

Company Registration No. 00899099 (England and Wales)

WIRE & PLASTIC PRODUCTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



WIRE & PLASTIC PRODUCTS LIMITED

COMPANY INFORMATION

Directors	Sir Martin Sorrell M J Simmonds A S Wilson
Secretary	M J Simmonds
Company number	00899099
Registered office	Pennypot Industrial Estate Hythe Kent
Auditors	Finn-Kelcey & Chapman Stourside Place Station Road Ashford Kent
Business address	Pennypot Industrial Estate Hythe Kent
Bankers	HSBC 47 High Street Hythe Kent
Solicitors	Kingsfords 2 Elwick Road Ashford Kent

WIRE & PLASTIC PRODUCTS LIMITED

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WIRE & PLASTIC PRODUCTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2005

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

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 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2005:

Sir Martin Sorrell

M J Simmonds

A S Wilson

In accordance with the company's Articles of Association, M J Simmonds 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:

	Ordinary shares of £ 1 each	
	31 December 2005	1 January 2005
Sir Martin Sorrell	-	-
M J Simmonds	-	-
A S Wilson	-	-

The interests 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.

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 2005

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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.

On behalf of the board



M J Simmonds

Director

19 May 2006

WIRE & PLASTIC PRODUCTS LIMITED

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

We have audited the financial statements of Wire & Plastic Products Limited for the year ended 31 December 2005 set out on pages 5 to 17. These financial statements have been prepared in accordance with 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 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 (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records or 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 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.

WIRE & PLASTIC PRODUCTS LIMITED

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

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



Finn-Kelcey & Chapman

19 May 2006

Chartered Accountants
Registered Auditors

Stourside Place
Station Road
Ashford Kent

WIRE & PLASTIC PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Turnover	2		
Continuing operations		1,477,293	2,017,218
Discontinued activities		-	117,618
		<u>1,477,293</u>	<u>2,134,836</u>
Cost of sales		(1,152,379)	(1,440,653)
		<u>324,914</u>	<u>694,183</u>
Gross profit			
Administrative expenses		(549,204)	(586,776)
Other operating income		35,307	29,424
		<u></u>	<u></u>
Operating (loss)/profit	4		
Continuing operations		(188,983)	201,836
Discontinued activities		-	(65,005)
		<u>(188,983)</u>	<u>136,831</u>
Exceptional item			
Redundancy costs incurred re closure of divisions	3	-	(79,298)
		<u></u>	<u></u>
(Loss)/profit on ordinary activities before interest		(188,983)	57,533
Other interest receivable and similar income	5	45,638	50,717
		<u></u>	<u></u>
(Loss)/profit on ordinary activities before taxation		(143,345)	108,250
Tax on (loss)/profit on ordinary activities	6	4,883	7,294
		<u></u>	<u></u>
(Loss)/profit for the financial year	17	(138,462)	115,544
		<u></u>	<u></u>

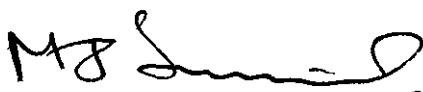
There are no recognised gains and losses other than those passing through the profit and loss account.

WIRE & PLASTIC PRODUCTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	7		1		1
Tangible assets	8		792,442		696,811
Investment properties	9		400,000		400,000
Investments	10		4,505,549		4,505,549
			<u>5,697,992</u>		<u>5,602,361</u>
Current assets					
Stocks	11	370,546		512,146	
Debtors	12	492,360		799,623	
Cash at bank and in hand		1,007,966		825,618	
		<u>1,870,872</u>		<u>2,137,387</u>	
Creditors: amounts falling due within one year	13	(4,128,878)		(4,161,300)	
Net current liabilities			(2,258,006)		(2,023,913)
			<u>3,439,986</u>		<u>3,578,448</u>
Capital and reserves					
Called up share capital	16	2,498,000		2,498,000	
Revaluation reserve	17	332,946		332,946	
Profit and loss account	17	609,040		747,502	
Shareholders' funds - equity interests	18	3,439,986		3,578,448	

The financial statements were approved by the Board on 19 May 2006



M J Simmonds
Director

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

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:

Freehold land and buildings	No depreciation is provided
Short leasehold land and buildings	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. Investment properties have also not been depreciated, in accordance with Statement of Standard Accounting Practice No. 19. This is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors this policy is necessary for the financial statements to give a true and fair view.

1.6 Leasing

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

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies - continued

1.7 Investments

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

1.8 Stock and work in progress

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

Work in progress is valued at the direct cost of materials and labour and a proportion of attributable overheads.

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

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.

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 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.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

3 Cost of sales and net operating expenses

	2005			2004		
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
Cost of sales	1,152,379	-	1,152,379	1,330,251	110,402	1,440,653
Administrative expenses	549,204	-	549,204	514,555	72,221	586,776
Other operating income	(35,307)	-	(35,307)	(29,424)	-	(29,424)
	<u>1,666,276</u>	<u>-</u>	<u>1,666,276</u>	<u>1,815,382</u>	<u>182,623</u>	<u>1,998,005</u>

During the previous financial year the company permanently closed two of its divisions and the results from these two divisions have been shown as discontinued operations. As a result of the closure of these two divisions, redundancy costs totalling £79,298 were incurred and these costs have been shown as exceptional items.

4 Operating (loss)/profit	2005 £	2004 £
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	51,768	23,003
Loss on disposal of tangible assets	-	14,157
Operating lease rentals	52,217	35,009
Auditors' remuneration	9,600	12,480
and after crediting:		
Rents receivable	35,307	29,424
Profit on disposal of tangible assets	(5,337)	-
	<u>35,307</u>	<u>29,424</u>
5 Other interest receivable and similar income	2005 £	2004 £
Bank interest	<u>45,638</u>	<u>50,717</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

6	Taxation	2005 £	2004 £
	Deferred tax		
	Deferred tax movement in year	(4,883)	(7,294)
		<u></u>	<u></u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(143,345)	108,250
		<u></u>	<u></u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	(43,004)	32,475
		<u></u>	<u></u>
	Effects of:		
	Non deductible expenses	6,150	142
	Depreciation add back	13,930	11,148
	Capital allowances	(2,850)	(3,351)
	Group loss relief	25,774	(40,414)
		<u></u>	<u></u>
		43,004	(32,475)
		<u></u>	<u></u>

No provision has been made for deferred tax on gains recognised on revaluing the investment properties. Such tax would become payable only if the assets were sold. The total unprovided amount is £13,080 (2004: 15,270). At present, it is not envisaged that any tax will become payable in the foreseeable future.

7 Intangible fixed assets

	Trade mark £
Net book value	
At 1 January 2005 & at 31 December 2005	1
	<u></u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

8 Tangible fixed assets

	Freehold land and buildings	Short leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2005	612,055	14,283	668,372	42,020	19,250	1,355,980
Additions	-	-	136,880	14,932	-	151,812
Disposals	-	-	-	-	(19,250)	(19,250)
At 31 December 2005	612,055	14,283	805,252	56,952	-	1,488,542
Depreciation						
At 1 January 2005	-	5,628	608,947	34,570	10,024	659,169
On disposals	-	-	-	-	(14,837)	(14,837)
Charge for the year	-	1,503	39,482	5,970	4,813	51,768
At 31 December 2005	-	7,131	648,429	40,540	-	696,100
Net book value						
At 31 December 2005	612,055	7,152	156,823	16,412	-	792,442
At 31 December 2004	612,055	8,655	59,425	7,450	9,226	696,811

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 2005

8 Tangible fixed assets - continued

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

	£
Cost	
Historical cost at 1 January 2005	449,629
Additions	-
	<hr/>
Historical cost at 31 December 2005	449,629
	<hr/>
Depreciation based on cost	
At 1 January 2005	-
Charge for the year	-
	<hr/>
At 31 December 2005	-
	<hr/>
Net book values	
At 31 December 2005	449,629
	<hr/>
At 31 December 2004	449,629
	<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.

9 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 January 2005 & at 31 December 2005	400,000
	<hr/>

The tenanted freehold properties were revalued, in accordance with Statement of Standard Accounting Practice No. 19, at open market value by the directors as at 31 December 2005.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

10 Fixed asset investments

	Loans to parent undertaking £	Shares in subsidiary undertakings £	Loans to subsidiary undertakings £	Total £
Cost or valuation				
At 1 January 2005 & at 31 December 2005	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	%
Subsidiary undertakings			
Alton Wire Products Limited	England	Ordinary	100
Corturset 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 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.

11 Stocks and work in progress	2005 £	2004 £
Raw materials and consumables	161,590	214,157
Work in progress	31,395	36,209
Finished goods and goods for resale	177,561	261,780
	<u>370,546</u>	<u>512,146</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

12 Debtors	2005 £	2004 £
Trade debtors	145,191	451,595
Amounts owed by parent and fellow subsidiary undertakings	269,954	269,954
Prepayments and accrued income	51,462	57,204
Deferred tax asset (see note 14)	25,753	20,870
	<u>492,360</u>	<u>799,623</u>

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

	2005 £	2004 £
Prepayments	<u>36,500</u>	<u>36,500</u>

13 Creditors: amounts falling due within one year	2005 £	2004 £
Trade creditors	188,509	123,148
Amounts owed to group undertakings	3,890,265	3,890,265
Taxation and social security costs	29,544	67,790
Accruals and deferred income	20,560	80,097
	<u>4,128,878</u>	<u>4,161,300</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

14 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 12) is made up as follows:

	2005 £	
Balance at 1 January 2005	(20,870)	
Profit and loss account	(4,883)	
Balance at 31 December 2005	<u>(25,753)</u>	
	2005 £	2004 £
Decelerated capital allowances	<u>(25,753)</u>	<u>(20,870)</u>

No provision has been made for deferred taxation in respect of taxable trading losses suffered by a subsidiary company. In the directors opinion these losses are unlikely to be utilised in the foreseeable future as the subsidiary concerned is now dormant and does not intend to commence trading in the foreseeable future. If provision for deferred tax were to be made, a deferred tax asset of £67,460 would arise.

15 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.

	2005 £	2004 £
Contributions payable by the company for the year	<u>2,535</u>	<u>3,841</u>

16 Share capital

	2005 £	2004 £
Authorised		
2,500,000 Ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>
Allotted, called up and fully paid		
2,498,000 Ordinary shares of £1 each	<u>2,498,000</u>	<u>2,498,000</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

17 Statement of movements on reserves

	Investment revaluation reserve £	Profit and loss account £
Balance at 1 January 2005	332,946	747,502
Retained loss for the year	-	(138,462)
	<u>332,946</u>	<u>609,040</u>
Balance at 31 December 2005	<u>332,946</u>	<u>609,040</u>

18 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
(Loss)/Profit for the year	(138,462)	115,544
Opening shareholders' funds	3,578,448	3,462,904
	<u>3,439,986</u>	<u>3,578,448</u>
Closing shareholders' funds	<u>3,439,986</u>	<u>3,578,448</u>

19 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.

20 Financial commitments

At 31 December 2005 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2006:

	Land and buildings 2005 £	2004 £
Operating leases which expire:		
Between two and five years	-	27,875
In over five years	49,375	49,375
	<u>49,375</u>	<u>77,250</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

21 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	110,450	69,111
Company pension contributions to money purchase schemes	646	276
	<u>111,096</u>	<u>69,387</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004 - 1).

22 Employees

Number of employees

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

	2005 Number	2004 Number
Production and Administration	<u>45</u>	<u>52</u>

Employment costs	2005 £	2004 £
Wages and salaries	600,992	647,856
Social security costs	51,209	52,946
Other pension costs	2,535	3,841
	<u>654,736</u>	<u>704,643</u>

23 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. No one individual person currently owns a majority shareholding. 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.

24 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.