

## Enterprise Identity Group Limited

Accounts 31 December 1998  
together with directors' and auditors' reports

Registered number: 2670637



## Directors' report

For the year ended 31 December 1998

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1998.

### Principal activity

The company did not trade during the year.

### Business review

Turnover for the year ended 31 December 1998 was £nil (1997 – £nil). The profit before tax for the year ended 31 December 1998 was £5,293 (1997 – £6,216).

### Results and dividends

No dividend was paid or declared in the year (1997 – £nil).

Results for the year and the movement on reserves are set out in the profit and loss account on page 4.

### Directors

The directors who served during the year are as shown below:

M.S. Sorrell (Chairman)

D.G. Allen

J. Johnson

I.J. Paterson (resigned 27 July 1999)

M. Sampson

S.L. Fox (appointed 27 July 1999)

### Year 2000

An assessment of the potential impact and extent of the year 2000 problem on the WPP group has been undertaken at head office for all group entities. Further details regarding this assessment are contained within the publicly available group accounts.

### 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 accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Directors' report (continued)

### Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

### Auditors

The directors will place a resolution before the Annual General Meeting to re-appoint Arthur Andersen as auditors for the ensuing year.

6 Mercer Street  
London  
WC2H 9QA

By order of the Board,

A handwritten signature in black ink, appearing to be 'S.L. Fox', written over a horizontal line.

S.L. Fox  
Director

4 August 1999

## Auditors' report

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London

### To the Shareholders of Enterprise Identity Group Limited:

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

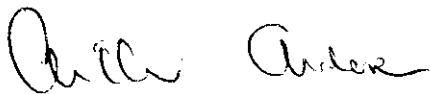
### Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company and of the group, 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1998 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

1 Surrey Street  
London  
WC2R 2PS

4 August 1999

## Profit and loss account

For the year ended 31 December 1998

	Notes	1998 £	1997 £
<b>Gross Profit</b>		-	-
Operating expenses	2	(2,677)	(103)
<b>Operating loss</b>		(2,677)	(103)
Interest receivable and similar income	3	7,970	6,319
<b>Profit on ordinary activities before taxation</b>	4	5,293	6,216
Taxation on profit on ordinary activities	5	-	(1,927)
<b>Retained profit for the year</b>		5,293	4,289
Retained loss, at 1 January		(3,881)	(8,170)
<b>Retained profit / (loss), at 31 December</b>		1,412	(3,881)

The company had no recognised gains or losses in either year other than its profit for the financial year.

The accompanying notes are an integral part of this profit and loss account.

## Balance sheet

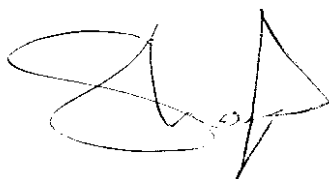
31 December 1998

	Notes	1998 £	1997 £
<b>Current assets</b>			
Cash at bank		190,693	185,400
<b>Creditors: Amounts falling due within one year</b>	6	(189,279)	(189,279)
<b>Net liabilities</b>		<u>1,414</u>	<u>(3,879)</u>
<b>Capital and reserves</b>			
Called-up equity share capital	7	2	2
Profit and loss account		<u>1,412</u>	<u>(3,881)</u>
<b>Total equity shareholders' funds / (deficit)</b>	8	<u>1,414</u>	<u>(3,879)</u>

The accompanying notes are an integral part of this balance sheet.

Approved by the Board and signed on its behalf by:

S.L. Fox



Director

4 August 1999

# Notes to the accounts

31 December 1998

## 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

### a) *Cashflow statement*

A cash flow statement has not been prepared on the basis that the company is a wholly-owned subsidiary of Newcross Limited an undertaking of WPP Group plc, which is incorporated in Great Britain and whose consolidated accounts contain a consolidated cash flow statement which includes the cash flows of the group.

### b) *Basis of accounting*

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards.

### c) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

### d) *Related party transactions*

In accordance with the provisions of Financial Reporting Standard No. 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.

## 2 Other operating expenses

	1998 £	1997 £
Administrative expenses	2,677	103
	<u>2,677</u>	<u>103</u>

## 3 Interest receivable and other income

	1998 £	1997 £
Bank interest	7,970	6,319
	<u>7,970</u>	<u>6,319</u>

## Notes to accounts (continued)

### 4 Profit on ordinary activities before taxation

There were no staff costs during the year (1997 - £nil) and directors' and auditors' remuneration was borne by another group company, as in 1997.

### 5 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	1998 £	1997 £
Corporation tax at 31.5% (1997 - 33%)	-	1,927

In current year corporation tax has been eliminated by the transfer of losses from other group companies which have been surrendered under the group relief provisions, without any corresponding payment.

### 6 Creditors: Amounts falling due within one year

	1998 £	1997 £
Amount due to holding company	189,279	189,279

### 7 Called-up equity share capital

	1998 £	1997 £
<i>Authorised, allotted, called-up and fully-paid</i>		
2 ordinary shares of £1 each	2	2

### 8 Reconciliation of movement in equity shareholders' funds / (deficit)

	1998 £	1997 £
At 1 January	(3,879)	(8,168)
Retained profit for the year	5,293	4,289
At 31 December	1,414	(3,879)



## Notes to accounts (continued)

### **9 Guarantees and other financial commitments**

#### *a) Capital commitments*

There were no capital commitments either contracted for or authorised but not contracted for at year end (1997 - £nil).

#### *b) Financial guarantees*

The group participates in group banking arrangements with its parent company, WPP Group plc, and has access to a group cash management facility. The group guarantees the facility to the extent of its cash deposited in the UK with its clearing bank.

Enterprise Identity Group Limited together with its parent WPP Group plc, and certain other subsidiary undertakings, is a party to the group's syndicated banking arrangements. Enterprise Identity Group 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.

### **10 Ultimate parent company**

The company is a wholly owned subsidiary undertaking of WPP Group plc, registered in England and Wales.

The smallest and largest group in which the results of Enterprise Identity Group Limited are consolidated is that of its ultimate parent company whose principal place of business is at 27 Farm Street, London W1X 6RD. The consolidated accounts are available at that address.