

**WIRE & PLASTIC PRODUCTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2001**



Finn-Kelcey & Chapman  
Chartered Accountants  
Ashford House  
County Square  
Ashford Kent

# WIRE & PLASTIC PRODUCTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	G C Sampson Sir Martin Sorrell
<b>Secretary</b>	D M Green
<b>Company number</b>	00899099
<b>Registered office</b>	Pennypot Industrial Estate Hythe Kent
<b>Auditors</b>	Finn-Kelcey & Chapman Ashford House County Square Ashford Kent
<b>Business address</b>	Pennypot Industrial Estate Hythe Kent
<b>Bankers</b>	HSBC 47 High Street Hythe Kent  Lloyds Bank Plc 49 High Street Winchester Hampshire
<b>Solicitors</b>	Girlings Ashford House (Second Floor) County Square Ashford Kent

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# WIRE & PLASTIC PRODUCTS LIMITED

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# WIRE & PLASTIC PRODUCTS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

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The directors present their report and financial statements for the year ended 31 December 2001.

### Principal activities and review of the business

The principal activity of the company during the year was the manufacture, wholesale and distribution of wire and plastic products and holloware and kitchenware.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

### Results and dividends

The results for the year are set out on page 4.

The directors recommend payment of an ordinary dividend amounting to £2,800,000.

### Directors

The following directors have held office since 1 January 2001:

G C Sampson  
Sir Martin Sorrell

In accordance with the company's Articles of Association, Sir Martin Sorrell retires by rotation and, being eligible, offers himself for re-election.

### Directors' interests

The directors' interests in the shares of the company were as stated below:

#### *Wire & Plastic Products Limited*

	<i>Ordinary shares of £1 each</i>	
	<i>31 December 2001</i>	<i>1 January 2001</i>
G C Sampson	-	-
Sir Martin Sorrell	-	-

The interest of Sir Martin Sorrell in the ordinary share capital of WPP Group plc, the ultimate holding company, are disclosed in the accounts of that company.

No director had any beneficial interest in any contract of significance with the company during the year.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Finn-Kelcey & Chapman be reappointed as auditors of the company will be put to the Annual General Meeting.

# WIRE & PLASTIC PRODUCTS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

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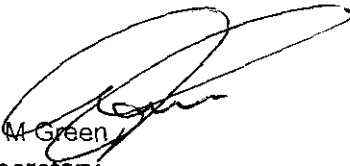
### Directors' responsibilities

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 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;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



D M Green  
Secretary

12 June 2002

# WIRE & PLASTIC PRODUCTS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WIRE & PLASTIC PRODUCTS LIMITED

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We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 6 and 7.

### Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

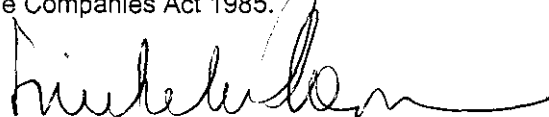
### Basis of audit opinion

We conducted our audit in accordance with 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Finn-Kelcey & Chapman

Chartered Accountants  
Registered Auditors

21 June 2002

Ashford House  
County Square  
Ashford Kent

# WIRE & PLASTIC PRODUCTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	2,990,619	3,142,173
Cost of sales		(1,926,156)	(2,079,452)
<b>Gross profit</b>		1,064,463	1,062,721
Distribution costs		(193,879)	(215,056)
Administrative expenses		(477,021)	(473,307)
Other operating income		18,864	18,349
<b>Operating profit</b>	3	412,427	392,707
Investment income	4	369,000	-
Other interest receivable and similar income	4	109,048	109,517
<b>Profit on ordinary activities before taxation</b>		890,475	502,224
Tax on profit on ordinary activities	5	-	-
<b>Profit on ordinary activities after taxation</b>		890,475	502,224
Dividends	6	(2,800,000)	-
<b>Retained (loss)/profit for the year</b>	15	(1,909,525)	502,224

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# WIRE & PLASTIC PRODUCTS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 £	£	2000 £	£
<b>Fixed assets</b>					
Intangible assets	7		1		1
Tangible assets	8		957,861		955,457
Investments	9		4,505,549		4,505,549
			<u>5,463,411</u>		<u>5,461,007</u>
<b>Current assets</b>					
Stocks	10	649,374		696,430	
Debtors	11	1,164,946		902,019	
Cash at bank and in hand		3,511,718		2,521,699	
		<u>5,326,038</u>		<u>4,120,148</u>	
<b>Creditors: amounts falling due within one year</b>	12	(7,993,857)		(4,876,038)	
<b>Net current liabilities</b>			<u>(2,667,819)</u>		<u>(755,890)</u>
<b>Total assets less current liabilities</b>			<u>2,795,592</u>		<u>4,705,117</u>
<b>Capital and reserves</b>					
Called up share capital	14		2,498,000		2,498,000
Revaluation reserve	15		133,144		133,144
Profit and loss account	15		164,448		2,073,973
<b>Shareholders' funds - equity interests</b>	16		<u>2,795,592</u>		<u>4,705,117</u>

The financial statements were approved by the Board on 12 June 2002

G C Sampson

Director



# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company is a wholly owned subsidiary undertaking and the ultimate holding company publishes consolidated financial statements including a consolidated cash flow statement. This statement deals with cash flows of the group. Accordingly the company relies on the exemptions conferred by Financial Reporting Standard No 1 (revised) and does not prepare a cash flow statement.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of WPP Group plc, a company incorporated in England and Wales and is included in the consolidated accounts of that company.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Trade mark

The Trade mark is valued at cost less accumulated amortisation.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	No depreciation is provided
Land and buildings short leasehold	Straight line over the life of the lease
Plant and machinery	20% p.a. on written down value.
Fixtures, fittings & equipment	20-30% p.a. on written down value.
Motor vehicles	25% straight line

The company has adopted the transitional arrangements of FRS 15, whereby the valuation of land and buildings carried out in October 1984 and 1985 has not been updated.

Freehold land and buildings are not depreciated, because in the opinion of the directors, the cost of freehold land and buildings as shown in the accounts is not less than their expected residual value at the end of the assets' useful lives.

#### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

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### 1 Accounting policies - continued

#### 1.8 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

#### 1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable to a defined money purchase scheme by the company during the year in accordance with FRS 17.

#### 1.10 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

#### 1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985. The results are included in the consolidated accounts of the parent undertaking, WPP Group Plc, a company incorporated in England.

### 2 Turnover

#### Geographical market

	Turnover	
	2001	2000
	£	£
United Kingdom	2,763,612	2,830,921
Europe	115,054	188,007
North America	33,986	18,348
Far East and Australasia	28,765	55,151
Africa and Middle East	49,202	49,746
	<u>2,990,619</u>	<u>3,142,173</u>

# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

<b>3</b>	<b>Operating profit</b>	<b>2001</b>	<b>2000</b>
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	43,896	41,412
	Operating lease rentals	38,603	41,550
	Auditors' remuneration	17,155	16,555
	and after crediting:		
	Rents receivable	18,864	18,349
		<u>18,864</u>	<u>18,349</u>
<b>4</b>	<b>Income from investments, other interest receivable and similar income</b>	<b>2001</b>	<b>2000</b>
		£	£
	Dividends receivable from subsidiary undertaking	369,000	-
	Bank interest	109,048	109,517
		<u>478,048</u>	<u>109,517</u>
<b>5</b>	<b>Taxation</b>		
	Profits for Corporation Tax purposes of £487,587 (2000 £471,000) have been eliminated by the transfer of losses from another group company which have been surrendered under the group relief provisions, without any corresponding payment.		
<b>6</b>	<b>Dividends</b>	<b>2001</b>	<b>2000</b>
		£	£
	Ordinary final proposed	2,800,000	-
		<u>2,800,000</u>	<u>-</u>
<b>7</b>	<b>Intangible fixed assets</b>		
			Trade mark
			£
	Net book value		
	At 1 January 2001 & at 31 December 2001		1
			<u>1</u>

# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

### 8 Tangible fixed assets

	Land and buildings freehold	Land and buildings short leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 January 2001	829,205	10,883	943,384	85,419	59,801	1,928,692
Additions	-	-	15,611	3,751	39,838	59,200
Disposals	-	-	-	-	(48,250)	(48,250)
At 31 December 2001	829,205	10,883	958,995	89,170	51,389	1,939,642
<b>Depreciation</b>						
At 1 January 2001	29,282	1,765	838,375	69,718	34,095	973,235
On disposals	-	-	-	-	(35,350)	(35,350)
Charge for the year	-	729	22,785	5,056	15,326	43,896
At 31 December 2001	29,282	2,494	861,160	74,774	14,071	981,781
<b>Net book value</b>						
At 31 December 2001	799,923	8,389	97,835	14,396	37,318	957,861
At 31 December 2000	799,923	9,118	105,009	15,701	25,706	955,457

The freehold land and buildings were valued on an open market basis by a firm of independent Chartered Surveyors in October 1984 and 1985.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

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### 8 Tangible fixed assets - continued

Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
Historical cost at 1 January 2001	666,779
Additions	-
	<hr/>
Historical cost at 31 December 2001	666,779
	<hr/>
<b>Depreciation based on cost</b>	
At 1 January 2001	-
Charge for the year	-
	<hr/>
At 31 December 2001	-
	<hr/>
<b>Net book values</b>	
At 31 December 2001	666,779
	<hr/>
At 31 December 2000	666,779
	<hr/>

Legal ownership of the Freehold Land and Buildings transferred from group undertakings is held by the subsidiaries. However the rights of access and future economic benefits are held by the holding company and in accordance with Financial Reporting Standard No 5 (Reporting the substance of transactions) these assets have been shown in the books of Wire & Plastic Products Limited.

No distinction has been made between Freehold Land and Buildings for the purposes of providing depreciation on the grounds that such distinction is not possible and that any non - depreciable element is insignificant to the assets concerned.

# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

### 9 Fixed asset investments

	Loans to parent undertaking £	Shares in subsidiary undertakings £	Loans to subsidiary undertakings £	Total £
<b>Cost or valuation</b>				
At 1 January 2001 & at 31 December 2001	1,546,118	2,879,798	79,633	4,505,549

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Alton Wire Products Limited	England	Ordinary	100
Cortursel Limited	England	Ordinary	100
North Kent Plastic Cages Limited	England	Ordinary	100
Staffordshire Holloware Limited	England	Ordinary	100
Wessenden Products Limited	England	Ordinary	100

Shares in subsidiary undertakings includes 100 ordinary shares in Milburn Finance Limited, a dormant fellow group undertaking whose shares are beneficially owned by Refrigeration (Bournemouth) Limited. These shares have in accordance with Financial Reporting Standard No 5 (Reporting the substance of transactions) been shown in the books of Wire & Plastic Products Limited, on the basis that all rights or other access to future economic benefits are controlled by that company.

10 Stocks and work in progress	2001 £	2000 £
Raw materials and consumables	281,574	307,328
Work in progress	89,632	95,128
Finished goods and goods for resale	278,168	293,974
	<u>649,374</u>	<u>696,430</u>

# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

11 Debtors	2001 £	2000 £
Trade debtors	459,114	563,465
Amounts owed by group undertakings	269,954	269,954
Other debtors	369,000	-
Prepayments and accrued income	66,878	68,600
	<u>1,164,946</u>	<u>902,019</u>

Amounts falling due after more than one year and included in the debtors above are:

	2001 £	2000 £
Prepayments	<u>36,500</u>	<u>-</u>

12 Creditors: amounts falling due within one year	2001 £	2000 £
Trade creditors	268,577	359,931
Amounts owed to group undertakings	4,697,372	4,321,585
Taxation and social security costs	102,140	102,357
Accruals and deferred income	125,768	92,165
Proposed dividend	2,800,000	-
	<u>7,993,857</u>	<u>4,876,038</u>

### 13 Pension costs

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2001 £	2000 £
Contributions payable by the company for the year	<u>9,429</u>	<u>10,099</u>

# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

<b>14 Share capital</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
2,500,000 Ordinary shares of £1 each	2,500,000	2,500,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
2,498,000 Ordinary shares of £1 each	2,498,000	2,498,000
	<u>          </u>	<u>          </u>
<b>15 Statement of movements on reserves</b>		
	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2001	133,144	2,073,973
Retained loss for the year	-	(1,909,525)
	<u>          </u>	<u>          </u>
Balance at 31 December 2001	133,144	164,448
	<u>          </u>	<u>          </u>
<b>16 Reconciliation of movements in shareholders' funds</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Retained profit for the year	890,475	502,224
Dividends	(2,800,000)	-
	<u>          </u>	<u>          </u>
Net (depletion in)/addition to shareholders' funds	(1,909,525)	502,224
Opening shareholders' funds	4,705,117	4,202,893
	<u>          </u>	<u>          </u>
Closing shareholders' funds	2,795,592	4,705,117
	<u>          </u>	<u>          </u>

### 17 Contingent liabilities

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 Great Britain with its clearing bank.

For VAT purposes the company is grouped with other companies of the WPP Group. Under this agreement the company has a joint and several liability for amounts due to H M Customs and Excise by those other companies.



# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

### 18 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001	2000
	£	£
Expiry date:		
Between two and five years	64,700	-
In over five years	-	64,700
	<u>64,700</u>	<u>64,700</u>

### 19 Capital commitments

2001	2000
£	£

At 31 December 2001 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	9,450	-
	<u>9,450</u>	<u>-</u>

### 20 Directors' emoluments

2001	2000
£	£

Emoluments for qualifying services	67,591	68,194
	<u>67,591</u>	<u>68,194</u>

### 21 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Production and Administration	<u>81</u>	<u>82</u>

#### Employment costs

	£	£
Wages and salaries	835,065	851,082
Social security costs	61,001	66,474
Other pension costs	9,429	10,099
	<u>905,495</u>	<u>927,655</u>

# WIRE & PLASTIC PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

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### 22 Control

The company is a member of a group, of which the ultimate holding company is WPP Group plc, a company registered in England and Wales. The results of Wire & Plastic Products Limited are consolidated into the WPP Group plc group financial statements and copies can be obtained from 27 Farm Street, London, W1J 5RJ.

### 23 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties on the grounds that these details are included in the publicly available consolidated financial statements.