

Company Registration No. 2431038

PSD Associates Limited

Report and Financial Statements

31 December 2006



PSD Associates Limited

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PSD Associates Limited

Director's report

The directors present their annual report and the financial statements for the year ended 2006

Principal activities

The Company is dormant

Business Review

It is envisaged that the Company will remain a dormant company for the foreseeable future

Directors and their interests

The directors who held office during the year were as follows

C Sweetland
P Richardson
A Scott

None of the directors held any shares in the Company either at the beginning or at the end of the period

The interests of P Richardson in the share of WPP Group plc are shown in the directors' report of WPP Group plc

C Sweetland and A Scott held the following options over shares of WPP Group plc and had been granted the following restricted stock awards at 31 December 2006

C. Sweetland

Options

At 1 January 2006 No	Granted 2006 No	Exercised 2006 No	At 31 December 2006 No	Commencement	Expiry	Exercise price per share
23,750	-	23,750	-	June 1996	June 2006	£2 140
6,861	-	6,861	-	Sept 1996	Sept 2006	£2 335
5,422	-	-	5,422	Sept 1997	Sept 2007	£2 835
5,012	-	-	5,012	Sept 1998	Sept 2008	£2 930
2,689	-	-	2,689	Sept 1999	Sept 2009	£5 700
12,070	-	-	12,070	Sept 2000	Sept 2010	£9 010
23,143	-	-	23,143	Sept 2001	Sept 2011	£4 865
25,293	-	-	25,293	Sept 2002	Sept 2012	£4 210
17,515	-	-	17,515	Nov 2003	Nov 2013	£5 595
16,300	-	-	16,300	Oct 2004	Oct 2014	£5 535

Restricted stock awards

At 1 January 2006 No	Granted 2006 No	Vested 2006 No	At 31 December 2006 No	Grant date	Vest date
669	-	669	-	Feb 2004	Mar 2006
19,262	-	-	19,262	Mar 2005	Mar 2008
16,050	-	-	16,050	Nov 2005	Mar 2007
8,896	-	-	8,896	Nov 2005	Nov 2008
-	16,847	-	16,847	Feb 2006	Mar 2008
-	7,030	-	7,030	Oct 2006	Oct 2009

PSD Associates Limited

Director's report

A. Scott

Options

At 1 January 2006 No	Granted 2006 No	Exercised 2006 No	At 31 December 2006 No	Commencement	Expiry	Exercise price per share
5,614	-	-	5,614	Sept 1999	Sept 2009	£5 700
(ADRs) 1,265*	-	-	1,265	Sept 2000	Sept 2010	\$63 265
(ARDs) 4,240*	-	-	4,240	Sept 2001	Sept 2011	\$35 380
22,994	-	-	22,994	Sept 2002	Sept 2011	£4 21
15,923	-	-	15,923	Nov 2003	Nov 2013	£5 595
14,818	-	-	14,818	Oct 2004	Oct 2014	£5 535

Restricted Stock awards

At 1 January 2006 No	Granted 2006 No	Vested 2006 No	At 31 December 2006 No	Grant date	Vest date
436	-	436	-	Feb 2004	Mar 2006
19,262	-	-	19,262	Mar 2005	Mar 2008
15,040	-	-	15,040	Nov 2005	Mar 2007
5,930	-	-	5,930	Nov 2005	Nov 2008
-	13,103	-	13,103	Feb 2006	Mar 2008
-	5,858	-	5,858	Oct 2006	Oct 2009
-	8,262	-	8,262	Nov 2006	Dec 2010

* Each ADR (American Depositary Receipt) represents 5 ordinary shares

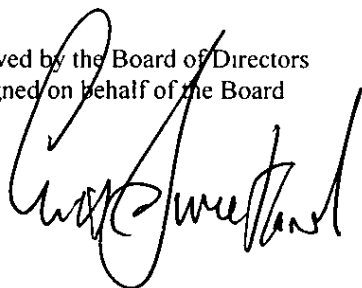
In addition, C Sweetland had a beneficial interest in 6,040 (2005 47,143) shares in WPP Group plc at 31 December 2005. The directors have no other interests in any other group company.

The WPP Group plc's Register of Directors' Interests (which is open to inspection) contains full details of directors' shareholdings and options to subscribe.

Elective resolutions

The Company has passed elective resolutions under section 252 and 366A of the Companies Act 1985 dispensing with the requirements to lay accounts and reports before the Company in general meetings and to hold annual general meetings annually.

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



C Sweetland
Director

20th September

2007

PSD Associates Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

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 judgments 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

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.

PSD Associates Limited

Balance sheet 31 December 2006

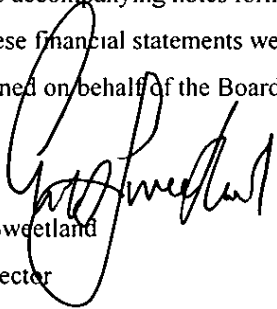
	Notes	2006 £'000	2005 £'000
Net current assets		-	-
Total assets less current liabilities		-	-
Creditors: amounts falling due after more than one year	3	(3,328)	(3,328)
Net liabilities		<u>(3,328)</u>	<u>(3,328)</u>
Capital and reserves			
Called up share capital	4	25	25
Share premium	5	1,165	1,165
Profit and loss account	5	<u>(4,518)</u>	<u>(4,518)</u>
Total equity shareholders' deficit	6	<u>(3,328)</u>	<u>(3,328)</u>

- (a) For the period ended 31 December 2006 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985
- (b) Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985
- (c) The directors acknowledge their responsibility for
- ensuring the Company keeps accounting records which comply with section 221, and
 - preparing accounts 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 its profit or loss for the financial year, in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

The accompanying notes form part of these financial statements

These financial statements were approved by the Board of Directors on 20th September 2007

Signed on behalf of the Board of Directors


C Sweetland
Director

PSD Associates Limited

Notes to the accounts

Year ended 31 December 2006

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and with the Companies Act 1985. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

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

2. Remuneration of directors and auditors

The emoluments of all directors during the current and preceding year, were borne by other fellow subsidiary undertakings.

3. Creditors – amounts falling due after more than one year

	2006 £'000	2005 £'000
Amounts owed to group and fellow subsidiary undertakings	3,328	3,328

PSD Associates Limited

Notes to the accounts Year ended 31 December 2006

4 Called up share capital

	2006 £'000	2005 £'000
Authorised		
<i>Equity</i>		
5,889,163 ordinary shares of 1p each	59	59
2,500,000 'A' ordinary shares of 1p each	25	25
10,837 'C' redeemable shares of 1p each	-	-
1,000,000 'D' ordinary shares	10	10
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
<i>Equity</i>		
2,500,000 'A' ordinary shares of 1p each	25	25
10,837 'C' redeemable shares of 1p each	-	-
	<u> </u>	<u> </u>

The 'C' and 'D' ordinary shares do not entitle the holders to vote at any general meeting. On a return of capital on liquidation or otherwise, the Ordinary shares, 'A' shares, 'C' shares and 'D' shares shall rank equally in repaying the amounts paid up. The surplus assets available for distribution after such repayment shall be payable to shareholders of the ordinary shares and 'A' shares as if such shares constituted one class.

The 'C' redeemable shares ranked for dividends for the accounting periods ended 31 December 2002, 31 December 2003 and 31 December 2004. The Ordinary shares and the 'A' Ordinary shares shall rank for dividends in respect of all periods before 31 March 2000 and periods after December 2003 as if such shares constituted one class. Save as otherwise provided in the company's articles the Ordinary shares, 'A' shares and 'D' shares will rank equally in all respects.

5 Share premium and reserves

	Share premium £'000	Profit and loss account £'000
At 1 January and 31 December 2006	<u>1,165</u>	<u>(4,518)</u>

6 Reconciliation of shareholders' funds

	2006 £'000	2005 £'000
Shareholders' funds at the beginning and at the end of the year	<u>(3,328)</u>	<u>(3,328)</u>

PSD Associates Limited

Notes to the accounts

Year ended 31 December 2006

7 Contingent liability

The Company is grouped for VAT liability purposes with certain other Group companies. Consequently, the Company is contingently liable for the VAT liabilities of those companies.

8 Ultimate parent company and parent undertaking of smallest group of which the company is a member

The ultimate parent company is WPP Group plc, which is incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements for WPP Group plc and its subsidiary undertakings for the year ended 31 December 2006 can be obtained from the Company Secretary, WPP Group plc, 27 Farm Street, London, W1X 5RJ.

The immediate holding company is Cordiant Communications Group Limited, which is registered in England and Wales.