

**Company Registration No. 2158210**

**United London Communications  
Limited**

**Report and Financial Statements**

**31 December 2008**

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# **United London Communications Limited**

## **Report and financial statements 2008**

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# **United London Communications Limited**

## **Report and financial statements 2008**

### **Officers and professional advisers**

#### **Directors**

L Mellman  
A Berlin (resigned 31.12.08)  
A Goddard

#### **Secretary**

A Goddard

#### **Registered Office**

121-141 Westbourne Terrace  
London  
W2 6JR

#### **Solicitors**

Hammonds  
7 Devonshire Square  
Cutlers Gardens  
London  
EC2M 4YH

#### **Auditors**

Deloitte LLP  
Chartered Accountants  
London, United Kingdom

# **United London Communications Limited**

## **Directors' report**

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

### **Principal activity**

The principal activity of the company was the provision of services as a marketing communications company, however, due to intense market competition the company ceased trading in April 2007.

### **Principal risks and uncertainties**

The company ceased trading in April 2007 and therefore no longer competes for clients in the marketing communications industry.

### **Results and dividends**

The profit and loss account is set out on page 7 and shows a loss on ordinary activities after taxation for the year of £422,801 (2007 loss on ordinary activities – £615,123).

No dividends were paid to shareholders during the year (2007 – £nil).

### **Review and future developments**

The principal services of the company were historically in the field of marketing communications. The directors considered that the underlying business was no longer sustainable and ceased trading in April 2007.

### **Financial risk management**

The most important components of financial risk are interest rate risk, currency risk, liquidity, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the credit control procedures in place and the fact that the company participates in group banking arrangements with its parent, WPP plc, and has access to a group cash management facility.

### **Political and charitable donations**

No political or charitable donations were made during the year (2007 – £nil).

### **Directors and their interest**

The current directors of the company are shown on page 1, all of whom served throughout the financial period except where noted.

# United London Communications Limited

## Directors' report (continued)

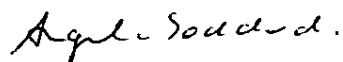
### Auditors

Each of the directors at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that ought to have been taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

A resolution to re-appoint Deloitte LLP (formerly Deloitte & Touche LLP) as the company's auditors will be proposed at the forthcoming Annual General Meeting.

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



A Goddard

Director

24<sup>th</sup> September 2009

# **United London Communications Limited**

## **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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently; and
- make judgements and estimates that are reasonable and prudent.

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 United London Communications Limited**

We have audited the financial statements of United London Communications Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 12. 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 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 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.

## **Independent auditors' report to the members of United London Communications 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 director's 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* *WP*

**Deloitte LLP**

Chartered Accountants and Registered Auditors

London, United Kingdom

*24 September 2009*



## United London Communications Limited

### Profit and loss account Year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover	2	278,867	2,627,547
Cost of sales		-	(860,986)
<b>Gross profit</b>		<b>278,867</b>	<b>1,766,561</b>
Administrative expenses		302,085	(2,295,505)
<b>Operating profit/(loss)</b>	3	<b>580,952</b>	<b>(528,944)</b>
Finance charges (net)	5	(158,151)	(86,179)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>422,801</b>	<b>(615,123)</b>
Tax charge on ordinary activities	6	-	-
<b>Profit/(loss) for the financial year retained</b>		<b>422,801</b>	<b>(615,123)</b>

There were no recognised gains or losses, except as disclosed in the profit and loss account, for the current or preceding year. Accordingly no separate statement of total recognised gains and losses has been prepared.

# United London Communications Limited

## Balance sheet 31 December 2008

	Notes	2008 £	2007 £
<b>Current assets</b>			
Debtors	7	-	117,983
		-	117,983
<b>Creditors: amounts falling due within one year</b>	8	(2,801,730)	(3,342,514)
<b>Net current liabilities</b>		(2,801,730)	(3,224,531)
<b>Net liabilities</b>		(2,801,730)	(3,224,531)
<b>Capital and reserves</b>			
Called up share capital	9	66,872	66,872
Share premium account	10	4,165	4,165
Profit and loss account	10	(2,872,767)	(3,295,568)
<b>Shareholders' deficit</b>		(2,801,730)	(3,224,531)

These financial statements were approved by the Board of Directors on 24<sup>th</sup> September 2009.

Signed on behalf of the Board of Directors

*A Goddard*

A Goddard

Director

# **United London Communications Limited**

## **Notes to the accounts**

### **Year ended 31 December 2008**

#### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and law. The particular accounting policies adopted are described below. These have all been applied consistently throughout the year and the preceding year.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **Basis of preparation**

As explained in the directors' report, the company ceased trading in 2007. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer 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 contractual 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. No material adjustments arose as a result of ceasing to apply the going concern concept.

##### **Cash flow statement**

In compliance with Financial Reporting Standard 1 (revised) the financial statements of WPP plc include a consolidated cash flow statement and therefore the company is not required to prepare a cash flow statement.

##### **Turnover**

Turnover represents the total of amounts invoiced to clients, exclusive of value added tax, in respect of fees, commission, advertising production costs and rechargeable expenses.

Commission income and fees are recognised at the time that they are billable under the contract with the client.

##### **Cost of sales**

Cost of sales represents direct advertising production costs.

##### **Taxation**

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

Deferred tax 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 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 recognised as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Pension costs**

The pension cost is the amount of contributions payable by the company to the personal pension schemes of certain employees during the accounting period.

# United London Communications Limited

## Notes to the accounts

### Year ended 31 December 2008

#### 1. Accounting policies (continued)

##### Leased assets

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

#### 2. Turnover

The turnover is attributable to the principal activity of the company and is analysed by geographical market as follows:

	2008 £	2007 £
United Kingdom	278,867	2,627,547
	<u>278,867</u>	<u>2,627,547</u>

#### 3. Operating profit/(loss)

	2008 £	2007 £
<b>Operating profit/(loss) is stated after charging:</b>		
Depreciation on owned assets	-	11,935
Fees payable to the company's auditors for the audit of the company's annual accounts	20,088	36,200
Redundancies	-	604,208
Other operating lease rentals	-	131,615
	<u></u>	<u></u>

# United London Communications Limited

## Notes to the accounts

Year ended 31 December 2008

### 4. Information regarding directors and employees

	2008 £	2007 £
<b>Directors' remuneration:</b>		
Aggregate directors' emoluments	-	151,679
Pension contributions in respect of money purchase schemes	-	98,875
	<u>-</u>	<u>250,554</u>

The number of directors included in the money purchase pension scheme during 2008 was none (2007 – one).

The above amounts do not include any gains made on the exercise of share options. The number of directors who exercised share options in the period was none (2007 – one). There were no long-term incentive schemes.

	2008 £	2007 £
<b>Particulars of amounts paid to employees (including executive directors) are as shown below:</b>		
Wages and salaries	-	718,337
Social security costs	-	(35,250)
Pension costs	-	95,633
	<u>-</u>	<u>778,720</u>

The average monthly number of employees, including directors, during the year was none (2007 – 15).

### 5. Finance charges

	2008 £	2007 £
Bank interest receivable	4,285	2,214
Bank interest payable	(162,436)	(88,393)
	<u>(158,151)</u>	<u>(86,179)</u>

# United London Communications Limited

## Notes to the accounts

### Year ended 31 December 2008

#### 6. Tax charge on profit/(loss) on ordinary activities

##### (a) Analysis of tax charge on ordinary activities

	2008 £	2007 £
<i>Current tax</i>		
Corporation tax at 28.5% (2007 – 30%)	-	-
Adjustment in respect of prior years	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

##### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28.5% (2007 – 30%).

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	422,801	(615,123)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities by rate of tax	120,498	(184,537)
	<hr/>	<hr/>
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	3,629
Depreciation in excess of capital allowances	-	11,692
Group relief claimed for nil consideration	(120,498)	169,216
	<hr/>	<hr/>
Current tax charge for the year	-	-
	<hr/>	<hr/>

	2008 %	2007 %
Standard tax rate for period as a percentage of profits	28.5	30.0
<i>Effects of:</i>		
Expenses not deductible for tax purposes	0.0	(0.6)
Depreciation in excess of capital allowances	0.0	(1.9)
Group relief	(28.5)	(27.5)
	<hr/>	<hr/>
Current rate for period as a percentage of profits	0.0	0.0
	<hr/>	<hr/>

# United London Communications Limited

## Notes to the accounts Year ended 31 December 2008

### 7. Debtors

	2008 £	2007 £
Other debtors	-	86,064
Corporation tax	-	30,375
Prepayments and accrued income	-	1,544
	<u>-</u>	<u>117,983</u>

### 8. Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans and overdraft	2,677,384	2,552,920
Trade creditors	735	49,275
Other creditors including taxation and social security	7,880	19,996
Accruals and deferred income	115,731	720,323
	<u>2,801,730</u>	<u>3,342,514</u>

### 9. Called up share capital

	2008 £	2007 £
Authorised, allotted, called up and fully paid: 6,687,200 ordinary shares of 1 pence each	<u>66,872</u>	<u>66,872</u>

# United London Communications Limited

## Notes to the accounts

Year ended 31 December 2008

### 10. Reserves

	Share premium £	Profit and loss account £	Total £
At 1 January	4,165	(3,295,568)	(3,291,403)
Profit for the year		422,801	422,801
At 31 December	4,165	(2,872,767)	(2,868,602)

### 11. Related party transactions

In accordance within the provisions of Financial Reporting Standard Number 8, the company has not presented details of transactions with other group companies since the consolidated accounts of WPP Plc, which include the company, are publicly available.

### 12. Ultimate parent company and controlling party

The directors regard WPP Group (UK) Ltd, 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 the ultimate controlling party.

The parent undertaking of the largest group of undertakings for which group 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](http://www.wpp.com). Copies of the financial statements of WPP 2008 Limited can be obtained from 27 Farm Street, London W1 J 5RJ.