

Company Registration No. 2671949

BJK & E Media Limited

Report and Financial Statements

31 December 2004



BJK & E Media Limited

Report and financial statements 2004

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BJK & E Media Limited

Report and financial statements 2004

Officers and professional advisers

Directors

A Aston
J Jennings
R Parsons
T Irwin
M Lund
T Marus
R Norman
N Seddon

Secretary

N Seddon

Registered office

1 Paris Garden
London
SE1 8NU

Bankers

National Westminster Bank Plc
Portsmouth

Solicitors

Hammonds
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YN

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

BJK & E Media Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities, review of business and future developments

The principal activity of the company is the planning and buying of media advertising campaigns. The directors consider the results satisfactory and are confident about its future prospects.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit on ordinary activities after taxation for the year of £728,830 (2003: £883,476). The directors recommend the payment of a dividend of £738,000 (2003: £883,000) and the retained loss of £9,170 (2003: £476) is transferred to reserves.

Directors and their interests

The directors of the company, who served throughout the year, except as listed, were:

A Aston (appointed 15 February 2005)

J Jennings

R Parsons

T Irwin

M Lund

T Marus

N Seddon

R Norman

The interests in the shares of WPP Group plc of the other directors of the company at the year end were as follows:

Options on ordinary shares				
	At 31 December 2003	Granted/ (Lapsed)	At 31 December 2004	Exercise Price
T Irwin	200	-	200	£3.9025
J Jennings	200	-	200	£3.9025
T Marus	200	-	200	£3.9025
R Parsons	200	-	200	£3.9025
N Seddon	125	-	-	£7.18
	200	-	200	£3.9025
	-	125	125	£5.435
R Norman	22,994	-	22,994	£4.21
	15,293	-	15,293	£5.595
	-	14,818	14,818	£5.535

Save as set out above none of the directors at the year end had any disclosable interests in any shares in WPP Group Plc or any of its subsidiary undertakings.

BJK & E Media Limited

Directors' report

Supplier payment policy

The company's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, and to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the company at 31 December 2004 were equivalent to 59 days (2003: 61 days) purchases, based on the average daily amount invoiced by suppliers during the trading period.

Charitable and political donations

Charitable donations of £nil were made during the year (2003: £nil). No political donations were made in the current or preceding year.

Auditors

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

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



N Seddon
Director

31 October 2005

BJK & E Media 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 BJK & E Media Limited

We have audited the financial statements of BJK & E Media Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

31 October 2005

BJK & E Media Limited

Profit and loss account For the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	1, 2	58,380,297	55,172,621
Cost of sales		(55,300,313)	(52,027,109)
Gross profit		3,079,984	3,145,512
Administrative expenses		(2,233,899)	(2,119,450)
Operating profit		846,085	1,026,062
Interest receivable and similar income	7	208,968	210,000
Profit on ordinary activities before taxation	3	1,055,053	1,236,062
Tax on profit on ordinary activities	8	(326,223)	(352,586)
Profit on ordinary activities after taxation		728,830	883,476
Dividends	9	(728,000)	(883,000)
Retained profit for the year	16	830	476
Retained profit brought forward	16	6,561	6,085
Retained profit carried forward	16	7,391	6,561

All of the above results derive from continuing activities and there were no acquisitions in the year.

There are no recognised gains or losses in either the current year or previous year other than the results for the financial years ended 31 December 2004 and 31 December 2003 respectively, as stated above, and therefore no statement of total recognised gains and losses is required.

BJK & E Media Limited

Balance sheet 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	10	227,416	76,231
Current assets			
Debtors	11	13,513,640	15,116,258
Creditors: amounts falling due within one year	12	(12,519,782)	(12,185,376)
Net current assets		993,858	2,930,882
Total assets less current liabilities		1,221,274	3,007,113
Creditors: amounts falling due after more than one year	13	(1,203,883)	(2,990,552)
Net assets		17,391	16,561
Capital and reserves			
Called up share capital	15	10,000	10,000
Profit and loss account	16	7,391	6,561
Equity shareholders' funds	17	17,391	16,561

These financial statements were approved by the Board of Directors on 31 October 2005.

Signed on behalf of the Board of Directors

Nigel Seddon

N Seddon
Director

BJK & E Media Limited

Notes to the accounts Year ended 31 December 2004

1. Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year are as described below:

Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (revised), the company has not prepared a cash flow statement because its ultimate parent undertaking, WPP Group Plc, which is incorporated in Great Britain, has prepared consolidated accounts which include a cash flow statement incorporating the accounts of the company.

Turnover and recognition of income

Turnover comprises the net value of amounts invoiced to clients, excluding VAT, and normally reflects the costs of advertising expenditure of the company's clients and the related commissions and fees charged. Commissions are recognised as income when the related advertisement appears. Fees are recognised as income in the period to which they relate.

Tangible fixed assets

Fixed assets are shown at cost less accumulated depreciation and provision for impairment.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:

Leasehold improvements	10% per annum or life of lease if shorter
Office machinery	20%-33% per annum
Furniture, fixtures and fittings	10%-20% per annum

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date, except to the extent that the losses are transferred from another group company under the group relief provisions, without corresponding payment by the claimant company.

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 financial statements. Deferred tax is not provided on timing. 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

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis.

BJK & E Media Limited

Notes to the accounts Year ended 31 December 2004

2. Turnover

Turnover derives from the company's principal activity and arises as follows:

	2004 £	2003 £
Australia	3,777,535	3,903,494
France	786,763	696,112
Germany	9,957,402	5,392,474
United Kingdom	43,858,597	44,440,205
United States of America	-	740,336
	<u>58,380,297</u>	<u>55,172,621</u>

3. Profit on ordinary activities before taxation

	2004 £	2003 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets		
- owned	28,923	44,424
Operating lease rentals		
- property	195,500	194,000
Auditor's remuneration		
- audit	29,417	10,816
	<u>29,417</u>	<u>10,816</u>

4. Staff costs (including directors)

Wages and salaries	1,067,929	964,758
Social security costs	118,399	106,414
	<u>1,186,328</u>	<u>1,071,172</u>

BJK & E Media Limited

Notes to the accounts Year ended 31 December 2004

5. Directors' remuneration

Emoluments

The emoluments of directors of the company were:

	2004 £	2003 £
Remuneration (excluding bonus payments)	<u>339,810</u>	<u>350,678</u>

Highest paid director

Fees and other emoluments disclosed above (excluding share options) include the following in respect of the highest paid director:

	2004 £	2003 £
Remuneration	<u>107,862</u>	<u>107,862</u>

6. Employee information

	2004 No.	2003 No.
The average monthly number of persons (including directors) employed by the company during the year, all of whom were employed within media buying services, was:	<u>25</u>	<u>25</u>

7. Interest receivable

	2004 £	2003 £
Interest receivable from group undertakings	<u>208,968</u>	<u>210,000</u>
	<u>208,968</u>	<u>210,000</u>

BJK & E Media Limited

Notes to the accounts Year ended 31 December 2004

8. Tax on profit on ordinary activities

	2004 £	2003 £
Analysis of tax charge on ordinary activities		
UK corporation tax charge at 30% (2003: 30%):	321,054	392,389
		392,389
Group Relief	6,300	-
Deferred tax:		
Timing differences, origination and reversal	2,378	(14,568)
Adjustment in respect of prior years	(3,509)	(25,235)
	326,223	352,586

Factors affecting tax charge for the current period

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK at 30% (2003: 30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	1,055,053	1,236,062
Tax at 30% thereon:	316,516	370,819
Effects of:		
Expenses not deductible for tax purposes	6,917	7,001
Capital allowances in excess of depreciation	(8,081)	13,327
Movement in short term timing differences	5,703	1,242
Current tax charge for period	321,054	392,389

9. Dividends

	2004 £	2003 £
Final dividend proposed: £72.80 per share (2003: £88.30 per share)	728,000	883,000

BJK & E Media Limited

Notes to the accounts Year ended 31 December 2004

10. Tangible fixed assets

	Leasehold improvements £	Office machinery £	Furniture, fixtures and fittings £	Total £
Cost				
At 1 January 2004	78,564	173,568	63,968	316,100
Additions	171,476	8,632	-	180,108
At 31 December 2004	250,040	182,200	63,968	496,208
Depreciation				
At 1 January 2004	67,946	151,982	19,941	239,869
Charge for the year	10,618	11,908	6,397	28,923
At 31 December 2004	78,564	163,890	26,338	268,792
Net book value				
At 31 December 2004	171,476	18,310	37,630	227,416
At 31 December 2003	10,618	21,586	44,027	76,231

11. Debtors

	2004 £	2003 £
Trade debtors	2,848,170	2,585,566
Amounts owed by fellow group undertakings	10,331,730	11,934,321
Other debtors	133,430	45,450
Other taxes and social security	76,684	524,831
Prepayments and accrued income	123,626	26,090
	13,513,640	15,116,258

Included in other debtors is a deferred tax asset of £43,228, (2003: £42,097)

12. Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	7,808,343	8,740,081
Amounts owed to fellow group undertakings	1,588,574	8,044
Other creditors	1,222,529	1,986,371
Accruals and deferred income	289,336	567,880
Proposed dividend	1,611,000	883,000
	12,519,782	12,185,376

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Notes to the accounts Year ended 31 December 2004

13. Creditors: amounts falling due after more than one year

	2004 £	2003 £
Amounts owed to fellow group undertakings:		
- In respect of group relief	1,203,883	915,026
- Other	-	2,075,526
	<u>1,203,883</u>	<u>2,990,552</u>

14. Deferred tax

The movement on the deferred taxation asset/(liability) in the year is as follows:

	2004 £	2003 £
Opening balance	42,097	2,294
Credit to profit and loss account	1,131	39,803
	<u>43,228</u>	<u>42,097</u>
Analysis of deferred tax balance		
Capital allowances in excess of depreciation	33,494	40,856
Short term timing differences	9,734	1,241
	<u>43,228</u>	<u>42,097</u>

15. Called up share capital

	2004 £	2003 £
Authorised:		
5,001 'A' ordinary shares of £1 each	5,001	5,001
4,999 'B' ordinary shares of £1 each	4,999	4,999
	<u>10,000</u>	<u>10,000</u>
	2004 £	2003 £
Allotted and fully paid:		
5,001 'A' ordinary shares of £1 each	5,001	5,001
4,999 'B' ordinary shares of £1 each	4,999	4,999
	<u>10,000</u>	<u>10,000</u>

'A' ordinary and 'B' ordinary shares rank pari passu.

BJK & E Media Limited

Notes to the accounts Year ended 31 December 2004

16. Reserves

	Profit and loss account £
At 1 January 2004	6,561
Retained loss for the year	830
	<hr/>
At 31 December 2004	7,391
	<hr/>

17. Reconciliation of movements in equity shareholders' funds

	2004 £	2003 £
Profit for the financial year	728,830	883,476
Dividends	(728,000)	(883,000)
	<hr/>	<hr/>
Net addition to equity shareholders' funds	830	476
Opening equity shareholders' funds	16,561	16,085
	<hr/>	<hr/>
Closing equity shareholders' funds	17,391	16,561
	<hr/>	<hr/>

18. Analysis and reconciliation of net debt

The company participates in group banking arrangements with its parent company, WPP Group plc. The company does not hold any external debt and hence has not prepared an analysis and reconciliation of net debt.

19. Financial commitments

a) Lease commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Property 2004 £	2003 £
Within one year	117,300	194,000
Within two to five years	78,200	-
	<hr/>	<hr/>
	195,500	194,000
	<hr/>	<hr/>

BJK & E Media Limited

Notes to the accounts

Year ended 31 December 2004

b) Syndicated banking arrangements

BJK & E Media Limited participates in group banking arrangements with its parent company, WPP Group plc, and has access to a group cash management facility. BJK & E Media Limited guarantees the facility to the extent of its cash deposited in the UK with its clearing bank. BJK & E Media Limited, together with its parent company, WPP Group plc, and certain other subsidiary undertakings, is a party to the group's syndicated banking arrangements. BJK & E Media 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.

20. Related parties

Mediaedge:cia (UK) Holdings Limited, a subsidiary of WPP Group plc, is the company's majority shareholder. The minority shareholder is DLKW Limited. In the year to 31 December 2004 the following expenses were charged, on normal commercial terms, by related parties:

Company and transaction	2004		2003	
	Income/ (expense) £	Debtor/ (creditor) £	Income/ (expense) £	Debtor/ (creditor) £
Management & Central services recharges				
Mediaedge:cia UK Limited	(303,571)	-	(339,593)	1,044,649
DLKW Holdings Limited	-	(17,982)	(45,683)	(8,044)
Purchases of services				
Other group companies*	(8,020,364)	(1,177,343)	(9,210,387)	(2,075,526)
Sales of services				
Banner Media GmbH	10,839,299	1,066,918	2,247,827	1,792,319
Cash Pooling, interest and corporation tax				
Mediaedge:cia (UK) Holdings Limited	198,591	8,871,563	210,000	9,097,353
WPP Group Holdings Limited	(316,516)	(1,203,883)	(392,389)	(915,026)
	<u>2,397,439</u>	<u>7,539,273</u>	<u>(7,530,225)</u>	<u>8,935,725</u>

Amounts owed by and to associated undertakings are disclosed in notes 11 and 12. These amounts relate to trading balances.

* Other group companies, which are related through a common controlling party include:

- Mediaedge:cia France
- Mediaedge:cia Belgium
- Mediaedge:cia Norway AS
- Mediaedge:cia Italy
- Mediaedge:cia Switzerland
- Mediaedge:cia Deutschland GmbH
- Mediaedge:cia Sweden
- Mediaedge:cia Spain
- Mediaedge:cia Austria
- Mediaedge:cia Finland
- Portland Outdoor Limited

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Notes to the accounts

Year ended 31 December 2004

21. Ultimate parent undertaking

The company's ultimate parent company and the parent of the largest group and smallest group for which group accounts are prepared of which the company is a member and the controlling party is WPP Group plc, a company incorporated in Great Britain. Copies of the group financial statements may be obtained from 27 Farm Street, London W1J 5RJ

The company's immediate parent is BJK & E Holdings Limited, a company incorporated in Great Britain.