

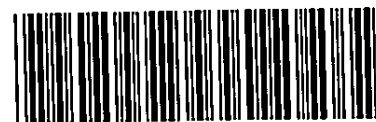
Company Registration No. 2670637

SJS Management Services Limited

Report and Financial Statements

31 December 2007

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SJS Management Services Limited

Report and financial statements 2007

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SJS Management Services Limited

Report and financial statements 2007

Officers and professional advisers

Directors

A Spark
S Purnell

Secretary

S Purnell

Registered Office

11-33 St John Street
London
EC1M 4PJ

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

SJS Management Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act, 1985.

Principal activity

The company's principal activity is the management of real estate on a fee or contract basis. The company's tenants are all fellow WPP Group plc undertakings.

Results

The profit and loss account is set out on page 6 and shows a loss after tax for the year of £740,003 (2006: loss of £90,016).

Future prospects

The directors expect the company to continue in its principal activities for the foreseeable future.

Directors

The directors who served during the year were:

T Bowman – resigned 25 July 2007

S Purnell – appointed 25 July 2007

P Richardson – resigned 28 February 2007

A Spark

Auditors

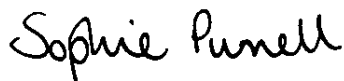
A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he 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.

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



S Purnell
Director

30 October 2008

SJS Management Services 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,
- 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 SJS Management Services Limited

We have audited the financial statements of SJS Management Services Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. 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 SJS Management Services 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 loss 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

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

31 October 2008

SJS Management Services Limited

Profit and loss account

Year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover	1, 2	2,125,073	2,589,127
Administrative expenses		(2,764,949)	(2,590,989)
Operating loss		(639,876)	(1,862)
Net interest payable	6	(100,127)	(88,154)
Loss on ordinary activities before taxation	5	(740,003)	(90,016)
Tax on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation and for the financial year	13, 14	(740,003)	(90,016)

The operations of the company all relate to continuing operations

There were no recognised gains or losses in the year other than the loss for the financial year and the prior year
Accordingly no separate statement of total recognised gains and losses is presented

SJS Management Services Limited

Balance sheet 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	8	1,308,363	1,530,899
Current assets			
Debtors	9	513,041	326,205
Creditors: amounts falling due within one year	10	(2,008,055)	(1,588,752)
Net current liabilities		(1,495,014)	(1,262,550)
Total assets less current liabilities		(186,651)	268,352
Provisions for liabilities	11	(375,000)	(90,000)
Net (liabilities) / assets		(561,651)	178,352
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	(561,653)	178,350
Shareholders' (deficit) / funds	14	(561,651)	178,352

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

Signed on behalf of the Board of Directors

Sophie Purnell

S Purnell
Director

SJS Management Services Limited

Notes to the accounts

Year ended 31 December 2007

1. Accounting policies

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

Accounting convention

The accounts are prepared under the historical cost convention.

Cash flow

The company has taken advantage of the exemption per FRS 1 (revised) from preparing a cash flow statement because it is a wholly owned subsidiary of WPP Group plc, which prepares consolidated accounts, which are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Computer equipment	- 33% per annum
Fixtures, fittings and equipment	- 25% per annum
Leasehold improvements	- Over the term of the lease

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.

Deferred taxation

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.

Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Operating leases

The company enters into operating leases and rentals are charged on a straight-line basis over the lease term.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

SJS Management Services Limited

Notes to the accounts Year ended 31 December 2007

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction, or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date, or, if appropriate, at the forward contract rate. Differences arising from movements in rates of exchange are dealt with in the profit and loss account.

Turnover and revenue recognition

Turnover comprises the gross amounts billed to clients (excluding trade discounts, VAT and similar taxes). Revenue is recognised when the service is performed in accordance with the terms of the contractual arrangement. Excess billings and pre-payments are included in creditors as deferred income.

2. Turnover

All turnover is derived from the company's principal activity and arose in the UK. The destination of turnover was not materially different from the origin.

3. Staff costs

	2007 £	2006 £
Employee costs during the year amounted to		
Wages and salaries	374,107	437,770
Social security costs	43,344	51,514
Pensions costs (see note 17)	10,084	5,833
	<u>427,535</u>	<u>495,117</u>

The average monthly number of persons employed by the company during the year, excluding directors, was

	2007 Number	2006 Number
Administration	<u>11</u>	<u>13</u>

4. Directors' remuneration

None of the directors received emoluments for their services as directors of SJS Management Services Limited in either the current or the prior year.

SJS Management Services Limited

Notes to the accounts Year ended 31 December 2007

5. Loss on ordinary activities before taxation

	2007 £	2006 £
Loss on ordinary activities before taxation is stated after charging		
Depreciation – owned assets	298,433	306,602
Fees payable to company's auditors for the audit of the company's annual accounts	16,915	6,770
Operating lease rentals		
- plant and machinery	128,258	146,434
- other	668,250	668,250
	<u>668,250</u>	<u>668,250</u>

6. Net interest payable

	2007 £	2006 £
Bank interest payable	100,127	88,154
	<u>100,127</u>	<u>88,154</u>

7. Tax on loss on ordinary activities

	2007 £	2006 £
Corporation tax at 30% (2006 30%)	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

SJS Management Services Limited

Notes to the accounts Year ended 31 December 2007

7. Tax on loss on ordinary activities (continued)

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are explained below

	2007 £	2006 £
Loss on ordinary activities before tax	(740,003)	(90,016)
Tax at 30% thereon (2006 30%)	222,001	27,005
<i>Factors affecting the tax credit for the period</i>		
Expenses not deductible for tax purposes	(55,353)	(51,438)
Depreciation in excess of capital allowances	(34,177)	(40,630)
Adjustment in respect of group relief (surrendered) / claimed for nil consideration	(132,471)	65,063
	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to fixed assets as there is insufficient evidence that the asset will be recovered The amount of the asset not recognised is £193,000 (2006 £165,907)

8. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Fixtures, fittings, and equipment £	Total £
Cost				
At 1 January 2007	2,449,230	142,597	146,237	2,738,064
Additions	30,879	45,018	-	75,897
At 31 December 2007	2,480,109	187,615	146,237	2,813,961
Depreciation				
At 1 January 2007	1,000,299	108,155	98,711	1,207,165
Charge for the year	256,384	21,949	20,100	298,433
At 31 December 2007	1,256,683	130,104	118,811	1,505,598
Net book value				
At 31 December 2007	1,223,426	57,511	27,426	1,308,363
At 31 December 2006	1,448,931	34,442	47,526	1,530,899

SJS Management Services Limited

Notes to the accounts Year ended 31 December 2007

9. Debtors: amounts falling due within one year

	2007 £	2006 £
Amounts due from other group undertakings	200,487	208,025
VAT debtors	26,153	29,286
Other debtors	46,203	18,014
Prepayments	240,198	70,880
	<u>513,041</u>	<u>326,205</u>

10. Creditors: amounts falling due within one year

	2007 £	2006 £
Bank overdraft	1,478,877	1,332,836
Trade creditors	112,321	47,272
Amounts due to other group undertakings	172,802	22,679
Other taxation and social security	11,622	12,390
Accruals and deferred income	223,548	169,101
Other creditors	8,885	4,474
	<u>2,008,055</u>	<u>1,588,752</u>

11. Provisions for liabilities

	Onerous Lease £	Dilapidation Provision £	Total £
At 1 January 2007	90,000	-	90,000
Charged to the profit and loss account	301,000	74,000	375,000
Credited to the profit and loss account	(90,000)	-	(90,000)
At 31 December 2007	<u>301,000</u>	<u>74,000</u>	<u>375,000</u>

The onerous lease provision is expected to be utilised in the next year

12. Called up equity share capital

	2007 £	2006 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

SJS Management Services Limited

Notes to the accounts Year ended 31 December 2007

13. Reserves

	Profit and loss account £
At 1 January 2007	178,350
Loss for the financial year	(740,003)
At 31 December 2007	<u>(561,653)</u>

14. Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the financial year	(740,003)	(90,016)
Net movement in shareholders' funds	(740,003)	(90,016)
Opening shareholders' funds	178,352	268,368
Closing shareholders' (deficit) / funds	<u>(561,651)</u>	<u>178,352</u>

15. Operating lease commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings		Other	
	2007 £	2006 £	2007 £	2006 £
Operating leases which expire				
- Within one year	-	-	-	105,431
- In two to five years	-	-	77,472	20,772
- In over five years	668,250	668,250	-	-
	<u>668,250</u>	<u>668,250</u>	<u>77,472</u>	<u>126,202</u>

16. Financial guarantees

SJS Management Services Limited participates in group banking arrangements with its parent company, WPP Group plc, and has access to a group cash management facility. SJS Management Services Limited guarantees the facility to the extent of its cash deposit in the UK with its clearing bank. The company, together with its parent, WPP Group plc, and certain other subsidiary undertakings, is a party to the group's syndicated banking arrangements. SJS Management Services Limited has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP Group plc.

SJS Management Services Limited

Notes to the accounts

Year ended 31 December 2007

17. Pension schemes

Where employees wish to make personal pension plan arrangements, the company may make direct contributions to such plans or provide a supplement to salary

The pension cost charge for the year for defined contribution schemes was £10,084 (2006 - £5,833) At the year end, pension contributions of £nil (2006 - £nil) were included in prepayments

18. 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

19. Ultimate parent company

The immediate parent company is The Brand Union Limited (formerly known as Enterprise IG Limited) The ultimate parent company and controlling party is WPP Group plc, a company incorporated in Great Britain The largest and only group in which the results of SJS Management Services 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