

**HENLEY CENTRE RESEARCH
CONSULTANTS LIMITED**

Report and Financial Statements

31 December 2002

**Deloitte & Touche
London**



HENLEY CENTRE RESEARCH CONSULTANTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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HENLEY CENTRE RESEARCH CONSULTANTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Sir M S Sorrell
S Davies

REGISTERED OFFICE

11 St John Street
London
EC1M 4PJ

SECRETARY

A Pinto

BANKERS

HSBC Bank Plc
69 Pall Mall
London
SW1Y 5EY

SOLICITORS

Hammond Suddards Edge
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH

AUDITORS

Deloitte & Touche
Chartered Accountants
London

HENLEY CENTRE RESEARCH CONSULTANTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The company has not traded in current or prior year.

RESULTS AND BUSINESS REVIEW AND FUTURE PROSPECTS

The profit and loss account on page 5 shows the results for the year.

The directors do not recommend the payment of a dividend for the year to 31 December 2002 (2001 – £nil).

The directors do not expect any significant change in the business in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year are shown below:

Sir M S Sorrell

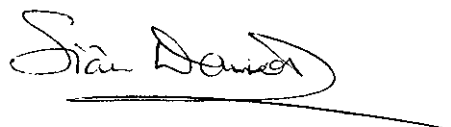
S Davies

Details of directors' interests are disclosed in note 4 to the accounts.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

A handwritten signature in dark ink, appearing to read 'Sian Davies', with a long horizontal line extending from the end of the signature.

Sian Davies

Director

29th May 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 HENLEY CENTRE RESEARCH CONSULTANTS LIMITED

We have audited the financial statements of Henley Centre Research Consultants Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. 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 those matters we are required to state to the company's members 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's members for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

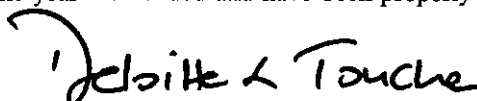
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors
London

29th May 2003



HENLEY CENTRE RESEARCH CONSULTANTS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2002

	Note	2002 £	2001 £
OPERATING PROFIT		-	-
Interest payable and similar charges		(59)	(29)
Interest receivable and similar income	2	43	18
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(16)	(11)
Tax credit on loss on ordinary activities	5	-	41,798
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR	9	(16)	41,787
Retained profit brought forward		44,974	3,187
Retained profit carried forward		44,958	44,974

All operations are continuing.

There were no recognised gains or losses other than stated above and as a result no statement of total recognised gains and losses is presented.

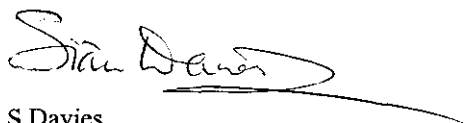
HENLEY CENTRE RESEARCH CONSULTANTS LIMITED

BALANCE SHEET 31 December 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Debtors	6	46,201	46,201
Cash at bank and in hand		428	444
NET ASSETS		<u>46,629</u>	<u>46,645</u>
CAPITAL AND RESERVES			
Called up equity share capital	7	100	100
Capital reserve	8	1,571	1,571
Profit and loss account	8	44,958	44,974
EQUITY SHAREHOLDERS' FUNDS	9	<u>46,629</u>	<u>46,645</u>

These financial statements were approved by the Board of Directors on 29th May 2003.

Signed on behalf of the Board of Directors



S Davies

Director

HENLEY CENTRE RESEARCH CONSULTANTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted which have applied consistently in the current and prior year are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

A cash flow statement has not been prepared on the basis that the company is a wholly owned subsidiary of a parent company incorporated in England and Wales whose consolidated accounts include a consolidated cashflow statement dealing with the cash flows of the company. The company has taken advantage of the exemption under Financial Reporting Standard 1 (revised) for 90% owned subsidiaries.

Taxation

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.

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £	2001 £
Bank interest receivable	43	18

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees or staff costs during either year. The Directors received no remuneration for services (2001: £nil).

Auditors' remuneration was borne by another group company in both years.

4. DIRECTORS' INTERESTS

Details of the directors' interest in options over the ordinary shares of WPP Group plc are as follows:

	1 January 2002 No.	Granted No.	Exercised No.	31 December 2002 No.
S Davies	34,745	13,796	(10,434)	38,107

At 31 December 2002, S Davies held 2,422 (2001: 600) ordinary shares in WPP Group plc. The share price at 31 December 2002 was 475p (2001 – 760p) and it ranged from 393p to 813p during the year.

Sir M S Sorrell held jointly with WPP Group plc, 1 ordinary share in the company at 31 December 2002 and 1st January 2002. The interest of Sir M S Sorrell in the shares of WPP Group plc are described in the accounts of that company.

HENLEY CENTRE RESEARCH CONSULTANTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

5. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2002	2001
	£	£
Adjustment in respect of prior years - current tax	-	41,798

The corporation tax charge for nil has been calculated using a UK corporation tax rate of 30% (2001 – 30%).

The company will surrender its taxable loss for the year to another group company. No payment for this surrender is to be made by the claimant company.

6. DEBTORS

	2002	2001
	£	£
Amounts due from group undertakings	46,201	46,201

7. CALLED UP EQUITY SHARE CAPITAL

	2002	2001
	£	£
Authorised, called up, allotted and fully paid 100 ordinary shares of £1 each	100	100

8. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2002	2001
	£	£
(Loss)/Profit for the year	(16)	41,787
Opening equity shareholders' funds	46,645	4,858
Closing equity shareholders' funds	46,629	46,645

9. RELATED PARTY TRANSACTIONS

In accordance with the provisions of Financial Reporting Standard 8, the company has not presented details of transactions with other group entities since the accounts of WPP Group plc, which include the company, are publicly available.

10. ULTIMATE AND CONTROLLING PARENT COMPANY

The company's ultimate parent and controlling party is WPP Group plc, incorporated in the United Kingdom. Its immediate parent is The Henley Centre Limited, incorporated in the United Kingdom. The results of Henley Centre Research Consultants Limited are consolidated in the accounts of WPP Group plc which is the smallest and largest company in which the results are consolidated. The consolidated accounts of that group are available to the public and may be obtained from 27 Farm Street, London W1X 6RD.