

Company Registration No. 280055

**J. Walter Thompson U.K. Holdings
Limited**

Report and Financial Statements

31 December 2008

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J. Walter Thompson U.K. Holdings Limited
Company Registration No. 280055

Report and financial statements 2008

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J. Walter Thompson U.K. Holdings Limited
Company Registration No. 280055

Directors' report

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

Business review and principal activities

The company is a wholly owned subsidiary of WPP plc and operates as part of the group's Advertising and Media Investment Management sector.

The company is a holding company. There have been no changes in the company's activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 6, the profit for the year after taxation and before dividends was £456,000 (2007 – £3,409,000).

No dividend was paid to the ordinary £1 shareholders in 2008 (interim dividend 17 December 2007 – £3,000,000).

A dividend of £141,000 payable to the preference shareholders is proposed (2007 – £140,000).

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year end is, in both net assets and cash terms, consistent with the prior year.

The WPP group manages its operations on a network basis. For this reason, the company's directors believe that any further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the advertising network of WPP plc, which includes the company, is discussed in the Group's Annual Report which does not form part of this Report.

Directors

The directors who served throughout the year, except as noted, were as follows:

P Delaney
H M L Doherty (resigned 27 June 2008)
S S B Spensley
K Wilkins (appointed 1 October 2008)

Principal risks and uncertainties

The company's principal risk and uncertainty is attributable to the value of investments in subsidiary companies listed in note 7 to the accounts. This risk is managed by regular assessments of the carrying values of its investments. The Directors are satisfied that no impairment of these investments was required at 31 December 2008.

J. Walter Thompson U.K. Holdings Limited
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Directors' report

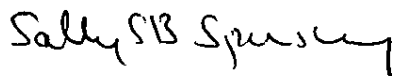
Auditors

Each of the persons who is a director at the date of approval of this report confirms that so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP (formerly Deloitte & Touche LLP) have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S S B Spensley

Director

30 October 2009

J. Walter Thompson U.K. Holdings Limited
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Statement of 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 UK accounting standards have been followed; 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.

**Independent auditors' report to the members of
J. Walter Thompson U.K. Holdings Limited
Company Registration No. 280055**

We have audited the financial statements of J. Walter Thompson U.K. Holdings Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 auditors

The directors' responsibilities for preparing the Report and the financial statements in accordance with applicable law and United Kingdom 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 United Kingdom 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 Directors' Report 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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 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.

Independent auditors' report to the members of J. Walter Thompson U.K. Holdings Limited (continued)

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 Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

30 October 2009

J. Walter Thompson U.K. Holdings Limited
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Profit and loss account
Year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Operating profit		-	-
		<hr/>	<hr/>
Income from shares in group undertakings	2	-	3,000
Finance income (net)	3	456	409
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	456	3,409
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation and profit for the year transferred to reserves		456	3,409
		<hr/>	<hr/>

There are no recognised gains and losses in either year other than the profit on ordinary activities after taxation for the year.

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

J. Walter Thompson U.K. Holdings Limited
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Balance sheet
31 December 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Investments	7	64,686	64,686
Current assets			
Debtors			
- due within one year	8	10,651	10,054
- due after one year	8	8,752	8,752
		19,403	18,806
Creditors			
- due within one year	9	(772)	(631)
Net current assets		18,631	18,175
Creditors: amounts falling due after one year	10	(14,028)	(14,028)
Net assets		69,289	68,833
Capital and reserves			
Called up share capital	11	44,569	44,569
Share premium	12	20,982	20,982
Profit and loss account	12	3,738	3,282
Shareholders' funds	13	69,289	68,833

These financial statements were approved by the Board of Directors on 30 October 2009.

Signed on behalf of the Board of Directors

Sally S B Spensley

S S B Spensley
Director

J. Walter Thompson U.K. Holdings Limited
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Notes to the accounts
Year ended 31 December 2008

1. Accounting policies

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are described below.

Basis of preparation

The financial statements are prepared under the historical cost convention.

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 plc which prepares consolidated accounts that are publicly available.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 1.

The Company meets its day to day working capital requirements through participating in group banking arrangements with its ultimate parent WPP plc, and has access to a group cash management facility.

After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Investments

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

Debtors

Debtors are stated net of provisions for bad and doubtful debts.

Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by balance sheet date.

Deferred taxation

Deferred taxation is provided in full on timing differences which result from 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 current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in 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.

Related party transactions

The company has taken advantage of the exemption from disclosing related party transactions with other group companies as afforded by FRS 8.

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.

J. Walter Thompson U.K. Holdings Limited
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Notes to the accounts
Year ended 31 December 2008

1. Accounting policies (continued)

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 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.

2. Income from shares in group undertakings

	2008 £'000	2007 £'000
Dividend received on ordinary shares	-	3,000

The company received a dividend of £3,000,000 from the company's main operating subsidiary undertaking, J Walter Thompson Group Limited, on 17 December 2007.

3. Finance income (net)

	2008 £'000	2007 £'000
Interest receivable from subsidiary company	597	549
Dividend payable to preference shareholders	(141)	(140)
	<u>456</u>	<u>409</u>

4. Profit on ordinary activities before taxation

The fee payable for the audit of the company's annual accounts was £4,000 (2007 – £4,000). This 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 (2007 – nil).

The company has no employees (2007 – nil).

5. Tax on profit on ordinary activities

There was no tax charge in either period.

Corporation tax is payable at 28.5% (2007 – 30%) on taxable profits for the period. However, losses are available from other group companies to reduce taxable profits to nil under the group relief provisions. There is no corresponding payment by the claimant company for the losses.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28.5% (2007 – 30%). A reconciliation of the tax charge using this standard rate, and the actual charge, is shown overleaf.

J. Walter Thompson U.K. Holdings Limited
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Notes to the accounts
Year ended 31 December 2008

5. Tax on profit on ordinary activities (continued)

	2008	2007
	£'000	£'000
Profit in ordinary activities before taxation	456	3,409
Tax on profit on ordinary activities at standard rate	(130)	(1,023)
Factors affecting the tax charge for the year:		
Expenses not deductible for tax purposes	(40)	(42)
Imputed interest	(170)	(165)
Non-taxable income	-	900
Group relief claimed/(surrendered) for nil consideration	340	330
	<u>-</u>	<u>-</u>
Current tax charge for the year	-	-

6. Dividends paid and proposed

	2008	2007
	£'000	£'000
Equity		
Interim Dividend to Ordinary £1 shareholders	-	(3,000)
	<u>-</u>	<u>(3,000)</u>

The company paid a dividend of £3,000,000 (6.73p per share) per equity share on 17 December 2007.

7. Investments

	Subsidiary undertakings
	£'000
Cost	
At 31 December 2007 and 31 December 2008	65,371
Provisions	
At 31 December 2007 and 31 December 2008	(685)
Net book value	
At 31 December 2007 and 31 December 2008	64,686

Investments in subsidiary undertakings are held directly in the ordinary and preference share capital of the following companies.

Subsidiary undertaking	Country of incorporation	Principal activity	Holding %
J. Walter Thompson Group Limited	Great Britain	Advertising services	100
BMRB Limited	Great Britain	Advertising services	100
Mortimer Square Limited	Great Britain	Non-trading	80

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Notes to the accounts
Year ended 31 December 2008

8. Debtors

	Falling due within one year		Falling due after more than one year	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Amounts owed by subsidiary undertaking	10,651	10,054	-	-
Amounts owed by fellow group undertaking	-	-	8,752	8,752
	<u>10,651</u>	<u>10,054</u>	<u>8,752</u>	<u>8,752</u>

The loan of £10,651,000 (2007 – £10,054,000) remains outstanding and attracts an imputed interest charge of 5.93875%. The other group amount receivable is non-interest bearing.

9. Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Dividends payable on preference shares	<u>772</u>	<u>631</u>

The company has accrued dividends payable to the company's preference shareholders. The accrued dividends amount to £772,000 (2007 – £ 631,000) and cover the period from 1 July 2003 to 31 December 2008.

10. Creditors: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Preference shares	<u>14,028</u>	<u>14,028</u>

Preference shares consists of the following amounts:

13,227,894 1% cumulative "C" fixed rate preference shares of £ 1 each	13,228	13,228
800,000 1% cumulative "D" fixed rate preference shares of £1 each	800	800
	<u>14,028</u>	<u>14,028</u>

The company's authorised non equity share capital is as follows:

3,000,000 1% "A" fixed rate cumulative preference shares of £10 each	30,000	30,000
50,000 1% "B" fixed rate cumulative redeemable preference shares of £10 each	500	500
20,000,000 1% "C" fixed rate cumulative preference shares of £1 each	20,000	20,000
1,500,000 1% "D" fixed rate cumulative redeemable preference shares of £1 each	1,500	1,500
1,000,000 1% "E" fixed rate cumulative preference shares of £1 each	10,000	10,000
150,000 1% "F" fixed rate cumulative redeemable preference shares of £1 each	1,500	1,500
	<u>63,500</u>	<u>63,500</u>

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Notes to the accounts
Year ended 31 December 2008

10. Creditors: amounts falling due within one year (continued)

From 2 June 1997 to 30 December 1998, the company, a subsidiary undertaking incorporated in the United Kingdom, issued a total of 14,027,894 1% cumulative redeemable preference shares with a paid up value of £1 per share under terms which require them to be classified as debt in the company's financial statements. The shares outstanding can be redeemed at par value together with any arrears of dividend at any time before 21 November 2050 at the option of the company or preference share holders.

Holders of the "C" cumulative preference shares have identical voting rights to ordinary shareholders with one 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 "D" cumulative redeemable preference shares are redeemable at par together with any arrears of interest at any time (no later than 21 November 2050) at the option of the company or preference shareholders.

Preference shares have been accounted for as long term creditors in line with FRS25 Financial Instruments Disclosure and Presentation.

11. Called up share capital

	2008 £'000	2007 £'000
Authorised, equity share capital		
61,500,000 ordinary shares of £1 each	61,500	61,500
Allotted, called up and fully paid equity share capital		
44,569,253 ordinary shares of £1 each	44,569	44,569

12. Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2008	20,982	3,282	24,264
Retained profit for the year	-	456	456
At 31 December 2008	20,982	3,738	24,720

13. Reconciliation of movements in shareholders' funds

	2008 £'000	2007 £'000
Shareholders' funds, at 1 January	68,833	68,424
Profit for the year	456	3,409
Dividends paid	-	(3,000)
Shareholders' funds at 31 December	69,289	68,833

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Notes to the accounts
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14. Guarantees and charges

J Walter Thompson UK Holdings Limited participates in group banking arrangements with its parent company, WPP plc, and has access to a group cash management facility. The company guarantees the facility to the extent of its cash deposited in the U.K. with its clearing bank.

15. Related party transactions

The company has taken advantage of the exemption under FRS8 Related Party Disclosures not to disclose the details of transactions with other WPP Group companies as it is ultimately 100% owned by WPP plc, the consolidated accounts of which are publicly available.

16. Ultimate parent company and controlling entity

The directors regard WPP Unicorn Limited, a company incorporated in Great Britain, as the immediate parent company and WPP plc, a company incorporated in Jersey, as the ultimate parent company and ultimate controlling party.

The parent undertaking of the largest group of undertakings for which financial statements are drawn up and of which the company is a member is WPP plc, incorporated in Jersey. The parent undertaking of the smallest such group is WPP 2008 Limited, incorporated in Great Britain.

Copies of the financial statements of WPP plc are available at www.wpp.com. Copies of the financial statements of WPP 2008 Limited can be obtained from 27 Farm Street, London, W1J 5RJ.