

The Profile Group (UK) Limited

(Registered number 05243851)

Annual Report

For the 18 months ended 30 June 2012

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The Profile Group (UK) Limited

Annual report for the 18 months ended 30 June 2012

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The Profile Group (UK) Limited

Company information

Company registration number

05243851

Registered office

Wells Point
79 Wells Street
London
United Kingdom
W1T 3QN

Directors

GTD Wilmot (appointed 20 February 2012)
MH Kerswell (appointed 20 February 2012)
S Middelboe (appointed 20 February 2012)

Company secretary

CV Baty

Bankers

Royal Bank of Scotland
Corporate Banking London
9th Floor
280 Bishopsgate
London
EC2M 4RB

Independent Auditors

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

The Profile Group (UK) Limited

Directors' report for the 18 months ended 30 June 2012

The directors have pleasure in presenting their report and the audited financial statements of The Profile Group (UK) Limited ("the Company") for the 18 months ended 30 June 2012

Principal activities

The principal activity of the company continues to be the provision of forward planning and contact information to the media, marketing and PR industries

Review of the year, including results and dividends

The entire share capital of The Profile Group (UK) Limited was acquired by Centaur Communications Ltd on 20 February 2012 for a net cash consideration of £7.5m

The directors of the ultimate parent company, Centaur Media plc, "the Group", manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group as a whole is discussed on pages 18 to 23 of the Group's 2012 annual report.

The profit for the financial period is £164,267 (2010: £349,479), includes a one-off charge of £300,000 resulting from the decision to relocate the Company to the Group's main offices. The Company's operations continued to grow through the period and, on a pro rata basis, delivered 5% growth in revenue and, after adjusting for one-off items, 4% growth in profit before taxation. The directors do not recommend the payment of a dividend (2010: £nil).

Future developments

The Company's products are continually being developed in terms of breadth of content and functionality and these factors are expected to drive further growth in the future.

Principal risks and uncertainties

The directors of Centaur Media plc manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors have not included a separate discussion of the Company's risks. The principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 27 and 28 of the Group's 2012 annual report.

The financial risk management policy of the Group, which includes that of the Company is discussed on pages 91 and 92 of the Group's 2012 annual report.

The Profile Group (UK) Limited

Directors' report for the 18 months ended 30 June 2012 (continued)

Directors

The directors who have served during the period and up to the date of signing the financial statements were as follows

GTD Wilmot (appointed 20 February 2012)
MH Kerswell (appointed 20 February 2012)
S Middelboe (appointed 20 February 2012)
R Barclay (resigned 20 February 2012)
P Miller (resigned 20 February 2012)
MG Rosenfeld (resigned 20 February 2012)

Company Secretary

The company secretaries who have served during the period and up to the date of signing the financial statements are as follows

A Jackson (resigned 20 February 2012)
PA Keith (appointed 20 February 2012, resigned 1 October 2012)
CV Baty (appointed 1 October 2012)

Qualifying third party indemnity provisions

By virtue of article 206 of the Articles of Association of the Company, a qualifying indemnity provision (within the meaning given by section 234 of the Companies Act 2006) is in force at the date of this report in respect of each Director of the Company and was in force from 8 December 2005

Payment of creditors

It is the Company's policy to agree credit arrangements with suppliers as part of the general terms of supply. Payment is then made in accordance with these terms provided the goods and services have been delivered in accordance with the agreed terms and conditions. The number and diversity of supply relationships means that the Company pursues no formal code or policy beyond this. The Company had trade creditors of £9,422 as at 30 June 2012 (2010: £46,692).

Employment policy

The Company is an equal opportunities employer and appoints employees without reference to gender, ethnic group or religious beliefs. It is the Company's policy to give full consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees of the Company who become disabled to continue in their employment or to be trained for other positions in the Company.

The directors actively encourage employee involvement at all levels, both through regular employee briefings and by direct access to managers and the directors.

The Profile Group (UK) Limited

Directors' report for the 18 months ended 30 June 2012 (continued)

Reappointment of auditors

The auditors, PricewaterhouseCoopers LLP, who were appointed during the year, are deemed to have been reappointed in accordance with section 487 of the Companies Act 2006

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 prepared 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

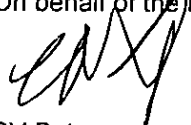
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors 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.

On behalf of the Board



CV Baty
Company Secretary

13 December 2012

The Profile Group (UK) Limited

Independent auditors' report to the members of The Profile Group (UK) Limited

We have audited the financial statements of The Profile Group (UK) Limited for the period ended 30 June 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Principal Accounting Policies 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 Statement of Directors' Responsibilities set out on page 4 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 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 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. In addition we read all the financial and non financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 period for which the financial statements are prepared is consistent with the financial statements.

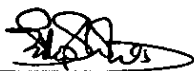
The Profile Group (UK) Limited

Independent auditors' report to the members of The Profile Group (UK) Limited (continued)

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



Philip Stokes (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 14 December 2012

The Profile Group (UK) Limited

Profit and loss account for the 18 months ended 30 June 2012

	Note	18 months ended 30 June 2012 £	Year ended 31 December 2010 £
Turnover	1	4,637,262	2,936,400
Cost of sales		(1,371,324)	(518,936)
Gross profit		3,265,938	2,417,464
Distribution costs		(894,590)	(827,884)
Administrative expenses		(2,083,481)	(1,203,747)
Operating profit	2	287,867	385,833
Other interest receivable and similar income	4	7,585	312
Interest payable and similar charges	5	(7,807)	(9,214)
Profit on ordinary activities before taxation		287,645	376,931
Tax on profit on ordinary activities	6	(123,378)	(27,452)
Profit for the financial period/year	12	164,267	349,479

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

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented. All amounts relate to continuing operations

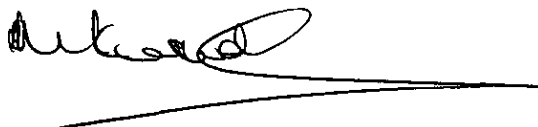
The Profile Group (UK) Limited

Balance Sheet as at 30 June 2012

Company number 05243851

	Note	30 June 2012 £	31 December 2010 £
Fixed assets			
Intangible assets	7	58,269	255,184
Tangible assets	8	163,944	254,031
		222,213	509,215
Current assets			
Debtors	9	1,361,628	853,378
Cash at bank and in hand		149,168	62,254
		1,510,796	915,632
Creditors' amounts falling due within one year	11	(1,784,248)	(1,789,386)
Net current liabilities		(273,452)	(873,754)
Total assets less current liabilities		(51,239)	(364,539)
Creditors' amounts falling due after more than one year	12	-	(97,223)
Provisions for liabilities	13	(246,256)	-
Net liabilities		(297,495)	(461,762)
Capital and reserves			
Called up share capital	14	2,000	2,000
Profit and loss account	15	(299,495)	(463,762)
Total shareholders' deficit	16	(297,495)	(461,762)

The financial statements on pages 7 to 17 were approved by the Board of Directors on 17 December 2012 and were signed on its behalf by



MH Kerswell
Director

The Profile Group (UK) Limited

Principal accounting policies

a) Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention in accordance with applicable accounting standards in the United Kingdom and Companies Act 2006. The principal accounting policies of the Company, which have been applied consistently throughout the period are given below.

b) Turnover

Turnover represents the amount derived from the provision of services falling within the company's activities after deduction of trade discounts and value added tax. Revenue received in advance for services is deferred and recognised on a straight line basis over the period in which the service is provided. The Directors believe there is only one class of business.

c) Tangible fixed assets

Tangible fixed assets are stated at purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation of tangible assets is provided on a straight-line basis over the following estimated useful lives of the assets:

Land & buildings leasehold	-	10 years or the expected length of the lease if shorter
Fixtures and fittings	-	10 years
Computer equipment	-	3 - 5 years

A review of the estimated useful life of each asset is carried out annually to ensure depreciation rates are adequate.

d) Goodwill

Goodwill purchased has been capitalised and is amortised straight line over its estimated useful economic life of 5 years, which is the period over which the directors estimate that the values of the underlying businesses acquired are expected to exceed the value of the underlying asset. The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value, which could result in the inability to recover the carrying amount. If it is determined that the carrying value exceeds the recoverable amount, the excess is charged to the profit and loss account.

e) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is more likely than not that an outflow of resources will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation.

Provisions for onerous property leases are recognised to reflect the aggregate future lease commitments, less any contracted sub-lease income, for properties no longer occupied and in use by the Group.

The Profile Group (UK) Limited

Principal accounting policies (continued)

f) Deferred tax

Full provision is made for timing differences. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

When a deferred tax asset is recognised as recoverable, it is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities have not been discounted.

g) Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

h) Going concern

At the year end the company was in a net liabilities position. The Company has confirmation of support from the ultimate parent company, Centaur Media plc, if the Company is unable to meet liabilities as they fall due. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

i) Cash flow statement

As a wholly owned subsidiary of Centaur Media plc, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard ("FRS") 1 (Revised 1996) "Cash Flow Statements".

j) Foreign currencies

Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated at exchange rates prevailing at the period end date. Any gains or losses arising on exchange are reflected in the profit and loss account.

k) Pension

The company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge disclosed in note 3 represents contributions payable by the company to the fund.

The Profile Group (UK) Limited

Notes to the financial statements

1 Turnover

All turnover and profits are generated from continuing operations in the United Kingdom through the Company's principal activities. All net assets are located in the United Kingdom.

2 Operating profit

Operating profit is stated after charging

	18 months ended 30 June 2012 £	Year ended 31 December 2010 £
Operating leases - land and buildings	413,670	109,789
Staff costs (note 3)	3,008,906	1,716,940
Depreciation of tangible assets (note 8)	208,432	94,332
Amortisation of intangible fixed assets (note 7)	196,915	131,277
Onerous lease provision (note 13)	300,000	-

The auditors' remuneration of £8,000 (2010: £9,580) for the period has been borne by a fellow subsidiary company, Chiron Communications Limited.

3 Employees and directors

Staff costs

	18 months ended 30 June 2012 £	Year ended 31 December 2010 £
Wages and salaries	2,677,771	1,558,177
Social security costs	244,660	158,762
Compensation for loss of office	75,000	-
Other pension costs	11,475	9,267
	3,008,906	1,716,940

The average monthly number of persons employed by the Company during the period, including executive directors, by activity was

	18 months ended 30 June 2012 Number	Year ended 31 December 2010 Number
Employees	47	48

The Profile Group (UK) Limited

Notes to the financial statements

3 Employees and directors (continued)

Directors emoluments

	18 months ended 30 June 2012 £	Year ended 31 December 2010 £
Directors remuneration	182,539	166,083
Compensation for loss of office	75,000	-
Pension contributions to money purchase scheme	2,317	9,267
	<u>259,856</u>	<u>175,350</u>

Pension contributions relate to the pension of P Miller

Highest paid director

	18 months ended 30 June 2012 £	Year ended 31 December 2010 £
Aggregate emoluments	178,104	152,227
Pension contributions to money purchase scheme	2,317	9,267
	<u>180,421</u>	<u>161,494</u>

GTD Wilmot and MH Kerswell are directors of the ultimate parent company, Centaur Media plc. Their emoluments are disclosed in those company's financial statements. These directors did not receive any emoluments in respect of services to this company, which services are considered incidental to their duties on behalf of the Group.

4 Interest receivable and similar income

	18 months ended 30 June 2012 £	Year ended 31 December 2010 £
Interest receivable from group companies	7,011	-
Interest receivable from banks	574	312
	<u>7,585</u>	<u>312</u>

5 Interest payable and similar charges

	18 months ended 30 June 2012 £	Year ended 31 December 2010 £
Interest payable to banks	7,807	9,214

The Profile Group (UK) Limited

Notes to the financial statements (continued)

6 Tax on profit on ordinary activities

	18 months ended 30 June 2012 £	Year ended 31 December 2010 £
Current tax		
- current period/year	133,796	27,452
Total current tax charge	133,796	27,452
Deferred tax		
- origination and reversal of timing differences	(16,628)	-
- adjustment in respect of prior years	6,210	-
Total deferred tax credit (note 10)	(10,418)	-
Tax charge on ordinary activities	123,378	27,452

The tax assessed for the year is higher (2010 lower) than the standard rate of corporation tax in the UK 26% (2010 21%)

	£	£
Profit on ordinary activities before taxation	287,645	376,931
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 21%)	74,788	79,156
Effects of		
Expenses not deductible for tax purposes	106,159	47,384
Capital allowances for the period/year	(35,168)	(28,246)
Marginal relief	(14,788)	-
Losses utilised	-	(70,842)
Rate changes	2,805	-
Current tax charge for the period/year	133,796	27,452

The Finance (No 4) Act 2012 included legislation to reduce the main rate of corporation tax from 26% to 24% from 1 April 2012. In addition, a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2013. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

There will be no material effect on the deferred tax liability or the tax charge resulting from the changes to be enacted in the Finance Act 2013.

The Profile Group (UK) Limited

Notes to the financial statements (continued)

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2011 and 30 June 2012	656,385
Accumulated amortisation	
At 1 January 2011	401,201
Charge for the period	196,915
At 30 June 2012	598,116
Net book amount	
At 30 June 2012	58,269
At 31 December 2010	255,184

8 Tangible fixed assets

	Land & buildings leasehold £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2011	130,821	383,911	52,816	567,548
Additions	-	96,618	21,727	118,345
At 30 June 2012	130,821	480,529	74,543	685,893
Accumulated depreciation				
At 1 January 2011	74,821	200,820	37,876	313,517
Charge for the period	56,000	141,186	11,246	208,432
At 30 June 2012	130,821	342,006	49,122	521,949
Net book amount				
At 30 June 2012	-	138,523	25,421	163,944
At 31 December 2010	56,000	183,091	14,940	254,031

9 Debtors

	30 June 2012 £	31 December 2010 £
Amounts falling due within one year		
Trade debtors	895,412	775,940
Amounts due from group undertakings	339,981	-
Deferred tax (note 10)	10,418	-
Prepayments and accrued income	71,511	28,088
Other debtors	44,306	49,350
	1,361,628	853,378

Amounts owed by group undertakings are unsecured, are repayable on demand, and bear interest at an annual rate of 2 11% (2011 n/a), receivable annually on 30 June

The Profile Group (UK) Limited

Notes to the financial statements (continued)

10 Deferred tax asset

The deferred tax asset comprises the following amounts

	30 June 2012 £'000	31 December 2010 £'000
Timing differences related to capital allowances	10,418	-
Deferred tax asset	10,418	-
At 1 January 2011	-	-
Credited to the profit and loss account	10,418	-
At 30 June 2012	10,418	-

11 Creditors: amounts falling due within one year

	30 June 2012 £	31 December 2010 £
Trade creditors	9,422	46,692
Other taxation and social security	169,396	123,743
Accruals and deferred income	1,437,430	1,452,138
Bank loans and overdrafts (secured)	-	83,333
Amounts due to group undertakings	20,156	-
Corporation tax	132,360	76,744
Other creditors	15,484	6,736
	1,784,248	1,789,386

12 Creditors: amounts falling due after more than one year

	30 June 2012 £	31 December 2010 £
Bank loans (secured)	-	97,223
Analysis of loans		
Repayable in less than one year	-	83,333
Repayable between two and five years	-	97,223
	-	180,556

The Profile Group (UK) Limited

Notes to the financial statements (continued)

13 Provisions for liabilities

	Onerous property lease £
At 1 January 2011	-
Charged to the profit and loss account	300,000
Utilised during the year	(53,744)
At 30 June 2012	246,256

Following the acquisition of Profile by Centaur Media plc, the business was relocated to Centaur's offices. This resulted in an onerous lease provision of £300,000 being recognised for the remaining cost of the existing lease, £53,744 of this provision has been utilised during the period. The lease expires in January 2014.

14 Called up share capital

	30 June 2012 £	31 December 2010 £
Authorised, allotted and fully paid 2,000 (2010 2,000) Ordinary shares of £1 each	2,000	2,000

15 Profit and loss account

	£
At 1 January 2011	(463,762)
Retained profit for the period	164,267
At 30 June 2012	(299,495)

16 Reconciliation of movements in shareholders' deficit

	30 June 2012 £	31 December 2010 £
Profit for the financial period/year	164,267	349,479
Net increase in shareholders' funds	164,267	349,479
Opening shareholders' deficit	(461,762)	(811,241)
Closing shareholders' deficit	(297,495)	(461,762)

The Profile Group (UK) Limited

Notes to the financial statements (continued)

17 Capital commitments

The company was committed to making the following payments under non-cancellable operating leases

	30 June 2012 £	31 December 2010 £
Operating leases relating to land and buildings which expire		
In less than one year	154,994	-
Between two and five years	87,051	84,318

18 Guarantees

The assets of the Company are secured by way of a standard bank debenture in respect of the Company's borrowing facility. As at 30 June 2012, £Nil was drawn down under this facility (2010 £180,556)

19 Related party transactions

As a wholly owned subsidiary of Centaur Communications Limited, which in turn is a wholly owned subsidiary of Centaur Media plc, the Company is exempt from the requirements of Financial Reporting Standard ("FRS") 8 "Related Party Disclosures" to disclose transactions with other members of the Centaur Media plc group of companies. There were no other related party transactions in the current period.

During the prior period £137,167 of consultancy fees were paid to RBMR Associates Limited a company in which RP Barclay is a director.

20 Ultimate parent undertaking

The ultimate controlling party and parent company during the period was Centaur Media plc, a company incorporated in England and Wales. The immediate parent company was Centaur Communications Limited. Copies of the reports and financial statements of Centaur Media plc, the only entity to prepare consolidated financial statements that include the results of The Profile Group (UK) Limited, may be obtained from Centaur Media plc, Wells Point, 79 Wells Street, London W1T 3QN.