

290059

## Directors' report

For the year ended 31 December 2000

The directors present their report together with the financial statements and auditors' report of the company for the year ended 31 December 2000.

### Principal activities and business review

The company is a holding company. The principal activities of its subsidiary undertakings are to act as agents and consultants in advertising, marketing and market research.

Results for the financial year showed a profit after tax of £14,000 (1999 - £3,919,000). The directors propose a dividend of £70,239 (1999 - £70,239). An interim dividend of £70,239 was paid (1999 - £3,970,239).

### Directors and their interests

The directors who served during the year were as follows:

M.S. Sorrell

A.K. Sanderson

P. Richardson

None of the directors held any shares in the company during the year or had a beneficial interest in any contract or arrangement to which the company was a party during the year.

The interests of M.S. Sorrell and P. Richardson in the shares of WPP Group plc, the ultimate parent company, are disclosed in the financial statements of that company. The beneficial interests of the remaining directors in the shares of WPP Group plc were as follows:

	1 January 2000 Number	Granted during year	Exercised in year	31 December 2000 Number
A.K. Sanderson	800	125	(300)	625



## Directors' report (continued)

### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 those 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;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

### Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

40 Berkeley Square  
London  
W1X 6AD

By order of the Board,



A.K. Sanderson  
Director

2 October 2001

**To the Shareholders of J. Walter Thompson UK Holdings Limited:**

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

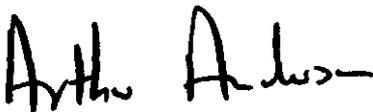
**Basis of opinion**

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

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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the company's state of affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**

180 Strand  
London  
WC2R 1BL

2 October 2001

## Profit and loss account

For the year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
Interest on loans from fellow group undertakings		-	25
Dividends received from subsidiary undertaking		14	3,907
<b>Profit on ordinary activities before taxation</b>	2	14	3,932
Tax on profit on ordinary activities	3	-	(13)
<b>Profit on ordinary activities after taxation</b>		14	3,919
Dividends paid and proposed (on equity and non-equity shares)	4	(140)	(4,040)
<b>Retained loss for the year</b>	9	(126)	(121)
<b>Retained profit, brought forward</b>		2,519	2,640
<b>Retained profit, carried forward</b>	9	2,393	2,519

There are no recognised gains and losses in either year other than the profit on ordinary activities after taxation for the year of £14,000 (1999 - £3,919,000).

All operations of the company continued throughout both periods and no operations were acquired or discontinued.

The accompanying notes are an integral part of these financial statements.

Balance sheet  
31 December 2000

	Notes	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Investments	5	38,337	38,337
<b>Current assets</b>			
Debtors - due within one year	6	8,604	8,730
- due after one year	6	8,752	8,752
<b>Creditors: Amounts falling due within one year</b>	7	<u>(70)</u>	<u>(70)</u>
<b>Net current assets</b>		<u>17,286</u>	<u>17,412</u>
<b>Total assets less current liabilities</b>		<u>55,623</u>	<u>55,749</u>
<b>Net assets</b>		<u>55,623</u>	<u>55,749</u>
<b>Capital and reserves</b>			
Called-up share capital	8	32,248	32,248
Share premium	9	20,982	20,982
Profit and loss account	9	<u>2,393</u>	<u>2,519</u>
<b>Shareholders' funds</b>	10	<u>55,623</u>	<u>55,749</u>
<b>Shareholders' funds may be analysed as:</b>			
Equity interests		41,595	41,721
Non-equity interests		<u>14,028</u>	<u>14,028</u>
<b>Total capital employed</b>	10	<u>55,623</u>	<u>55,749</u>

The accounts were approved by the Board of Directors and signed on its behalf on 2 October 2001 by



A.K. Sanderson

Director

The accompanying notes are an integral part of this balance sheet.

## Notes to financial statements

31 December 2000

### 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is as follows:

#### *a) Basis of accounting*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of WPP Group plc which prepared consolidated accounts which are publicly available.

#### *b) Investments*

Fixed asset investments are shown at cost less provision for impairment.

#### *c) Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

#### *d) Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date or, if hedged, at the forward contract rate. Items of income and expenditure are translated at the rate of exchange ruling at the date of recording the transaction in the financial statements, or, if appropriate, at the forward contract rate. Differences arising from movements in rates of exchange are dealt with in the profit and loss account.

#### *e) Cash flow statement*

Under the provision of Financial Reporting Standard 1 (Revised) the company has not presented a cash flow statement as it is a wholly owned subsidiary undertaking of WPP Group plc, which is registered in England and Wales, and which has prepared consolidated accounts which include the results of the company and which contain a cash flow statement.

## Notes to financial statements (continued)

### 2 Profit on ordinary activities before taxation

The auditors' remuneration was borne by the company's main operating subsidiary undertaking, J. Walter Thompson Group Limited.

None of the directors received any remuneration (including pensions and pension contributions) for their services to the company (1999 – nil).

The company has no employees (1999 - nil).

### 3 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	2000 £'000	1999 £'000
Corporation tax at 30% (1999 - 30.25%)	-	13
	<u>-</u>	<u>13</u>

In the prior year corporation tax was reduced by the transfer of losses from another group company which had been surrendered under the group relief provisions, without any corresponding payment.

### 4 Dividends

	2000 £'000	1999 £'000
<i>Non equity</i>		
Interim paid of 1 pence (1999: 1 pence) per ordinary share	70	70
Final proposed of 1 pence (1999: 1 pence) per ordinary share	70	70
	<u>140</u>	<u>140</u>
<i>Equity</i>		
Interim paid of 0.0 pence (1999: 2.1 pence) per ordinary share	-	3,900
	<u>-</u>	<u>3,900</u>
	<u>140</u>	<u>4,040</u>

## Notes to financial statements (continued)

### 5 Investments

	Subsidiary undertakings £'000	Other £'000	Total £'000
<b>Cost</b>			
At 1 January 2000	28,853	10,169	39,022
At 31 December 2000	<u>28,853</u>	<u>10,169</u>	<u>39,022</u>
<b>Provisions</b>			
At 1 January 2000	(685)	-	(685)
At 31 December 2000	<u>(685)</u>	<u>-</u>	<u>(685)</u>
<b>Net book value</b>			
At 1 January 2000	<u>28,168</u>	<u>10,169</u>	<u>38,337</u>
<b>Net book value</b>			
At 31 December 2000	<u>28,168</u>	<u>10,169</u>	<u>38,337</u>

Investments in subsidiary undertakings are in the shares of the following companies, all of which are engaged in advertising and related activities:

J. Walter Thompson Group Limited  
BMRB International Limited

*J. Walter Thompson Group Limited has investments in the ordinary shares of the following wholly-owned companies which are registered in England and Wales:*

J. Walter Thompson Company (Manchester) Limited  
British Marketing and Distributing Company Limited  
J. Walter Thompson Trustees Limited  
Lansdowne Marketing Limited  
J. Walter Thompson Company Limited  
The Brand Consultancy Limited  
J. Walter Thompson Sponsorship Limited  
JWT Direct (London) Limited  
Commodore Media Limited  
Brand Dating Limited  
Commodore Production Limited  
Forty Below Limited  
Vision 40 Limited  
Blue Logic Consulting Limited  
Digital @ JWT Limited (formerly Thompson Interactive Limited)  
Thompson Connect Limited

## Notes to financial statements (continued)

### 5 Investments (continued)

The following wholly owned J Walter Thompson Group Limited investments were dissolved during 2000:

Chapter & Verse Limited (dissolved 14/11/00)

J Walter Thompson Services Limited (dissolved 4/4/00)

JWT Healthcare Limited (dissolved 28/11/00)

Deltakos (UK) Limited (dissolved 14/11/00)

J. Walter Thompson Company (Manchester) Limited has investments in the ordinary shares of the following wholly-owned companies which are registered in England and Wales:

JWT Direct Limited

Conquest Media Limited

Conquest Creative Services Limited

BMRB International Limited has investments in the ordinary shares of the following wholly-owned companies which are registered in England and Wales:

British Market Research Bureau Limited

European Market Research Bureau Limited

Mass-Observation (UK) Limited

Media Research Consultancy Limited

Mass-Observation Limited

MRB International Limited

Telephone Market Research Bureau Limited

Piler Limited

MRB Research Limited

MRB Research Group Limited

International Market Research Bureau Limited

The Qualitative Workshop Limited

BMRB Customer Satisfaction Limited

BMRB Customer Satisfaction Measurements Limited

Market Research Bureau Limited

Market Research Bureau Group Limited

MRB Group Limited

Optitech Limited

In the opinion of the directors the aggregate value of the investments, consisting of shares in and amounts owing from subsidiary undertakings, is not less than the aggregate of the amounts at which these assets are stated in the company's balance sheet.

## Notes to financial statements (continued)

### 6 Debtors

	Falling due within one year		Falling due after more than one year	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Amounts owed by subsidiary undertaking	8,604	8,730	-	-
Amounts owed by fellow group undertaking	-	-	8,752	8,752
	<u>8,604</u>	<u>8,730</u>	<u>8,752</u>	<u>8,752</u>

Of the amounts owed by fellow group undertaking a loan of £8,752,000 (1999 - £8,752,000) remains outstanding and accrues no interest. All of the other group amounts receivable are non-interest bearing.

### 7 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Proposed dividend – non equity	70	70
	<u>70</u>	<u>70</u>

### 8 Share capital

	2000 £'000	1999 £'000
<i>Authorised, equity share capital</i>		
18,720,004 (1999 – 18,720,004) ordinary shares of £1 each	18,720	18,720
<i>Authorised non-equity share capital</i>		
3,000,000 (1999 – 3,000,000) 1% "A" fixed rate cumulative preference shares of £10 each	30,000	30,000
50,000 (1999 – 50,000) 1% "B" fixed rate cumulative redeemable preference shares of £10 each	500	500
20,000,000 (1999 – £20,000,000) 1% "C" fixed rate cumulative preference shares of £1 each	20,000	20,000
1,500,000 (1999 – 1,500,000) 1% "D" fixed rate cumulative redeemable preference shares of £1 each	1,500	1,500
1,000,000 (1999 – 1,000,000) 1% "E" fixed rate cumulative preference shares of £1 each	10,000	10,000
150,000 (1999 – 150,000) 1% "F" fixed rate cumulative redeemable preference shares of £1 each	1,500	1,500
	<u>82,220</u>	<u>82,220</u>

## Notes to financial statements (continued)

### 8 Share capital (continued)

	2000 £'000	1999 £'000
<i>Allotted, called up and fully paid equity share capital</i>		
18,220,006 (1999 – 18,220,006) ordinary shares of £1 each	18,220	18,220
<i>Allotted, called up and fully paid non-equity share capital</i>		
13,227,894 (1999 – 13,227,894) 1% cumulative "C" fixed rate cumulative preference shares of £1 each	13,228	13,228
800,000 (1999 – 800,000) 1% cumulative redeemable "D" fixed rate cumulative preference shares of £1 each	800	800
	<u>32,248</u>	<u>32,248</u>

Holders of the cumulative preference shares have identical voting rights to ordinary shareholders with 1 vote for every share held. They are also entitled to a fixed cumulative preference dividend of 1% (net of associated tax credit) per annum on each share fully paid or fully credited. The cumulative redeemable preference shares are redeemable at par together with any arrears of dividends at any time (no later than the 31 December 2050) at the option of the company or preference shareholders.

The ordinary shares and ordinary 'B' shares have the same voting rights, rights to dividends and rights on winding-up.

### 9 Reserves

	Share Premium Account £'000	Profit and loss account £'000	Total £'000
At 1 January 2000	20,982	2,519	23,501
Retained loss for the year	-	(126)	(126)
At 31 December 2000	<u>20,982</u>	<u>2,393</u>	<u>23,375</u>

### 10 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Shareholders' funds, beginning of year	55,749	55,870
Profit for the year	14	3,919
Dividends paid and proposed equity and non-equity shares	(140)	(4,040)
Shareholders' funds, end of year	<u>55,623</u>	<u>55,749</u>

## Notes to financial statements (continued)

### **11 Guarantees and charges**

During 1999, Mindshare Media UK Limited entered into a leasehold agreement for its trading premises. This, with another group company, has been guaranteed by J. Walter Thompson UK Holdings Limited.

### **12 Related party transactions**

The company has taken advantage of the exemption under Financial Reporting Standard 8 not to disclose the details of transactions with other WPP Group companies as it is ultimately 100% owned by WPP Group plc, the consolidated accounts of which are publicly available.

### **13 Ultimate parent company**

The ultimate parent company is WPP Group plc. This is the only group in which the financial statements of J. Walter Thompson UK Holdings Limited are consolidated. The address from which copies of the consolidated financial statements can be obtained is Berger House, 36-38 Berkeley Square, London, W1X 5DA.