

Company Registration No. 3961670

CCG.XM Holdings Limited

Report and Financial Statements

31 December 2005



CCG.XM Holdings Limited

Report and financial statements 2005

Contents

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	5
Independent auditors' report	6
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9

CCG.XM Holdings Limited

Officers and professional advisors

Directors

C Sweetland
P Richardson
A Scott

Secretary

WPP Group (Nominees) Limited

Registered office

27 Farm Street
London
W1J 5RJ

Bankers

HSBC Bank Plc

Legal Advisors

Hammonds
7 Devonshire Square
London
EC2M 4YH

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

CCG.XM Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005

Principal activities

The company acts as a holding company

Business review

The company did not trade during the year

Results and dividends

The results for the year are given in the profit and loss account on page

Directors and their interests

The directors who held office during the year and subsequent changes were as follows

C Sweetland
P Richardson
A Scott

None of the directors held any shares in the company either at the beginning or the end of the year

The interests of P Richardson in the shares of WPP Group plc are shown in the Directors' Report of WPP Group plc

The interests of the other directors who held office at the end of the period in the shares of WPP Group plc are as follows

	At 01/01/05	At 31/12/05
C Sweetland	47,143	47,143

CCG.XM Holdings Limited

Directors' report

Directors and their interests (continued)

The directors held the following options over shares of WPP Group plc and had been granted restricted stock awards at 31 December 2005 were as follows

Options

	At 1 Jan	Granted	Exercised	At 31 Dec	Exercise
	2005	2005	2005	2005	price
	Number	Number	Number	Number	per share
C Sweetland	23,750	-	-	23,750	£2 140
	6,861	-	-	6,861	£2 335
	5,422	-	-	5,422	£2 835
	5,012	-	-	5,012	£2 930
	2,539	-	-	2,539	£5 700
	150	-	-	150	£5 700
	832	-	-	832	£9 010
	11,238	-	-	11,238	£9 010
	23,143	-	-	23,143	£4 865
	25,293	-	-	25,293	£4 210
	1,435	-	-	1,435	£5 595
	16,080	-	-	16,080	£5 595
	16,300	-	-	16,300	£5 535
A Scott	351	-	-	351	£5 700
	5,263	-	-	5,263	£5 700
	1,265	-	-	1,265	US\$63 2625
	4,240	-	-	4,240	US\$35 38
	22,994	-	-	22,994	£4 210
	15,923	-	-	15,923	£5 595
	14,818	-	-	14,818	£5 535

CCG.XM Holdings Limited

Directors' report

Restricted stock awards

	At 1 Jan	Granted	Vested	At 31		
	2005	2005	2005	Dec		
	Number	Number	Number	2005	Grant	Vest
				Number	date	date
C Sweetland	-	19,262	-	19,262	Mar-05	Mar-08
	-	16,050	-	16,050	Nov-05	Mar-07
	-	8,896	-	8,896	Nov-05	Nov-08
	1,705	-	1,705	-	Feb-03	Mar-05
	669	-	669	-	Feb-04	Mar-05
A Scott	-	19,262	-	19,262	Mar-05	Mar-08
	-	15,040	-	15,040	Nov-05	Mar-07
	-	5,930	-	5,930	Nov-05	Nov-08
	852	-	852	-	Feb-03	Mar-05
	436	-	436	-	Feb-04	Mar-05

(1) ADRs – each ADR (American Depositary Receipt) represents 5 ordinary shares

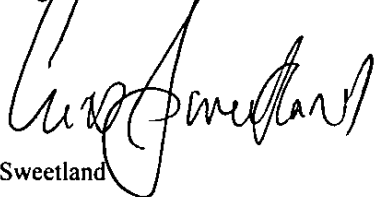
The WPP Group plc's Register of Directors' Interests (which is open to inspection) contains full details of directors' shareholdings and options to subscribe

No other director in office at the end of the year held interests in either the shares or share options of WPP Group plc

Auditors

Deloitte & Touche LLP 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



C Sweetland

Director

4 June 2007

CCG.XM Holdings Limited

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 the system of internal control, 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 CCG.XM Holdings Limited

We have audited the financial statements of CCG XM Holdings Limited for the year ended 31 December 2005 which comprise the profit and loss account, 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

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 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

4 June 2007

CCG.XM Holdings Limited

Profit and loss account

Year ended 31 December 2005

	Note	2005 £	2004 £
Other operating income	2	-	-
Operating profit		-	-
Amounts written of fixed asset investments	5	-	-
Profit on ordinary activities before taxation	3	-	-
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation and retained profit for the year	9	-	-

CCG.XM Holdings Limited

Balance sheet

31 December 2005

	Note	2005 £	2004 £
Fixed assets			
Investments	5	<u>-</u>	<u>-</u>
			-
Creditors: amounts falling due within one year	6	<u>(100)</u>	<u>(100)</u>
Net current liabilities		<u>(100)</u>	<u>(100)</u>
Total assets less current liabilities		<u>(100)</u>	<u>(100)</u>
Net liabilities		<u>(100)</u>	<u>(100)</u>
Capital and reserves			
Called up share capital	7	800	800
Share premium	8	1,839,201	1,839,201
Profit and loss account	8	<u>(1,840,101)</u>	<u>(1,840,101)</u>
Equity shareholders' deficit	9	<u>(100)</u>	<u>(100)</u>

These financial statements were approved by the Board of Directors on

2007

Signed on behalf of the Board of Directors

C Sweetland

Director

CCG.XM Holdings Limited

Notes to the accounts

Year ended 31 December 2005

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and with the Companies Act 1985

Consolidated financial statements have not been prepared because the company is a subsidiary undertaking of a company registered in Great Britain and exemption has been obtained under section 228 of the Companies Act 1985

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

Investments

Fixed asset investments are shown at cost less provision for any permanent diminution in value

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 at the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2005 £	2004 £
Amounts written off intercompany creditor balances	-	-
Amounts written off intercompany debtor balances	-	-
	<u> </u>	<u> </u>

There were no employees or staff costs during either year

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

3. Remuneration of directors

No directors received any emoluments for their services to the company during the year and preceeding year

CCG.XM Holdings Limited

Notes to the accounts

Year ended 31 December 2005

4. Taxation

	2005 £	2004 £
United Kingdom corporation tax at % (2004 - 30%)		
Current tax	-	-
Taxation on ordinary activities	-	-

Reconciliation of the Company's current tax to the United Kingdom statutory rate

	2005 £	2004 £
Tax charge on the pre tax loss at 30%	-	-
Effects of		
Permanent differences between expenditures charged in arriving at		
income and expenditures allowed for tax purposes	-	-
Group relief received for no consideration	-	-
Taxation on ordinary activities	-	-

5. Fixed asset investments

<i>Holdings in unlisted investments</i>	£
Cost	
At 1 January 2005 and at 31 December 2005	100
Provision	
At 1 January 2005 and at 31 December 2005	(100)
Net book value	
At 31 December 2005	-
At 31 December 2004	-

The investments represents a 99% holding of the issued ordinary share capital of CCG XM Limited and a 100% holding of the issued ordinary share capital of CCG XM (UK) Limited

6. Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	100	100

CCG.XM Holdings Limited

Notes to the accounts

Year ended 31 December 2005

7. Called up share capital

	2005 £	2004 £
Authorised:		
1,000 Ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid		
800 Ordinary shares of £1 each	800	800

8. Reserves

	Share premium £	Profit and loss account £	Total £
At 1 January 2005	1,839,201	(1,840,101)	(900)
Profit for the year			
At 31 December 2005	1,839,201	(1,840,101)	(900)

9. Reconciliation of movements in equity shareholders' deficit

	2005 £	2004 £
Profit for the year		-
Equity shareholders' deficit at the beginning of the year	(100)	(100)
Equity shareholders' deficit at the end of the year	(100)	(100)

10. Guarantees

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

11. Related party disclosures

In accordance with the provisions of Financial Reporting Standard 8, the company has not presented details of transactions with other group entities.

12. Ultimate parent company and parent undertaking of larger group of which the company is a member

The ultimate parent company and ultimate controlling entity was WPP Group plc, which is registered in England and Wales. WPP Group PLC is the only company which prepares group financial statements. Copies of the group financial statements for WPP subsidiary undertakings for the year ended 31 December 2005 can be obtained from the secretary, WPP Group plc, 27 Farm Street, London, W1J 5RJ.

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



XM London
121-141 Westbourne Terrace
London W2 6JR
Tel 020 7724 7228

Deloitte LLP
180 Strand
London WC2R 1BL

Our Ref: IK/ GG/ 31325

Date 31st July 2007

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of CCG XM Holdings Limited for the year ended 31st December, 2005 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of CCG XM Holdings Limited as of 31st December, 2005 and of the results of its operations, other recognised gains and losses and its cash flows for the year then ended in accordance with applicable accounting framework and Companies Act 1985. We are aware that under Section 389A of the Companies Act 1985, it is an offence to mislead the auditor.

We acknowledge as directors our responsibilities under the Companies Act 1985 for preparing financial statements for the company which give a true and fair view and for making accurate representations to you.

We confirm, to the best of our knowledge and belief, the following representations:

- 1 All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders meetings, have been made available to you.
- 2 We acknowledge our responsibilities for the design and implementation of internal control to prevent and detect fraud and error.
- 3 We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 4 We are not aware of any significant facts relating to any frauds or suspected frauds affecting the company or group involving
 - management
 - employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements
- 5 We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- 6 We are not aware of any actual or possible instances of non-compliance with laws and regulations, the effects of which should be considered when preparing financial statements.
- 7 Where required, the value at which assets and liabilities are recorded in the balance sheet is, in the opinion of the directors, the fair value. Any significant changes in those values since the balance sheet date have been disclosed to you.
- 8 We confirm the completeness of the information provided regarding the identification of related parties, and the adequacy of related party disclosures in the financial statements.
- 9 We confirm that we are of the opinion that the company is a going concern, that we have disclosed to you all relevant information of which we are aware and which relates to our opinion, and that all relevant facts are disclosed in the financial statements.
- 10 There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements.
- 11 The profit and loss account, balance sheet, and the related notes are free from material misstatements, including omissions.

- 12 We have considered the uncorrected misstatements detailed in the appendix to this letter. We believe that no adjustment is required to be made in respect of any of these items as they are individually and in aggregate immaterial having regard to the financial statements taken as a whole.
- 13 We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed on behalf of the Board of Directors