

WRC HOLDINGS LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

REGISTERED NO: 1581935



WRC HOLDINGS LIMITEDCONTENTS

	PAGE
DIRECTORS' REPORT	2-3
STATEMENT OF DIRECTORS' RESPONSIBILITIES	4
INDEPENDENT AUDITORS' REPORT	5
PROFIT AND LOSS ACCOUNT	6
BALANCE SHEET	7
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	8
NOTES TO THE ACCOUNTS	9-19
UNAUDITED PRO FORMA PROFIT AND LOSS ACCOUNT	20

WRC HOLDINGS LIMITEDDIRECTORS' REPORT

The directors present the Annual Report and the audited financial statements for the year ended 31 December 2004.

WWAV RAPP COLLINS GROUP RESTRUCTURING

At close of business on 31 December 2004, the trading activities of the following subsidiaries were transferred into WRC Holdings Ltd:

WWAV Rapp Collins Ltd
WWAV Rapp Collins Media Ltd
WWAV Rapp Collins North Ltd
WWAV Rapp Collins Scotland Ltd
WWAV Rapp Collins West Ltd

The Optima Direct division of WWAV Rapp Collins Media Ltd, was transferred to Optima Direct Rapp Collins Ltd, another subsidiary of WRC Holdings Ltd.

This restructuring will enable the WWAV Rapp Collins Group to simplify its administration.

PRINCIPAL ACTIVITIES

The Company specialises in direct mail, direct response advertising, media buying and ancillary services within the direct marketing industry and provides specialist marketing consultancy services. These activities will continue.

BUSINESS REVIEW

The Company made a profit after tax of £7,015,465 (2003 – £2,817,718). The Profit and Loss Account is shown on page 6.

DIVIDENDS

A first and second interim dividend for the year of £0.62 per ordinary share and £1.11 per ordinary share were paid on 30.06.04 and 18.03.05 respectively, making a total of £1.73 per share.

The directors do not recommend payment of a final dividend (2003 – *nil*).

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were as follows:-

C. J. Gordon
B. R. Emsell
A. J. Coleman (resigned 7 April 2004)
O. Coppet
B. W. Curran
J. M. Eccles
S. Grout (appointed 10 February 04)
J. F. Kellas (appointed 15 January 04)
M. Larmer (appointed 15 January 04)
R. Macdermott
M. Scognamiglio (appointed 15 January 04)
H. E. Simpson
J. C. B. Whitworth
A. W. Wreford

With the exceptions detailed above all of the directors held office throughout the year.

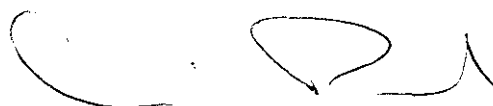
The directors who held office at the end of the financial year do not have any disclosable interest in the shares of the company.

WRC HOLDINGS LIMITEDDIRECTORS' REPORT**AUDITORS**

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Registered Office:

By Order of the Board



1 Riverside
Manbre Road
London W6 9WA

Secretary

5 July 2005

WRC HOLDINGS LIMITEDSTATEMENT OF 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Report of the independent auditor, KPMG Audit Plc, to the members of WRC Holdings Ltd

We have audited the financial statements on pages 6 to 19.

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 auditor's 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 are responsible for preparing the directors' report and, as described on page 4, *the financial statements 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.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor

6 July 2005

WRC HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

		2004	2003
	Note	£	£
GROSS BILLINGS	1	3,038,193	4,053,658
Rebillable Costs		(63,321)	(219,536)
REVENUE	2	2,974,872	3,834,122
Administrative expenses		(3,846,629)	(4,314,566)
OPERATING LOSS		(871,757)	(480,444)
Income from shares in group undertakings		7,929,009	3,191,537
Amounts written off investments		(337,666)	(26,112)
Other interest receivable and similar income	6	295,663	308,860
Interest payable and similar charges	7	(301,373)	(304,068)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3-5	6,713,876	2,689,773
Taxation on profit on ordinary activities	8	301,589	127,945
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		7,015,465	2,817,718
Dividends paid and payable	9	(3,433,000)	(2,874,000)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,582,465	(56,282)
		=====	=====

The results shown above are derived wholly from continuing operations. There were no recognised gains or losses in either the current or prior year except as shown above. Consequently, a statement of total recognised gains and losses has not been prepared. The difference between reported and historic cost profits and losses are not material.

The notes on pages 9 to 19 form part of these financial statements.

WRC HOLDINGS LIMITED

BALANCE SHEET

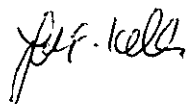
AT 31 DECEMBER 2004

	Note	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	10	3,601,616		3,519,991	
Investments	11	889,519		1,167,185	
CURRENT ASSETS		4,491,135		4,687,176	
Work in progress	12	1,729,480		10,507	
Debtors	13	20,828,570		7,259,291	
Cash at bank and in hand		1,562,167		1,600	
		24,120,217		7,271,398	
CREDITORS: Amounts falling due within one year	14	(23,021,562)		(9,987,792)	
NET CURRENT ASSETS /(LIABILITIES)		1,098,655		(2,716,394)	
Debtors: amounts falling due after more than one year	13	260,253		502,787	
		1,358,908		(2,213,607)	
TOTAL ASSETS LESS CURRENT LIABILITIES		5,850,043		2,473,569	
Provision for liabilities and charges	15	(158,065)		(364,056)	
NET ASSETS		5,691,978		2,109,513	
CAPITAL AND RESERVES					
Called-up share capital	16	497,906		497,906	
Share premium account	17	1,118,055		1,118,055	
Profit and loss account	17	4,076,017		493,552	
EQUITY SHAREHOLDERS' FUNDS		5,691,978		2,109,513	

The notes on pages 9 to 19 form part of these financial statements.

These financial statements were approved by the Board of Directors on
were signed on its behalf by:

5 July 2005 and



J. F. Kellas
Director



C. J. Gordon
Director

WRC HOLDINGS LIMITEDRECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDSFOR THE YEAR ENDED 31 DECEMBER 2004

	2004 £	2003 £
PROFIT FOR THE FINANCIAL YEAR	7,015,465	2,817,718
Dividends payable	(3,433,000)	(2,874,000)
NET MOVEMENT IN SHAREHOLDERS' FUNDS	----- 3,582,465	----- (56,282)
Opening shareholders' funds	2,109,513	2,165,795
Closing shareholders' funds	----- 5,691,978 =====	----- 2,109,513 =====

WRC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

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

Basis of preparation

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

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts as the company is included on the consolidated accounts of a larger group headed by Omnicom Europe Limited, a parent undertaking established under the law of a member state of European Union. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Omnicom Group Inc., which includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of the group headed by Omnicom Group Inc., the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Omnicom Group Inc., within which this company is included, can be obtained from the address given in note 20.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated economic lives as follows:

Leasehold property -	Over period to first rent review or period of lease
Leasehold improvements -	15% or 10% on cost or over period of lease
Furniture and office equipment -	15% to 33.3% per annum
Computer hardware -	33.3% per annum

WRC HOLDINGS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)**Foreign Currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. 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 are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are *held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.*

Employee Share Schemes

The costs of awards to employees that take the form of shares or rights to shares are recognised over the period of the employee's related performance.

Work in progress

Work in progress consists of amounts spent by the company on behalf of its clients which have not been recharged to clients by the end of the year.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Gross billings

Gross billings comprises the gross amounts billed to clients in respect of commission based income together with the total of other fees earned and amounts recharged to clients for rebillable costs.

WRC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

Rebillable costs

Rebillable costs comprises third party production costs for those services that the company is arranging for its clients in its capacity as an intermediary. The company contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Although the company bears credit risk in respect of these activities, the arrangements with its clients are such that, in effect it acts as an intermediary on behalf of its client. Where the company acts as an intermediary, costs incurred with external suppliers are excluded from revenue.

Revenue

Consequently, revenue comprises fees, and commissions earned in respect of gross billings and direct costs, which meet the Companies Act definition of turnover. Revenue is recognised when services are performed, in accordance with the terms of arrangements reached with each client. Performance based incentives are recognised when specified quantitative goals are achieved, or when the client determines performance against qualitative goals. Gross billings and revenue are stated exclusive of VAT, sales taxes and trade discounts.

Direct Costs

Direct costs include amounts payable to external suppliers where they are retained at the company's discretion to perform part of a specific client project or service where the company has full exposure to the benefits and risks of the contract with the client.

2. ANALYSIS OF REVENUE

	2004	2003
By Activity:	£	£
Marketing Consultancy Services	330,640	824,975
Management Charges	2,545,799	3,002,613
Other Income	98,433	6,534
	-----	-----
	2,974,872	3,834,122
	=====	=====
By Geographical Market:		
UK	2,929,178	3,774,208
Europe	45,694	56,892
Rest of World	-	3,022
	-----	-----
	2,974,872	3,834,122
	=====	=====

WRC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

	2004 £	2003 £
3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation has been arrived at after charging:		
Auditors remuneration:		
Audit	4,653	3,964
Other services – fees paid to the auditor and its associates	-	-
Depreciation of tangible fixed assets	731,146	803,404
Hire of plant and machinery		
- Rentals payable under operating leases	506,684	484,601
- Land and Buildings	1,660,000	1,660,000
	=====	=====
	2004 £	2003 £
4. REMUNERATION OF DIRECTORS		
Directors' Emoluments	618,781	452,320
Company contributions to money purchase pension schemes	24,716	35,000
Compensation for loss of office	18,296	-
	-----	-----
	661,793	487,320
	=====	=====
	2004 No.	2003 No.
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	2
	====	====
The number of directors in respect of whose services shares were received or receivable under long term incentives schemes was	7	6
	====	====
The above amounts for remuneration include the following in respect of the highest paid director:-	2004 £	2003 £
Emoluments	290,817	289,368
Company contributions to money purchase pension schemes	21,000	21,000
	-----	-----
	311,817	310,368
	=====	=====

The company's directors participate in the restricted stock scheme operated by the Ultimate Parent Undertaking. Shares were received or receivable under this restricted share scheme by 7 directors (2003 : 6).

Under this scheme, certain directors have been awarded restricted shares in the ultimate parent undertaking, Omnicom Group Inc. The restricted shares typically vest in 20% annual increments provided the director remains an employee of the Omnicom group. Restricted shares may not be sold, transferred, pledged or otherwise encumbered until the restrictions lapse. Under most circumstances, the director forfeits the shares still subject to restriction in return of the nominal price they paid for them at the time the award was granted, if the director ceases employment prior to the end of the period of restriction.

Amounts recognised as long term incentives are in respect of restricted share awards vesting within the year. At the end of the year the company had accrued £219,979 (2003: £384,777) in respect of unvested restricted share awards to directors.

WRC HOLDINGS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)

5. STAFF NUMBERS AND COSTS	2004 No.	2003 No.
The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:-		
Administration	59 ==	63 ==
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	2,045,320	2,835,015
Social security costs	287,298	310,521
Other pension costs	151,111	143,518
	----- 2,483,729 =====	----- 3,289,054 =====
6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	2004 £	2003 £
Receivable from group undertakings	295,663	308,614
Other	-	246
	----- 295,663 =====	----- 308,860 =====
7. INTEREST PAYABLE AND SIMILAR CHARGES	2004 £	2003 £
Payable to group undertakings	298,408	304,068
On other loans	2,965	-
	----- 301,373 =====	----- 304,068 =====

WRC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

8. TAXATION

Analysis of taxation in year

	2004 £	£	2003 £	£
<i>UK corporation tax</i>				
Current tax credit on income for the year	(196,305)		(34,190)	
Adjustments in respect of prior years	(54,920)		(53,179)	
	<hr/>		<hr/>	
Total current tax credit		(251,225)		(87,369)
<i>Deferred tax (see note 15)</i>				
Origination and reversal of timing differences	(38,436)		(52,509)	
Adjustment in respect of previous years	(11,928)		11,933	
	<hr/>	(50,364)	<hr/>	(40,576)
Tax credit on profit on ordinary activities		<hr/> <u>(301,589)</u> =====		<hr/> <u>(127,945)</u> =====

Factors affecting the tax credit for the current year

The current tax credit for the year is lower (2003: lower) than the standard rate of corporation tax in the UK (2004: 30%, 2003: 30%). The differences are explained below:

	2004 £	2003 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	6,713,875	2,689,773
Current tax at 30% (2003:30%)	<hr/> 2,014,163	<hr/> 806,932
Effects of:		
Expenses not deductible for tax purposes	129,822	55,175
Differences between capital allowances and depreciation in the year	38,413	61,164
Dividends Receivable	(2,378,703)	(957,461)
Adjustments to tax charge in respect of previous years	(54,920)	(53,179)
Total current tax credit (see above)	<hr/> <u>(251,225)</u> =====	<hr/> <u>(87,369)</u> =====

9. DIVIDENDS AND OTHER APPROPRIATIONS

	2004 £	2003 £
<i>Equity shares:</i>		
First interim dividend paid	1,233,000	1,232,000
Second interim dividend proposed	2,200,000	1,642,000
	<hr/> 3,433,000 =====	<hr/> 2,874,000 =====

WRC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)**10. TANGIBLE FIXED ASSETS**

	Short-term Leasehold Property & Improvements	Computer Software	Furniture and office equipment	Total
	£	£	£	£
COST				
At beginning of year	3,543,903	1,784,929	1,269,703	6,598,535
Additions	70,588	138,159	104,426	313,173
Acquisitions	-	286,853	212,745	499,598
	=====	=====	=====	=====
At end of year	3,614,491	2,209,941	1,586,874	7,411,306
	=====	=====	=====	=====
DEPRECIATION				
At beginning of year	1,025,608	1,189,042	863,894	3,078,544
Charge for year	214,461	295,589	221,096	731,146
	=====	=====	=====	=====
At end of year	1,240,069	1,484,631	1,084,990	3,809,690
	=====	=====	=====	=====
NET BOOK VALUE				
At 31 December 2004	2,374,422	725,310	501,884	3,601,616
	=====	=====	=====	=====
At 31 December 2003	2,518,295	595,887	405,809	3,519,991
	=====	=====	=====	=====

11. FIXED ASSET INVESTMENTS

	Shares in group undertaking	Participating Interests	Total
	£	£	£
COST			
At beginning and end of year	1,167,185	1,477,010	2,644,195
Amounts written off investments	(337,666)	-	(337,666)
Additions	60,000	-	60,000
	=====	=====	=====
At end of year	889,519	1,477,010	2,366,529
	=====	=====	=====
PROVISIONS			
At beginning and end of year	-	1,477,010	1,477,010
	=====	=====	=====
NET BOOK VALUE			
At 31 December 2004	889,519	-	889,519
	=====	=====	=====
NET BOOK VALUE			
At 31 December 2003	1,167,185	-	1,167,185
	=====	=====	=====

WRC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

The most significant companies in which the Company's interest at the year end is more than 20% are as follows:-

	Principal activity	Percentage of shares held
Subsidiary undertakings		
WWAV Rapp Collins Ltd	Direct Marketing	100%
Identex Ltd	Computer Services	100%
WWAV Rapp Collins North Ltd	Direct Marketing	100%
WWAV Rapp Collins Scotland Ltd	Direct Marketing	100%
WWAV Rapp Collins Media Ltd	Media Planning & Buying, List Broking, & Telemarketing	100%
WWAV Rapp Collins West Ltd	Direct Marketing	100%
WWAV Trustees Ltd	Dormant	100%
Optima Direct Rapp Collins Ltd	Telemarketing	100%

All the above holdings were of equity shares and the above companies were incorporated in England and Wales. On 19 February 2004 the interest in HLB Ltd was sold to another company in the Omnicom Group. As detailed in the Directors' Report, the trades of WWAV Rapp Collins Ltd, WWAV Rapp Collins North Ltd, WWAV Rapp Collins Scotland Ltd, WWAV Rapp Collins Media Ltd and WWAV Rapp Collins West Ltd were transferred to WRC Holdings Ltd on 31 December 2004 and the investment values written down accordingly.

Acquisition of the business, assets and liabilities of subsidiaries

Details of the assets and liabilities transferred were as follows:

	WWAV Rapp Collins Ltd	WWAV Rapp Collins Media Ltd	WWAV Rapp Collins North Ltd	WWAV Rapp Collins Scotland Ltd	WWAV Rapp Collins West Ltd	Total
	£	£	£	£	£	£
Tangible Assets	289,554	68,984	41,966	86,192	12,902	499,598
Work in progress	997,551	-	48,355	436,646	243,814	1,726,366
Debtors	7,153,455	6,321,126	1,395,913	2,284,872	901,571	18,056,937
Cash	1,602,721	1,712,535	734,534	1,481,261	964,837	6,495,888
Creditors	(10,131,607)	(8,108,329)	(2,229,836)	(4,252,770)	(2,081,874)	(26,804,416)
Provision for liabilities and charges	98,326	15,684	19,068	13,799	8,750	155,627
Assets less liabilities	10,000	10,000	10,000	50,000	50,000	130,000
Satisfied by: Intercompany consideration	£10,000	£10,000	£10,000	£50,000	£50,000	£130,000

There is no material difference between book values and fair values of the assets and liabilities acquired.

Participating Interests

The Company holds preference shares in Pridewood Enterprises Ltd which were redeemable in three equal annual tranches commencing 31 December 2000 paying a fixed cumulative preferential net cash dividend of 10% per annum. Pridewood Enterprises Ltd went into a members' voluntary liquidation on 8 July 2004. As no amounts have been redeemed for dividends received for the last four years, a provision of £1,477,010 has been made against the value of these shares.

WRC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

	2004 £	2003 £
12. WORK IN PROGRESS		
Work in progress	1,729,480 =====	10,507 =====
13. DEBTORS		
Trade debtors	12,128,645	97,993
Amounts owed by group undertakings	5,002,302	4,522,916
Other debtors	920,046	664,918
Corporation tax	-	1,430
Dividends receivable	690,560	1,506,051
Prepayments and accrued income	2,087,017	465,983
	-----	-----
	20,828,570	7,259,291
Debtors: amounts falling due after more than one year	260,253	502,787
	-----	-----
	21,088,823	7,762,078
	=====	=====

Debtors include £260,253 (2003 - £502,787) for the restricted stock scheme (note 3) all of which is due in more than one year.

	2004 £	2003 £
14. CREDITORS: Amounts falling due within one year		
Bank loans and overdrafts	-	3,314,725
Trade creditors	14,916,384	177,492
Amounts owed to group undertakings	1,903,745	1,651,869
Taxation and social security	1,268,575	814,910
Other creditors	1,866,710	1,965,883
Accruals and deferred income	866,148	420,913
Dividend proposed	2,200,000	1,642,000
	-----	-----
	23,021,562	9,987,792
	=====	=====

15. PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAX

At beginning of year	364,056
Transfer to profit and loss account for the year	(50,364)
Transfers from subsidiaries acquired at 31 December	(155,627)

At end of year	158,065
	=====

The deferred tax provision arises from the difference between accumulated depreciation and amortisation and capital allowances

WRC HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

16. CALLED UP SHARE CAPITAL

	2004 £	2003 £
<i>Authorised:</i>		
<i>Equity: 2,140,000 Ordinary shares of 25p each</i>	535,000 =====	535,000 =====
<i>Allotted, called-up and fully-paid,</i>		
<i>Equity: 1,991,624 Ordinary shares of 25p each</i>	497,906 =====	497,906 =====

17. RESERVES

	SHARE PREMIUM £	PROFIT AND LOSS ACCOUNT £
At beginning of year	1,118,055	493,552
Retained profit for the year	-	3,582,465
At end of year	1,118,055 =====	4,076,017 =====

18. COMMITMENTS

Annual commitments under non cancellable operating leases are as follows:

	2004		2003	
	Land & Buildings	Other	Land & Buildings	Other
Operating leases which expire:				
Within one year	59,500	169,778	-	83,087
In the second to fifth years inclusive	280,130	478,426	-	363,661
Over five years	1,791,381	-	1,660,000	-
	2,131,011 =====	648,204 =====	1,660,000 =====	446,748 =====

The company, together with certain other group companies, has entered into a cash pooling arrangement with HSBC Bank plc. HSBC Bank plc has the right to apply positive cash balances of the company against indebtedness or liabilities of any of the other companies named in the agreement. This facility is guaranteed by Omnicom Group Inc.

19. PENSION SCHEMES

The Company operates a Group Personal Pension and an Executive Pension Plan which are insured schemes independently administered by the pension provider. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £151,111 (2003: £143,518).

Contributions amounting to £64,651 (2003: £ nil) were payable to the scheme and are included in creditors.

Each of the existing arrangements receives contributions and provides benefits in respect of those relevant participating employees of the Company and of the Company's subsidiary undertakings.

WRC HOLDINGS LIMITEDNOTES TO THE ACCOUNTS (CONTINUED)**20. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER**

The company is a subsidiary undertaking of Omnicom Group Inc incorporated in the United States of America.

The largest group in which the results of the company are consolidated is that headed by Omnicom Group Inc. The smallest group in which they are consolidated is that headed by Omnicom Europe Limited. The consolidated accounts of these groups are available to the public and may be obtained from Omnicom Group Inc, 437 Madison Avenue, New York, NY 10022, USA, or Companies House, Crown Way, Cardiff, CF14 3UZ respectively.

WRC HOLDINGS LIMITED
UNAUDITED PRO FORMA PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

AS IF TRADING OF SUBSIDIARIES ACQUIRED ON 1 JANUARY 2004 RATHER THAN 31 DECEMBER 2004.

	2004 £
GROSS BILLINGS	79,942,370
Rebillable Costs	(50,850,830)
REVENUE	29,091,540
Administrative expenses	(27,183,469)
OPERATING PROFIT	1,908,071
Income from shares in group undertakings	1,958,260
Other interest receivable and similar income	215,514
Interest payable and similar charges	(69,059)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,012,786
Taxation on profit on ordinary activities	(565,438)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	3,447,348

This unaudited profit and loss account is produced for illustrative purposes only. This pro-forma shows the profit and loss account as if the trades of WWAV Rapp Collins Ltd, WWAV Rapp Collins North Limited, WWAV Rapp Collins Scotland Ltd, WWAV Rapp Collins West Limited and WWAV Rapp Collins Media Limited had been acquired on 1 January 2004 rather than 31 December 2004.