

Company Number 00899099

WIRE & PLASTIC PRODUCTS LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1994



Finn-Kelcey & Chapman
Chartered Accountants
Ashford House
County Square
Ashford, Kent
TN23 1YB

WIRE & PLASTIC PRODUCTS LIMITED

DIRECTORS

G. C. Sampson
M. S. Sorrell
R. E. Lerwill

SECRETARY

D. M. Green

COMPANY NUMBER

00899099

REGISTERED OFFICE

Pennypot Industrial Estate
Hythe
Kent
CT21 6PE

AUDITORS

Finn-Kelcey & Chapman
Ashford House
County Square
Ashford
Kent TN23 1YB

BUSINESS ADDRESS

Pennypot Industrial Estate
Hythe
Kent
CT21 6PE

PRINCIPAL BANKERS

Midland Bank plc
47 High Street
Hythe
Kent
CT21 5AF

SOLICITORS

T.G. Baynes & Sons
27 Upper Wickham Lane
Welling
Kent
DA16 3AB

WIRE & PLASTIC PRODUCTS LIMITED

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WIRE & PLASTIC PRODUCTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31st December 1994.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principle activity of the Company during the year was that of a Holding Company.

DIVIDEND AND TRANSFER TO RESERVES

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

The directors do not recommend payment of a dividend.

It is proposed that the loss of £44,775 is transferred to reserves.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in notes 8 and 9 and 10 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year in the company were as stated below.

G. C. Sampson
M. S. Sorrell
R. E. Lerwill

The interest of G. C. Sampson, M. S. Sorrell and R. E. Lerwill in the ordinary share capital of 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.

In accordance with the Articles of Association, M. S. Sorrell retires by rotation and being eligible, offers himself for re- election at the Annual General Meeting.

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.

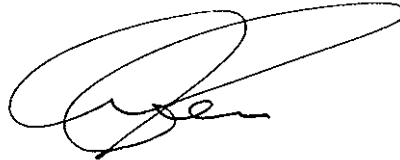
WIRE & PLASTIC PRODUCTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

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.

By Order of the Board

A handwritten signature in black ink, appearing to be 'D. M. Green', written over a large, loopy oval shape.

D. M. Green
Secretary
14th September 1995

WIRE & PLASTIC PRODUCTS LIMITED

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

We have audited the financial statements on pages 4 to 14 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 page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 31st December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Finn-Kelcey & Chapman
Registered Auditors &
Chartered Accountants

Ashford: 14th September 1995

WIRE & PLASTIC PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1994

	Notes	1994 £	1993 £
ADMINISTRATIVE EXPENSES		(159,701)	(169,417)
OPERATING LOSS	2	(159,701)	(169,417)
Subsidiaries balances written off		-	67,555
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(159,701)	(101,862)
Investment income	3	55,075	2,759,872
Other interest receivable and similar income	3	39,706	34,487
Amount written off investments	4	-	(203,642)
Interest payable and similar charges	5	(1,375)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(66,295)	2,488,855
Tax on loss on ordinary activities	6	21,520	29,755
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(44,775)	2,518,610
Dividends	7	-	(2,488,174)
RETAINED LOSS FOR THE FINANCIAL YEAR	15	(44,775)	30,436

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

WIRE & PLASTIC PRODUCTS LIMITED

BALANCE SHEET AT 31ST DECEMBER 1994

	Notes	£	1994 £	1993 £
FIXED ASSETS				
Intangible assets	8		1	1
Tangible assets	9		181,283	174,075
Investments	10		4,413,345	3,513,345
			<u>4,594,629</u>	<u>3,687,421</u>
CURRENT ASSETS				
Debtors	11	279,994		658,942
Cash at bank and in hand		88,802		56,570
		<u>368,796</u>		<u>715,512</u>
CREDITORS: amounts falling due within one year	12	(2,534,470)	(1,929,124)	
NET CURRENT LIABILITIES			<u>(2,165,674)</u>	<u>(1,213,612)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,428,955	2,473,809
PROVISION FOR LIABILITIES AND CHARGES	13		(7,412)	(7,491)
			<u>2,421,543</u>	<u>2,466,318</u>
CAPITAL AND RESERVES				
Called up share capital	14		2,498,000	2,498,000
Revaluation reserve			18,332	18,332
Profit and loss account	15		(94,789)	(50,014)
EQUITY SHAREHOLDERS' FUNDS	16		<u>2,421,543</u>	<u>2,466,318</u>

The financial statements were approved
by the Board on 14th September 1995 and
signed on its behalf by



G. C. Sampson

Director

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

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 and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

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 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 is included in the consolidated accounts of that company.

1.2 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Fixtures, fittings and equipment	-	20% p.a. on written down value.
Motor vehicles	-	25% p.a. on written down value.

1.3 INVESTMENTS

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

1.4 PENSIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

1.5 DEFERRED TAXATION

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

2.	OPERATING LOSS	1994	1993
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	5,550	4,825
	Auditors' remuneration	6,350	6,000
		<u> </u>	<u> </u>
3.	INCOME FROM INVESTMENTS AND OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	1994	1993
		£	£
	Profit on disposal of unlisted investments	-	147,899
		<u> </u>	<u> </u>
	Income from subsidiary undertakings	55,075	2,611,973
	Bank interest receivable	39,706	34,487
		<u> </u>	<u> </u>
		94,781	2,646,460
		<u> </u>	<u> </u>
4.	AMOUNTS WRITTEN OFF INVESTMENTS	1994	1993
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	203,642
		<u> </u>	<u> </u>
5.	INTEREST PAYABLE	1994	1993
		£	£
	On overdue tax	1,375	-
		<u> </u>	<u> </u>
		1,375	-
		<u> </u>	<u> </u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

6. TAXATION	1994	1993
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 33% (1993 - 33%)	(21,441)	(29,923)
Transfer from deferred taxation	(79)	(1,130)
	<u>(21,520)</u>	<u>(31,053)</u>
Prior years		
U.K. Corporation tax	-	1,298
	<u>(21,520)</u>	<u>(29,755)</u>

7. DIVIDENDS	1994	1993
	£	£
Ordinary:		
Interim paid 13th October 1993		- 2,488,174
		<u><u>- 2,488,174</u></u>

8. INTANGIBLE FIXED ASSETS	Trade Mark
	£
Cost	
At 1st January 1994 & at 31st December 1994	1
	<u>1</u>
Net book value	
At 31st December 1994	1
	<u><u>1</u></u>
At 31st December 1993	1
	<u><u>1</u></u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

9. TANGIBLE ASSETS

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1st January 1994	162,000	7,777	13,891	183,668
Additions	-	-	48,000	48,000
Disposals	-	-	(41,891)	(41,891)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1994	162,000	7,777	20,000	189,777
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st January 1994	-	5,757	3,836	9,593
On disposals	-	-	(6,649)	(6,649)
Charge for year	-	404	5,146	5,550
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1994	-	6,161	2,333	8,494
	<hr/>	<hr/>	<hr/>	<hr/>
Net book values				
At 31st December 1994	162,000	1,616	17,667	181,283
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1993	162,000	2,020	10,055	174,075
	<hr/>	<hr/>	<hr/>	<hr/>
The amount shown as cost or valuation of land and buildings comprises:			1994 £	1993 £
Cost			-	-
Valuation			162,000	162,000
			<hr/>	<hr/>
			162,000	162,000
			<hr/>	<hr/>
Land and buildings would have been included on an historical cost basis at:			1994 £	1993 £
Cost			143,668	143,668
Depreciation			-	-
			<hr/>	<hr/>
Net book value			143,668	143,668
			<hr/>	<hr/>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

10. FIXED ASSET INVESTMENTS	1994	1993
	£	£
Subsidiary undertakings	2,763,345	2,763,345
Loan to Parent undertaking	1,650,000	750,000
	<u>4,413,345</u>	<u>3,513,345</u>
Investment in subsidiary undertakings		
	Shares	Loans
	£	£
Cost		
At 1st January 1994	2,887,354	79,633
Disposals	(203,642)	-
	<u>2,683,712</u>	<u>79,633</u>
At 31st December 1994	2,683,712	79,633
	<u>203,642</u>	<u>-</u>
At 1st January 1994	203,642	-
Disposals	(203,642)	-
	<u>-</u>	<u>-</u>
At 31st December 1994	-	-
Net Book Values		
At 31st December 1994	<u>2,683,712</u>	<u>79,633</u>
At 31st December 1993	<u>2,683,712</u>	<u>79,633</u>
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.		
Loan to Parent undertaking		
	£	
Cost		
At 1st January 1994	750,000	
Additions	900,000	
	<u>1,650,000</u>	
At 31st December 1994	1,650,000	
Net Book Values		
At 31st December 1994	<u>1,650,000</u>	
At 31st December 1993	<u>750,000</u>	

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Alton Wire Products Ltd	England	Ordinary	100
Cortursel Ltd	England	Ordinary	100
County Electro Plating Ltd	England	Ordinary	100
North Kent Plastic Cages Ltd	England	Ordinary	100
Staffordshire Holloware Ltd	England	Ordinary	100

11. DEBTORS	1994	1993
	£	£
Amounts owed by group undertakings	-	401,842
Corporation tax	273,628	252,035
Other debtors	2,196	1,740
Prepayments and accrued income	4,170	3,325
	<u>279,994</u>	<u>658,942</u>

12. CREDITORS: amounts falling due within one year	1994	1993
	£	£
Amounts owed to group undertakings	2,525,318	1,911,752
Other creditors	-	5,034
Accruals and deferred income	9,152	12,338
	<u>2,534,470</u>	<u>1,929,124</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is provided at 33% (1993 - 33%) analysed over the following timing differences:

	Fully Provided	
	1994	1993
	£	£
Accelerated capital allowances	6,359	6,394
Other timing differences	1,053	1,097
	<u>7,412</u>	<u>7,491</u>

Movements on the provision for deferred taxation are:

	£
At 1st January 1994	7,491
Transferred to profit and loss account	79
	<u>7,412</u>
At 31st December 1994	<u>7,412</u>

The potential deferred taxation liability arising on the revaluation of the company's freehold property has not been provided for as the directors have no intention of disposing of that property in the foreseeable future.

14. SHARE CAPITAL

	1994	1993
	£	£
Authorised		
2,500,000 Ordinary shares of £1 each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
Allotted, called up and fully paid		
2,498,000 Ordinary shares of £1 each	2,498,000	2,498,000
	<u>2,498,000</u>	<u>2,498,000</u>

15. PROFIT AND LOSS ACCOUNT

	1994	1993
	£	£
Accumulated losses at 1st January 1994	(50,014)	(80,450)
Retained loss for the year	(44,775)	30,436
	<u>(94,789)</u>	<u>(50,014)</u>
Accumulated losses at 31st December 1994	<u>(94,789)</u>	<u>(50,014)</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Loss for the financial year	(44,775)	2,518,610
Dividends		- (2,488,174)
	<u>(44,775)</u>	<u>30,436</u>
New share capital subscribed		- 2,488,000
	<u>(44,775)</u>	<u>2,518,436</u>
Net addition to shareholders' funds	2,466,318	(52,118)
Opening shareholders' funds		
Closing shareholders' funds	<u>2,421,543</u>	<u>2,466,318</u>

17. CONTINGENT LIABILITIES

Under a composite accounting agreement the Company's bankers have the right to set-off overdrawn balances arising in fellow group companies against the Company's bank account balance.

18. DIRECTORS

	1994 £	1993 £
Remuneration		
Emoluments	<u>44,990</u>	<u>43,526</u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	<u>44,990</u>	<u>43,526</u>
The highest-paid director	<u>44,990</u>	<u>43,526</u>
Other directors' emoluments (excluding pension contributions) were in the following ranges:	Number	Number
£Nil - £5,000	<u>2</u>	<u>2</u>

WIRE & PLASTIC PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1994

19. EMPLOYEES

Number of employees

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

	1994 Number	1993 Number
Administration	5	5

Employment costs

	£	£
Wages and salaries	67,951	76,833
Social security costs	6,970	7,806
Other pension costs	3,600	4,870
	<u>78,521</u>	<u>89,509</u>

20. ULTIMATE PARENT COMPANY

The company is a member of a group, of which the ultimate company is WPP Group plc. The results of Wire & Plastic Products Limited are consolidated into those of its ultimate holding company, whose principal place of business is at 27 Farm Street, London, W1X 6RD. the consolidated accounts are available at that address.