tax assets not recognised at year-end amount to £nil (2009 £86,313) A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement including legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011 The changes had not been substantively enacted at the balance sheet date, and therefore are not reflected in these financial statements The rate adjustment is not expected to have a material impact on the deferred tax balances included within these financial statements

A & R Edelman Limited

Notes to the financial statements

for the year ended 30 June 2010

9. Debtors

	2010	2009
	£	£
Trade debtors	183,864	78,306
Amounts owed by parent and fellow group undertakings	229,017	45,971
Group relief receivable	-	5,991
Deferred Tax	2,517	-
VAT recoverable	-	49,751
Prepayments and accrued income	5,361	17,273
	<u>420,759</u>	<u>197,292</u>

Amounts owed by parent and group undertakings are unsecured, non-interest bearing and are repayable under normal trading terms

10. Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank overdraft	-	48,471
Trade creditors	15,077	33
Amounts owed to parent and group undertakings	121,166	151,959
Taxation and social security	113,085	-
Accruals and deferred income	272,833	267,243
Other creditors	16,762	-
	<u>538,923</u>	<u>467,706</u>

Amounts owed to parent and group undertakings are unsecured, non-interest bearing and repayable under normal trading terms

A & R Edelman Limited

Notes to the financial statements

for the year ended 30 June 2010

11. Called up share capital

	2010	2009
<i>Authorised</i>	£	£
100,000 ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
<i>Allotted and fully paid</i>	2010	2009
	£	£
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

12. Reconciliation of movements in shareholder's funds and reserves

	<i>Share capital</i>	<i>Capital Contribution Reserve</i>	<i>Profit and loss account</i>	<i>Total- Shareholder's (deficit)/ funds</i>
	£	£	£	£
At 30 June 2009	100	293,490	(491,778)	(198,188)
Profit for the financial year	–	–	488,278	488,278
At 30 June 2010	<u>100</u>	<u>293,490</u>	<u>(3,500)</u>	<u>290,090</u>

13. Pension contributions

The company has made contributions to a defined contribution pension scheme for certain employees. The contributions totalled £8,940 of which £nil had not been paid at the year end (2009 £8,115 of which £nil had not been paid at the year end).

14. Related party transactions

Under Financial Reporting Standard 8, the company is exempt from disclosing transactions with entities that are part of the group as a subsidiary undertaking which is wholly-owned by the ultimate parent company.

15. Ultimate parent undertaking

The company's parent undertaking and the undertaking the directors regard as the ultimate controlling party is Daniel J Edelman Inc, a company registered in the United States which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the financial statements of Daniel J Edelman Inc can be obtained from 200 East Randolph Drive, Suite 6300, Chicago, Illinois, United States.