

Company Registration No. 964286

Atlas Advertising Limited

Report and Financial Statements

31 December 2007

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Atlas Advertising Limited

Report and Financial Statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

Principal activities and business review

The company is a wholly owned subsidiary of WPP Group plc and operates as part of the group's Advertising and Media Investment Management sector. This report has been prepared in accordance with the special provisions relating to small companies under s246(4) Companies Act 1985.

The company did not trade in 2007 following the cessation of its business operation on 1 July 2006. The principal activities of the company until 1 July 2006 were to act as advertising agents and consultants in the UK and the rest of the world. The Directors do not anticipate a return to trading activity in 2008.

The profit and loss account on page 7 of the financial statements discloses a profit for the year after taxation of £ 129,398 (2006 £22,812). This is borne out of non operational activities.

The balance sheet on page 8 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.

No dividends were declared in the year ended 31 December 2007 (2006 £nil).

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 Group PLC, which includes the company, is discussed in the Group's Annual Report which does not form part of this Report.

Directors

The directors of the company during the year were as follows:

P Richardson
A Scott
C Sweetland

Directors' report

Auditors

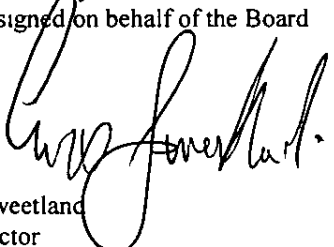
Each of the persons who is a director at the date of approval of this report confirms that

- 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 ought to have taken as a director in order to make himself 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 & 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



C Sweetland
Director

30 June 2008

Atlas Advertising Limited

Statement of directors' responsibilities

The directors are responsible for preparing 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Atlas Advertising Limited

We have audited the financial statements of Atlas Advertising Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the statement of accounting policies 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 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 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 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 Atlas Advertising 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 2007 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

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

1 July 2008

Atlas Advertising Limited

Profit and loss account Year ended 31 December 2007

	Note	2007 £	2006 £
Turnover	2	(3,060)	1,554,450
Cost of sales		3,060	(686,647)
Gross profit		-	867,803
Administrative expenses		(550)	(954,397)
Operating loss before interest	3	(550)	(86,597)
Interest receivable and similar income	6	130,497	110,566
Interest payable and similar charges	7	(549)	(1,160)
Profit on ordinary activities before taxation		129,398	22,812
Tax on profit on ordinary activities	8	-	-
Profit on ordinary activities after taxation and retained profit for the year	13	129,398	22,812

There are no recognised gains or losses in either the current year or the previous year other than the results for the financial years ended 31 December 2007 and 31 December 2006, respectively, as stated above, therefore no statement of total recognised gains and losses is required

All operations of the company were discontinued in 2006

Atlas Advertising Limited

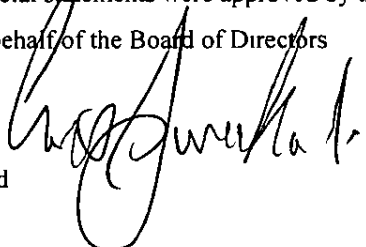
Balance sheet 31 December 2007

	Note	2007 £	2006 £
Current assets			
Debtors	9	11,447	52,213
Cash at bank and in hand		2,962,439	2,861,851
		<u>2,973,886</u>	<u>2,914,064</u>
Creditors: amounts falling due within one year	10	(271,413)	(340,989)
Net current assets		<u>2,702,473</u>	<u>2,573,075</u>
Total assets less current liabilities		<u>2,702,473</u>	<u>2,573,075</u>
Capital and reserves			
Called up share capital	11	2,000	2,000
Profit and loss account	12	2,700,473	2,571,075
Shareholders' funds	13	<u>2,702,473</u>	<u>2,573,075</u>

These financial statements were approved by the Board of Directors on 30 June 2008

Signed on behalf of the Board of Directors

C Sweetland
Director



Atlas Advertising Limited

Notes to the accounts Year ended 31 December 2007

1 Accounting policies

Basis of preparation

As explained in the Directors report (Principal activities and business review) the company ceased its business operation on 1 July 2006. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any onerous financial commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such were committed at the balance sheet date.

The following accounting policies have been applied consistently in both the current and preceding year in dealing with items which are considered material in relation to the company's financial statements.

Accounting convention

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The company has taken advantage of the exemption under Financial Reporting Standard 1 (revised) not to prepare a cash flow statement as it is a wholly-owned subsidiary of WPP Group plc, which prepares consolidated financial statements, including a cash flow statement, which are publicly available.

Turnover and revenue recognition

Turnover comprises the gross amounts billable to clients (excluding trade discounts, VAT and similar taxes) in respect of commission based income together with the total of other fees earned. Revenue is recognised when services are provided, in accordance with the terms of the contractual arrangement.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation included in the profit and loss account.

Current tax

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

Atlas Advertising Limited

Notes to the accounts

Year ended 31 December 2007

1 Accounting policies (continued)

Deferred tax

Deferred taxation is provided in full on timing differences that result in 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 laws. 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 financial statements.

Pension costs

Retirement benefits for employees of the company are provided by defined contribution schemes, which are funded by contributions from the company and its employees. The company's share of contributions to defined contribution schemes is charged within the profit and loss account of the year in which they become payable.

2. Turnover

The company did not trade in 2007 following the cessation of its business operation on 1 July 2006.

The turnover of the company by origin in 2007 and 2006 arose from the principal activity of the company and originated in the United Kingdom.

The company's assets are held in the United Kingdom.

An analysis of turnover by geographical destination follows:

	2007 £	2006 £
Rest of World	-	1,509,793
Rest of Europe	(3,060)	12,597
United Kingdom	-	32,060
	<u>(3,060)</u>	<u>1,554,450</u>

3. Operating loss before interest

Operating loss before interest is stated after charging/(crediting):

	2007 £	2006 £
Depreciation and other amounts written off tangible fixed assets		
- owned	-	14,040
Fees payable to the company's auditors for the audit of the company's annual accounts	4,000	10,000
Redundancy costs	-	116,140
Inter-group administration recharge	12,000	75,695
Exchange (gains)/losses	426	6,047
Release of accrued operating costs	(15,878)	-
Loss on disposal of fixed assets	-	3,616
	<u></u>	<u></u>

4. Directors' remuneration

All remuneration expenses in both 2007 and 2006 were borne by the ultimate parent company, WPP Group plc.

Atlas Advertising Limited

Notes to the accounts Year ended 31 December 2007

5 Staff costs

Particulars of employees (including executive directors) are as shown below

	2007 £	2006 £
Employee costs during the year amounted to		
Wages and salaries	-	308,945
Social security costs	-	49,691
Other pension costs	-	20,887
	<u>-</u>	<u>379,523</u>

The average number of persons employed by the company during the year was

	2007 No	2006 No.
Creative and administrative staff	<u>-</u>	<u>3</u>

6 Interest receivable and similar income

	2007 £	2006 £
Bank deposit interest	<u>130,497</u>	<u>110,566</u>

7 Interest payable and similar charges

	2007 £	2006 £
Bank loans and overdraft	-	-
Bank charges	549	1,160
	<u>549</u>	<u>1,160</u>

Atlas Advertising Limited

Notes to the accounts

Year ended 31 December 2007

8. Taxation

The tax credit is based on the profit for the year and comprises

	2007 £	2006 £
<i>Current taxation</i>		
Corporation tax at 30% (2005 – 30%)	-	-
Adjustment in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred taxation</i>		
Origination and reversal of timing differences	-	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	-	-
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Corporation tax is payable at 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 30% (2005 30%). A reconciliation of the tax charge calculated using this standard rate, and the actual charge, is shown below.

	2007 £	2006 £
Profit on ordinary activities before tax	129,398	22,812
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard rate (30%)	38,820	6,844
Factors affecting charge for the year		
Capital allowances in deficit/(excess) of depreciation	-	17,894
Non taxable income	-	-
Expenses not deductible for tax purposes	-	-
Adjustments to tax charge in respect of group relief	(38,820)	(11,050)
	<hr/>	<hr/>
Current tax charge for the year	-	-
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Notes to the accounts Year ended 31 December 2007

9 Debtors

	2007 £	200506 £
Trade debtors	-	551
Amounts owed by other group undertakings	-	36,014
Other debtors	26	295
Prepayments and accrued income	11,421	15,353
	<u>11,447</u>	<u>52,213</u>

10. Creditors amounts falling due within one year

	2007 £	2006 £
Trade creditors	22,213	30,821
Amounts owed to other group undertakings	-	10,315
Other creditors	5,890	5,890
Accruals and deferred income	243,310	293,963
	<u>271,413</u>	<u>340,989</u>

11. Called up share capital

	2007 £	2006 £
Authorised		
2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Called up, allotted and fully paid		
2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

12. Reserves

	Profit and loss account £
Balance at 1 January 2007	2,571,075
Profit for the year	<u>129,398</u>
Balance at 31 December 2007	<u>2,700,473</u>

Atlas Advertising Limited

Notes to the accounts Year ended 31 December 2007

13. Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Profit for the financial year	129,398	22,812
Shareholders' funds at the beginning of the year	2,573,075	2,550,263
Shareholders' funds at the end of the year	<u>2,702,473</u>	<u>2,573,075</u>

14. Pension scheme

The group also operates a number of defined contribution schemes for which the pension cost charge for the year amounted to £ nil (2006 - £ 20,887)

15. Related party transactions

The company has taken advantage of the exemption under FRS 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

16. Ultimate parent company

The ultimate parent company is WPP Group plc, a company incorporated in Great Britain. The immediate parent company is Garrott Dorland Crawford Holdings Limited. The largest and only group in which the results of Atlas Advertising Limited are consolidated is that headed by WPP Group plc. The address from which copies of the consolidated financial statements can be obtained is 27 Farm Street, London, W1J 5RJ.