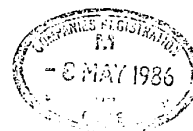


280055

136  
46  
Directors' Report  
and Accounts

J WALTER THOMPSON UK HOLDINGS LIMITED

31 December 1984



J WALTER THOMPSON UK HOLDINGS LIMITED

31 December 1984



J WALTER THOMPSON UK HOLDINGS LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of the Company for the year ended 31 December 1984.

BUSINESS REVIEW AND FUTURE DEVELOPMENT

The Company is a holding company and the principal activity of its subsidiaries is to act as agents and consultants in advertising, marketing and market research.

During the year gross billings of the group increased by 11.1% from £166.2 million to £184.6 million. Commissions and fees increased by 10.4% from £26.9 million to £29.7 million.

Retained profit for the financial year of £1,746,553 was transferred to reserves.

The group plans to further expand its client base in 1985 as well as continuing to consolidate its present client base.

DIRECTORS

The directors who served during the year were as follows:

JJ Cronin	(Canadian)
TF Sutton	
HP Connell	(American)

RM Sargeant was appointed 6th December 1985.

DIRECTORS' INTERESTS

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

#### POLITICAL AND CHARITABLE DONATIONS

The Company made no political donations during the year ( 1983 - £Nil). Payments made to charities during the year amounted to £11,621 (1983 - £11,761).

#### EMPLOYMENT OF DISABLED PERSONS

Applications for employment by disabled persons are fully considered, bearing in mind the aptitudes and abilities of the person concerned. In the event of employees becoming disabled every effort is made to ensure that their employment continues. It is the policy to further as far as possible, the training, career development and promotion of disabled employees.

#### EMPLOYEE INVOLVEMENT

The Company formally communicates with the staff in a number of ways; at an annual meeting attended by all staff when the company business and financial performance of the past year are reviewed and plans and forecasts for the coming year are outlined, at a six monthly presentation to which all newcomers are invited, and through a monthly house magazine containing current news about the company and employees.

#### AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to be reappointed and a resolution will be proposed at the forthcoming Annual General Meeting to that effect.

By Order of the Board

MWR LAM

Secretary



3 March 1986

AUDITORS' REPORT TO THE MEMBERS OF  
J WALTER THOMPSON UK HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 19 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group at 31 December 1984 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

3 March 1986

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants

J WALTER THOMPSON UK HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1984

	<u>1984</u>	<u>1983</u> (Note 10)
TURNOVER ( Note 2 )	£ 184,577,625	£ 166,231,204
Commission and fee income	29,655,056	26,940,379
Administrative expenses	(26,596,640)	(24,001,382)
TRADING PROFIT	3,058,416	2,938,997
Other operating income (Note 6)	254,061	1,019,111
Interest receivable	357,477	262,868
Goodwill written off	(155,772)	(143,806)
Interest payable and similar charges (Note 7)	(531,228)	(607,774)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION ( Note 3 )	2,982,954	3,469,396
TAX ON PROFIT ON ORDINARY ACTIVITIES (Note 8)	(1,728,719)	(1,954,088)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	1,254,235	1,515,308
Extraordinary item (Note 9)	492,318	-
PROFIT AFTER EXTRAORDINARY ITEM	1,746,553	1,515,308
Dividends paid	-	(815,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR (NOTE 19)	1,746,553	700,308
RESERVES BROUGHT FORWARD		
As previously reported	3,770,514	3,605,185
Prior year adjustment (Note 10)	534,979	-
As restated	4,305,493	
RESERVES CARRIED FORWARD	£ 6,052,046	£ 4,305,493

The notes on pages 8 to 19 form part  
of these financial statements

J. WALTER THOMPSON UK HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET - 31 DECEMBER 1984

	<u>1984</u>	<u>1983</u>
FIXED ASSETS		( Note 10)
Intangible assets (Note 11)	2,254,423	2,410,195
Tangible assets ( Note 12)	4,076,680	3,952,146
Investments ( Note 13 )	3,391	3,391
	<hr/>	<hr/>
	6,334,494	6,365,732
CURRENT ASSETS		
Work in progress	5,543,317	3,727,154
Debtors (Note 15)	21,260,204	19,036,270
Cash at bank and in hand	2,543,004	1,734,275
	<hr/>	<hr/>
	29,346,525	24,497,699
CREDITORS (amounts falling due within one year) (Note 16)	(25,664,720)	(20,532,580)
	<hr/>	<hr/>
NET CURRENT ASSETS	3,681,805	3,965,119
	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	10,016,299	10,330,851
CREDITORS (amounts falling due after more than one year) (Note 16)	(2,667,783)	(4,331,257)
	<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES (Note 18)	(1,275,994)	(1,674,211)
	<hr/>	<hr/>
	£ 6,072,522	£ 4,325,383
CAPITAL AND RESERVES		
SHARE CAPITAL		
Authorised, issued and fully paid: 20,000 ordinary shares of £1 each	20,000	20,000
PROFIT AND LOSS ACCOUNT	6,052,046	4,305,493
	<hr/>	<hr/>
	6,072,046	4,325,493
MINORITY INTERESTS	476	(110)
	<hr/>	<hr/>
	£ 6,072,522	£ 4,325,383
	<hr/>	<hr/>

DIRECTORS

JJ Cronin  
RM Sargeant  
3 March 1986

The notes on pages 8 to 19 form  
part of these financial statements

J WALTER THOMPSON UK HOLDINGS LIMITED  
COMPANY BALANCE SHEET - 31 DECEMBER 1984

	<u>1984</u>	<u>1983</u>
FIXED ASSETS		( Note 10)
Investments in group companies (Note 14)	1,715,989	1,774,737
	<u>1,715,989</u>	<u>1,774,737</u>
CURRENT ASSETS		
DEBTORS (Note 15)	5,231,783	7,507,046
	<u>5,231,783</u>	<u>7,507,046</u>
CREDITORS (amounts falling due within one year) (Note 16)	(498,857)	(657,845)
	<u>(498,857)</u>	<u>(657,845)</u>
NET CURRENT ASSETS	4,732,926	6,849,201
	<u>4,732,926</u>	<u>6,849,201</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	6,448,915	8,623,938
	<u>6,448,915</u>	<u>8,623,938</u>
CREDITORS (amounts falling due after more than one year) (Note 16)	(2,231,582)	(4,213,687)
	<u>(2,231,582)</u>	<u>(4,213,687)</u>
PROVISIONS FOR LIABILITIES AND CHARGES (Note 18)	(233,495)	(140,371)
	<u>(233,495)</u>	<u>(140,371)</u>
	<u>£ 3,983,838</u>	<u>£ 4,269,880</u>
CAPITAL AND RESERVES		
SHARE CAPITAL		
Authorised, issued and fully paid: 20,000 ordinary shares of £1 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
PROFIT AND LOSS ACCOUNT	3,963,838	4,249,880
	<u>3,963,838</u>	<u>4,249,880</u>
	<u>£ 3,983,838</u>	<u>£ 4,269,880</u>

DIRECTORS

JJ Cronin  
RM Sargeant  
3 March 1986

The notes on pages 8 to 19 form part  
of these financial statements



J WALTER THOMPSON UK HOLDINGS LIMITED

SOURCE AND APPLICATION OF FUNDS FOR  
THE YEAR ENDED 31 DECEMBER 1984

	<u>1984</u>	<u>1983</u>
SOURCE OF FUNDS		(Note 10)
Profit before taxation	2,982,954	3,469,396
Adjustment for items not involving the movement of funds:		
Depreciation	733,812	688,945
Loss/ (Profit) on disposal of fixed assets	37,519	(15,839)
Provisions for losses in unconsolidated subsidiaries	-	37,629
Goodwill written off	155,772	143,806
Movement in minority interests	1,325	-
TOTAL GENERATED FROM OPERATIONS	3,911,382	4,323,937
(Decrease)/Increase in long-term loans	(1,982,105)	338,888
	<u>1,929,277</u>	<u>4,662,825</u>
APPLICATION OF FUNDS		
Dividend paid	-	815,000
Corporation tax paid	540,033	1,297,889
Purchase of fixed assets, net of proceeds on disposal of assets	895,877	944,556
Additional payments in connection with acquisition of subsidiaries	739	484,257
	<u>1,436,649</u>	<u>3,541,702</u>
	<u>£ 492,628</u>	<u>£ 1,121,123</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Debtors	2,223,934	6,103,353
Work in progress	1,816,163	71,367
Creditors	(3,508,161)	(4,029,955)
Movement in net liquid funds:		
Bank balances and cash in hand	808,729	(739,995)
Bank overdraft	(848,037)	(283,647)
	<u>£ 492,628</u>	<u>£ 1,121,123</u>

The notes on pages 8 to 19 form part of these financial statements.

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984

1 ACCOUNTING POLICIES

The following is a summary of the principal accounting policies followed by the group in the preparation of the financial statements.

Basis of accounting

The consolidated financial statements, prepared under the historical cost convention, include the financial statements of the Company and its material subsidiaries. The accounts of three subsidiaries have not been consolidated on the grounds of immateriality. Intercompany transactions are eliminated. These accounts have been prepared in compliance with the Companies Act 1985.

Revenue recognition

Advertising and related activities:

The primary source of revenue from advertising and related activities is commission and fees retained from the gross cost of media and advertising production charges billed to clients. In general, revenue is recognised by the group based on public presentation date for media advertising and when billed to clients for production costs. Payroll costs are written off as incurred.

Market research activities:

In general, profit is recognised only upon completion of each project. Costs including appropriate overhead allocations relating to projects in progress at the balance sheet date are carried forward in expenditure billable to clients. All other expenditure is expensed as incurred.

Expenditure billable to clients

Production expenditure billable to clients is stated at the lower of cost or net realisable value. Media expenditure billable to clients is stated at net realisable value.

Fixed assets, depreciation and amortisation

Fixed assets are stated at cost less depreciation. Fixed assets are depreciated on a straight-line basis over their estimated useful lives which range from three to twenty years. Amortisation of leasehold improvements is provided over the term of the related lease or their estimated useful life, whichever is less.

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

Goodwill and amortisation

Goodwill arising on consolidation, being the excess of cost of investment in subsidiaries over the fair value of the net assets of the companies at the date of acquisition, is amortised on a straight-line basis over the estimated periods of benefit ranging between 15 and 25 years.

Deferred taxation

Provision is made for deferred taxation, calculated on the liability method, arising primarily from the excess of taxation allowances claimed over the corresponding depreciation charged in the accounts in respect of fixed assets, where it is probable that a liability will crystallise in the foreseeable future.

Foreign currencies

Assets and liabilities are translated into sterling at the rate of exchange ruling at the balance sheet date. Items of income and expenditure are translated at the rate of exchange ruling at the date of recording the transaction in the accounts. Differences arising from movements in rates of exchange are dealt with in the profit and loss account.

Pensions

Contributory pension plans are maintained for substantially all qualifying employees. The annual pension fund contributions are calculated to meet liabilities accrued by virtue of service.

2 TURNOVER

The turnover of the group comprises:

	<u>1984</u>	<u>1983</u>
Fees and billings to clients	174,776,553	157,659,846
Media costs paid by clients normally paid and billed by the agency (commission on these costs is included in fees and billings above)	9,801,072	8,571,358
	<u>£ 184,577,625</u>	<u>£ 166,231,204</u>

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging the following:

	<u>1984</u>	<u>1983</u>
	£	£
Wages and salaries	13,925,625	11,853,754
Social security costs	954,199	763,261
Other pension costs	1,129,209	1,104,045
Depreciation of fixed tangible assets	733,812	688,945
Hire of plant and machinery	298,147	274,334
Auditors' remuneration	64,535	58,525
Net management charges from immediate holding company (Note 21)	172,305	92,575

4 DIRECTORS' AND HIGHER PAID EMPLOYEES' EMOLUMENTS

Aggregate directors emoluments were £117,041 (1983 - £82,200) which formed part of the management charge of the immediate holding company.

Excluding pension contributions, the emoluments of the highest paid director (there was no chairman) were £117,041 (1983 - £82,200).

The emoluments of the other directors fell in the following ranges:

	<u>1984</u>	<u>1983</u>
	<u>Number</u>	<u>Number</u>
£0 - £5,000	2	3
Numbers of employees other than directors whose emoluments (excluding pension contributions) exceeded £30,000, fell in the following ranges:		
£30,001 - £35,000	25	6
£35,001 - £40,000	14	11
£40,001 - £45,000	5	10
£45,001 - £50,000	5	6
£50,001 - £55,000	2	1
£55,001 - £60,000	3	2
£60,001 - £65,000	-	2
£70,001 - £75,000	2	1
£75,001 - £80,000	1	1
£90,001 - £95,000	1	-
£100,001 - £105,000	1	-
£110,001 - £115,000	-	2
£125,001 - £130,000	2	-

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

5 EMPLOYEES

The average number of persons employed by the group during the year (excluding interviewers engaged in market research surveys) was 975 (1983 - 977).

In addition the market research subsidiaries employed on average 1,360 (1983 - 1,442) interviewers.

6 OTHER OPERATING INCOME

	<u>1984</u>	<u>1983</u>
Exchange gains	96,328	71,875
Cash discounts received	168,015	153,928
(Loss) / Profit on sale of assets	(37,519)	15,839
Capital gain on sale of lease (Note 10)	22,496	774,871
Miscellaneous income	4,741	2,598
	<hr/>	<hr/>
	£ 254,061	£ 1,019,111
	<hr/>	<hr/>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1984</u>	<u>1983</u>
Interest on bank overdraft	86,865	93,900
Interest on loans (repayable within 5 years)	273,585	274,901
Interest on loans (repayable on demand)	170,778	238,973
	<hr/>	<hr/>
	£ 531,228	£ 607,774
	<hr/>	<hr/>

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the profit for the year at the rates specified below and comprises:

	<u>1984</u>	<u>1983</u>
Corporation tax at 46.25% (1983 52%)	1,670,951	1,538,620
Deferred tax	89,103	177,305
Deferred tax on chargeable gain rolled over at 30%	6,749	232,461
Adjustments in respect of prior years:		
Corporation tax	(36,333)	(67,449)
Deferred tax	(1,751)	73,151
	<u>£ 1,728,719</u>	<u>£ 1,954,088</u>

9 EXTRAORDINARY ITEM

The extraordinary item of £492,318 represents the release of deferred taxation following the reductions in corporation tax rates embodied in the Finance Act 1984.

10 PRIOR YEAR ADJUSTMENT

During 1983 the terms of a lease agreement for the premises in Ealing due to expire at the end of December 1989, were renegotiated and the Company received £815,300 as a result of this transaction, generating a capital gain of £774,871. In 1984 a further gain of £22,496 was generated. The policy adopted for accounting for such gains has been changed so that they are recognised in the year in which they arose rather than deferred over the period of the lease. It is considered that the revised policy gives a fairer presentation of the results and the financial position of the Company. The corresponding figures for 1983 have been restated to the new basis.

11 INTANGIBLE ASSETS

Goodwill at 1 January 1984	2,410,195
Amount written off in year	155,772
	<u>                    </u>

Goodwill at 31 December 1984

£ 2,254,423

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

12 TANGIBLE ASSETS

<u>Group</u>	<u>Improvements to leasehold premises</u>	<u>Fixtures fittings and equipment</u>	<u>Total</u>
<u>Cost</u>			
At 1 January 1984	4,152,228	2,600,095	6,752,323
Additions	444,863	507,532	952,395
Disposals	(65,000)	(103,874)	(168,874)
	<hr/>	<hr/>	<hr/>
At 31 December 1984	4,532,091	3,003,753	7,535,844
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 1 January 1984	1,155,322	1,644,855	2,800,177
Charge for the year	406,656	327,156	733,812
Disposals	-	(74,825)	(74,825)
	<hr/>	<hr/>	<hr/>
At 31 December 1984	1,561,978	1,897,186	3,459,164
	<hr/>	<hr/>	<hr/>
<u>Net book amount</u>			
At 31 December 1984	£2,970,113	£1,106,567	£4,076,680
	<hr/>	<hr/>	<hr/>
At 31 December 1983	£2,996,906	£ 955,240	£3,952,146
	<hr/>	<hr/>	<hr/>

Company

The Company has no tangible assets.

J. WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

13 INVESTMENTS

The Group holds the following investments:

	<u>1984</u>	<u>1983</u>
50% of the issued ordinary share capital of POA Holdings Limited at a cost of:	50	50
24.5% of the issued ordinary share capital of Lanka Market Research Bureau, at a cost of:	1,571	1,571
Loan to India Market Research Bureau	1,770	1,770
	<hr/>	<hr/>
	£ 3,391	£ 3,391
	<hr/>	<hr/>

POA Holdings Limited ("Portland") provides poster advertising and space letting services to its members. Portland has an issued share capital of £100, making neither profit nor loss, each member contributing to its operating costs based on the letting value of services provided. The Group's share of Portland operating costs amounting to £199,587 (1983 - £170,609) has been dealt with in the profit and loss account. Loans of £25,000 (1983 - £30,000) made to Portland are included within debtors.

Lanka Market Research Bureau is incorporated in Sri Lanka. It has not been treated as an associated company since the directors do not influence its financial or operating decisions.

14 INVESTMENTS IN GROUP COMPANIES

Balance at 1 January 1984	1,774,737
Amount written off in year	58,748

Balance at 31 December 1984	£ 1,715,989
-----------------------------	-------------

Investments in subsidiaries are stated at cost less amounts written off and are in the ordinary shares of the following wholly-owned companies, which are registered in England unless otherwise stated:

J Walter Thompson Group Limited  
LansdownEuro Limited

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

- \* J Walter Thompson Company (Manchester) Limited
- \* MRB International Limited
- \* J Walter Thompson Deltakos Group Limited
- \* Deltakos (UK) Limited
- \* Berkelsy Advertising Associates Limited
- \* British Marketing and Distributing Company Limited
- \* J Walter Thompson Trustees Limited
- \* Lansdowne Marketing Limited
- \* J Walter Thompson Company Limited
- \* J Walter Thompson Middle East Limited
- \* Art Control Limited



J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

14 INVESTMENTS IN GROUP COMPANIES (CONTINUED)

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

- \* Astley Promotion Company Limited
- \* Yeoward, Taylor Recruitment Limited
- \* Yeoward, Taylor and Bonner (Chester) Limited

MRB International Limited has investments in the ordinary shares of the following companies, all wholly-owned unless otherwise stated and all registered in England except as noted:

- \* British Market Research Bureau Limited
- \* European Market Research Bureau Limited
- Mass Observation (UK) Limited
- \*\* Market Behaviour Inc. (incorporated in the United States of America)
- Market Behaviour Limited
- \* Media Research Consultancy Limited
- \*\* European Market Research Bureau Italia Srl (incorporated in Italy)
- Tele-Metric Research Bureau Limited (60% owned)
- \*\* Middle Eastern Research and Consultancy Limited (60% owned)

A third party holds 76 redeemable participating non-cumulative 10% preference shares in Market Behaviour Limited.

LansdownEuro Limited has investments in the ordinary shares of the following companies, all wholly-owned unless otherwise stated and all registered in England:

- \* EA Media Services Limited (formerly EA Recruitment Limited)
- \* Print Management Limited
- \* Ace Studios Limited (1983 - 93% owned)

During the year the remaining 7% interest in Ace Studios Limited, representing 7 £1 ordinary shares were acquired at a cost of £739.

Seventeen of the above companies (denoted by \*) either operate under agency agreements within the group or are dormant.

Three of the above companies (denoted by \*\*) have not been consolidated on the grounds of immateriality.

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

15 DEBTORS (amounts falling due within one year)

	<u>1984</u>	<u>1983</u>
<u>Group</u>		
Trade debtors	17,877,497	16,459,567
Amounts owed by fellow subsidiaries	1,531,331	703,602
Amounts owed by employees	139,560	156,218
Loans to associated company	25,000	30,000
Other debtors	422,842	356,553
Prepayments and accrued income	1,263,974	1,330,330
	<hr/>	<hr/>
	£ 21,260,204	£ 19,036,270
	<hr/>	<hr/>

<u>Company</u>		
Amounts owed by subsidiaries	5,231,783	7,507,046
	<hr/>	<hr/>
	£ 5,231,783	£ 7,507,046
	<hr/>	<hr/>

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

16 CREDITORS

Group	1984		1983	
	Due within one year	Due after one year	Due within one year	Due after one year
Bank overdraft	1,726,364	-	878,327	-
Trade creditors	16,217,304	-	12,225,748	-
Amounts owed to:				
Holding company	151,992	-	342,813	-
Fellow subsidiaries	118,912	-	140,994	-
Other creditors	2,148,421	29,388	1,030,773	-
Accruals and deferred income	1,474,593	295,084	2,463,925	117,570
Taxation and social security	3,345,383	111,729	3,282,095	-
Loans (Note 17)	481,751	2,231,582	167,905	4,213,687
	<u>£ 25,664,720</u>	<u>£ 2,667,783</u>	<u>£ 20,532,580</u>	<u>£ 4,331,257</u>
Company				
Amounts owed to:				
Holding company	-	-	158,652	-
Fellow subsidiaries	-	-	55,355	-
Subsidiaries	-	-	160	-
Accruals and deferred income	17,106	-	51,610	-
Taxation and social security	-	-	224,163	-
Loans (Note 17)	481,751	2,231,582	167,905	4,213,687
	<u>£ 498,857</u>	<u>£ 2,231,582</u>	<u>£ 657,845</u>	<u>£ 4,213,687</u>

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

17 LOANS (GROUP AND COMPANY)

	1984		1983	
	Due within one year	Due after one year	Due within one year	Due after one year
Unsecured 8% loan from Holding Company repayable after 31 December 1985	-	650,000	-	650,000
Unsecured loan stock, with interest payable at one percent above the base rate in London of Morgan Guarantee Trust Company of New York on 1 April immediately preceding the interest payable date, repayable on demand but not later than 30 September 1985 (loan stock held by Holding Company £ Nil (1983 - £1,475,309)	313,847	-	-	1,814,200
Unsecured loan stock, with interest payable at a floating rate equal to one percent above the base rate in London of Morgan Guarantee Trust Company of New York, repayable on 20 January 1985.	167,904	-	167,905	167,905
Unsecured promissory note (held by fellow subsidiary), with interest payable at one percent above the base rate in London of Manufacturers Hanover Trust Company on 1 September immediately preceding the interest payment date, repayable after 31 December 1985	-	1,581,582	-	1,581,582
	481,751	2,231,582	167,905	4,213,687

J WALTER THOMPSON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1984 (CONTINUED)

18 PROVISIONS FOR LIABILITIES AND CHARGES

		<u>Group</u>		<u>Company</u>	
		<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
Deferred taxation	£	1,275,994	£ 1,674,211	£ 233,495	£ 140,371
Deferred tax is provided in full and comprises:					
Accelerated tax depreciation		1,029,868	1,514,512	-	-
Short term timing differences		1,187	(78,491)	(5,715)	(92,090)
Chargeable gain rolled over		244,939	238,190	239,210	232,461
	£	1,275,994	£ 1,674,211	£ 233,495	£ 140,371

- 19 Of the retained profit for the financial year of £1,746,553, a loss of £286,042 (1983 profit of £1,461,293) has been dealt with in the profit and loss account of the Company.

Advantage has been taken of S228 of the Companies Act 1985 not to produce a separate profit and loss account for the Company.

20 CAPITAL COMMITMENTS

Capital expenditure contracted but not provided for at 31 December 1984 amounted to £73,000 (1983 - £16,321). There was no capital expenditure authorised but not contracted for at 31 December 1984 (1983 - £Nil).

21 HOLDING COMPANY

The immediate holding company is J. Walter Thompson Company, which is incorporated in the United States of America. The ultimate holding company is JWT Group Inc., which is incorporated in the United States of America.

## **NOTICE OF ILLEGIBLE DOCUMENT ON THE MICROFICHE RECORD**

**Companies House regrets that the microfiche record for this company contains some data which is illegible.**

**The poor quality has been noted but unfortunately the steps taken to improve the quality have been unsuccessful.**

**Companies House would like to apologise for any inconvenience this may cause.**