

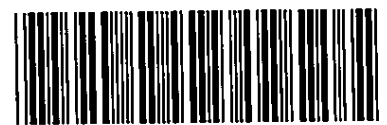


Grant Thornton

Financial statements M Communications (London) Limited

For the Year Ended 31 December 2008

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COMPANIES HOUSE

Company No. 4519524

Officers and professional advisers

Company registration number	4519524
Registered office	Ninth Floor 1 Ropemaker Street London EC2Y 9HT
Directors	Mr T Seiling Mr H M Morrison Dr O Niedermaier Mr N C J Miles
Secretary	H M Morrison
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Melton Street Euston Square London NW1 2EP

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2008.

Principal activities and business review

The principal activity of the company during the year was that of financial public relations consultancy.

The principal risks and uncertainties facing the business centre on the highly competitive market in which it operates.

Turnover and operating profit have decreased due to the general challenging economic environment. The company has continued to build its employee base for returning markets. The company has kept close control over costs and will continue to do so in order to maintain profitability.

The key financial highlights are as follows:

	2008	2007	2006	2005
Turnover	10,692,802	11,008,168	9,359,605	6,988,962
Turnover growth	(3%)	18%	34%	27%
Profit before tax	2,456,555	3,969,433	3,431,678	1,787,194
Profit %	23%	36%	37%	26%
Profit per employee	48,489	110,262	118,334	66,192

Results and dividends

The profit for the year, after taxation, amounted to £1,660,807.

The directors have not recommended payment of a dividend in the year (2007: £713,600).

Financial risk management objectives and policies

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk.

In respect of bank balances the liquidity risk is managed by maintaining sufficient funds to meet the day to day requirements of the business.

Trade debtors are managed in respect of credit risk and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and value.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Directors

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

Mr T Seiling
Mr H M Morrison
Dr O Niedermaier
Mr N C J Miles

Mr T Seiling was appointed as a director on 7 February 2008.

Dr O Niedermaier was appointed as a director on 7 February 2008.

Directors' responsibilities

The directors are responsible for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year the company made the following contributions:

	2008	2007
	£	£
Charitable	<u>3,100</u>	<u>2,755</u>

Auditor

Grant Thornton UK LLP were appointed auditors during the year to fill a casual vacancy in accordance with section 381(1) of the Companies Act 1985 - special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the next Annual General Meeting.

ON BEHALF OF THE BOARD



H M Morrison
Secretary

4 September 2009



Report of the independent auditor to the members of M Communications (London) Limited

We have audited the financial statements of M Communications (London) Limited for the year ended 31 December 2008 on pages 10 to 19. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Report of the independent auditor to the members of M Communications (London) Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LONDON

Date:

23 September 2009

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements incorporate the financial statements of the company and entities controlled by the company at 31 December 2008. It is deemed that the company has de facto control over the assets and liabilities of The Ropemaker 2007 Trust, established on 11 January 2008, and as such the Trust's results and year end position are recognised within the company's extended entity results.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Fees from professional services are recognised as the services are rendered. Unbilled fees are recognised at estimated billable amounts. Deferred revenues are recognised when services are performed.

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:

Fixtures & Fittings	- 20% on cost
Computer equipment	- 25% on cost

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 pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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

Profit and loss account

	Note	2008 £	2007 £
Turnover	1	10,692,802	11,008,168
Other operating charges	2	8,328,677	7,038,188
Other operating income	3	–	(150)
Operating profit	4	2,364,125	3,970,130
Interest receivable		111,646	37,303
Interest payable and similar charges	7	(19,216)	(38,000)
Profit on ordinary activities before taxation		2,456,555	3,969,433
Tax on profit on ordinary activities	8	795,748	1,329,468
Profit for the financial year	20	1,660,807	2,639,965

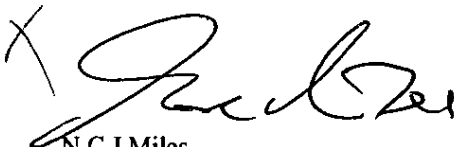
All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	10	10,301	23,198
Investments	11	–	10
		<u>10,301</u>	<u>23,208</u>
Current assets			
Debtors	13	5,921,985	3,484,120
Cash at bank		1,993,448	1,352,423
		<u>7,915,433</u>	<u>4,836,543</u>
Creditors: amounts falling due within one year	14	1,493,027	2,101,607
Net current assets		<u>6,422,406</u>	<u>2,734,936</u>
Total assets less current liabilities		<u>6,432,707</u>	<u>2,758,144</u>
Capital and reserves			
Called-up equity share capital	18	20	20
Other reserves	19	1,516,956	–
Profit and loss account	20	4,915,731	2,758,124
Shareholders' funds	21	<u>6,432,707</u>	<u>2,758,144</u>

These financial statements were approved by the directors and authorised for issue on 4/9/09, and are signed on their behalf by:

X 
N C J Miles
Director

X 
H M Morrison
Director

Notes to the financial statements

1 Turnover

In the year to 31 December 2008 50.5% (2007: 54.8%) of the company's turnover was attributable to markets outside the United Kingdom.

2 Other operating charges

	2008 £	2007 £
Administrative expenses	<u>8,328,677</u>	<u>7,038,188</u>

3 Other operating income

	2008 £	2007 £
Other operating income	<u>—</u>	<u>150</u>

4 Operating profit

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of owned fixed assets	30,743	52,244
Profit on disposal of fixed assets	—	(4,410)
Auditor's remuneration:		
Audit fees	19,400	15,000
Operating lease costs:		
Other	418,086	388,502
Net loss on foreign currency translation	<u>128</u>	<u>293</u>

5 Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No	No
Consultants	<u>42</u>	<u>36</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	3,951,584	3,745,695
Social security costs	479,553	458,950
Other pension costs	140,813	168,444
	<u>4,571,950</u>	<u>4,373,089</u>

6 Directors

Remuneration in respect of directors was as follows:

	2008	2007
	£	£
Emoluments receivable	<u>369,250</u>	<u>406,447</u>

Emoluments of highest paid director:

	2008	2007
	£	£
Total emoluments (excluding pension contributions)	<u>201,175</u>	<u>221,458</u>

7 Interest payable and similar charges

	2008	2007
	£	£
Other similar charges payable	-	38,000
Interest payable on intercompany balances	<u>19,216</u>	<u>-</u>

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 28.50% (2007 - 30%)	795,748	1,329,468
Total current tax	<u>795,748</u>	<u>1,329,468</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28.50% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>2,456,555</u>	<u>3,969,433</u>
Profit on ordinary activities by rate of tax	700,118	1,190,830
Expenses not deductible for tax purposes	82,447	130,306
Capital allowances for period in excess of depreciation	1,133	-
Adjustments to tax charge in respect of previous periods	-	(532)
Timing differences on provisions	12,050	10,232
Income exempt for tax purposes	-	(1,368)
Total current tax (note 8(a))	<u>795,748</u>	<u>1,329,468</u>

9 Dividends

Dividends on shares classed as equity

	2008 £	2007 £
Paid during the year:		
Dividends on equity shares	<u>-</u>	<u>713,600</u>

10 Tangible fixed assets

	Fixtures & Fittings £	Computer equipment £	Total £
Cost			
At 1 January 2008	65,624	206,252	271,876
Additions	—	17,846	17,846
At 31 December 2008	<u>65,624</u>	<u>224,098</u>	<u>289,722</u>
Depreciation			
At 1 January 2008	50,689	197,989	248,678
Charge for the year	11,500	19,243	30,743
At 31 December 2008	<u>62,189</u>	<u>217,232</u>	<u>279,421</u>
Net book value			
At 31 December 2008	<u>3,435</u>	<u>6,866</u>	<u>10,301</u>
At 31 December 2007	<u>14,935</u>	<u>8,263</u>	<u>23,198</u>

11 Investments

	£
Cost	
At 1 January 2008	10
Disposals	(10)
At 31 December 2008	<u>-</u>
Net book value	
At 31 December 2008	<u>-</u>
At 31 December 2007	<u>10</u>

The company's wholly controlled subsidiary, M Delta Limited, a financial communications consultancy, ceased to trade on 31 March 2007 and was dissolved on 12 August 2008. A balance due to the company from M Delta Limited of £880 was written off prior to the dissolution.

12 Extended entity accounting

It is deemed that the company has de facto control over the assets and liabilities of The Ropemaker 2007 Trust, established on 11 January 2008, and as such the Trust's results and year end position are recognised within the company's extended entity balance sheet.

The Ropemaker 2007 Trust's result for the year and balance sheet position are as follows:

	2008 £	2007 £
Profit and loss account		
Other operating charges	(70,626)	—
Discretionary awards made	(496,800)	—
Interest receivable	74,797	—
Charge attributable to The Ropemaker Trust	<u>(492,629)</u>	<u>—</u>
Balance sheet		
Cash	<u>1,521,127</u>	<u>—</u>

The cash held by the Trust is restricted for use to make discretionary awards to employees.

13 Debtors

	2008 £	2007 £
Trade debtors	1,464,910	1,801,888
Amounts owed by group undertakings	4,056,066	2,119
Other debtors	82,377	51,675
Directors current accounts	18,377	1,156,067
Prepayments and accrued income	300,255	472,371
	<u>5,921,985</u>	<u>3,484,120</u>

Further details in respect of the directors current accounts are disclosed in note 23.

14 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	196,608	158,953
Amounts owed to group undertakings	299,840	—
Corporation tax	42,517	707,041
Other taxation and social security	285,366	348,399
Other creditors	213,470	—
Accruals and deferred income	455,226	887,214
	<u>1,493,027</u>	<u>2,101,607</u>

15 Commitments under operating leases

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & buildings	
	2008	2007
	£	£
Operating leases which expire:		
Within 1 year	<u>291,741</u>	<u>176,400</u>

16 Contingencies

The company has entered into agreements with various group companies and lenders as co-guarantor. The company has unconditionally and irrevocably jointly and severally guaranteed the full and prompt payment of the indebtedness of P1 M Holdings Limited to its lenders. The loan amounts to £11,000,000 and is repayable in varying quarterly instalments over approximately five years. The guarantee is supported by a debenture over various group assets.

17 Related party transactions

The company has taken advantage of the exemption offered by FRS8 not to disclose related party transactions with other group companies. Details of transactions with directors are disclosed in note 23.

18 Share capital

Authorised share capital:

	2008	2007
	£	£
500,000 Ordinary shares of £0.01 each	<u>5,000</u>	<u>5,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £0.01 each	<u>2,000</u>	<u>20</u>	<u>2,000</u>	<u>20</u>

19 Other reserves: extended entity accounting

	2008	2007
	£	£
Initial contribution	2,013,756	—
Transfer to profit and loss reserve	(496,800)	—
	<u>1,516,956</u>	<u>—</u>

Under UK GAAP (extended entity accounting rules), The Ropemaker 2007 Trust has been included within the company's financial statements (further details are give in note 12). The balance above (Initial reserve) represents the cash received by the Trust prior to any discretionary awards made. A transfer has then been made to profit and loss representing the value of discretionary awards made and charged to profit but which are met from Trust funds.

20 Profit and loss account

	2008	2007
	£	£
Balance brought forward	2,758,124	831,759
Profit for the financial year	1,660,807	2,639,965
Equity dividends	—	(713,600)
Transfers from other reserves (note 19)	496,800	—
Balance carried forward	<u>4,915,731</u>	<u>2,758,124</u>

21 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Profit for the financial year	1,660,807	2,639,965
Other reserve: initial contribution (note 19)	2,013,756	—
	<u>3,674,563</u>	<u>2,639,965</u>
Equity dividends	—	(713,600)
Net addition to shareholders' funds	<u>3,674,563</u>	<u>1,926,365</u>
Opening shareholders' funds	2,758,144	831,779
Closing shareholders' funds	<u>6,432,707</u>	<u>2,758,144</u>

22 Ultimate parent company

On 7 February 2008 the company became a wholly owned subsidiary of P1 M Holdings Limited. Up to 7 February 2008 the company was controlled by the directors. Since that date the intermediate parent company has been P1 Holdings LLC, which is incorporated in the United States of America (by virtue of its controlling P1M Holdings Limited) and the ultimate controlling party was P1 Investco, LLC, a company incorporated in the United States of America.

The smallest group of undertakings that prepares consolidated financial statements and of which the company is a member is P1 M Holdings Limited. The largest group of undertakings that prepares consolidated financial statements and of which the company is a member is P1 Holdings LLC.

23 Transactions with directors

The following loans to directors subsisted during the years ended 31 December 2008 and 31 December 2007.

	2008 £	2007 £
Mr N C J Miles		
Balance outstanding at start of year	628,033	(15,136)
Balance outstanding at end of year	9,851	628,033
Maximum balance outstanding during year	628,033	628,033
Mr H M Morrison		
Balance outstanding at start of year	528,034	(319)
Balance outstanding at end of year	8,526	528,034
Maximum balance outstanding during year	528,034	528,034

The loans are unsecured and there are no fixed terms relating to interest or repayment.

24 Capital commitments

There were no capital commitments as at 31 December 2008 and 31 December 2007.

25 Contingent Liabilities

There were no contingent liabilities as at 31 December 2008 and 31 December 2007.