

Company Registration No 4728607 (England and Wales)

UNCLE POST PRODUCTION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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UNCLE POST PRODUCTION LIMITED

COMPANY INFORMATION

Directors	N S J Sargent V C Dunn P W G Richardson J Eggar
Secretary	V C Dunn
Company number	4728607
Registered office	13 Soho Square London W1V 5FB
Auditors	Kingston Smith LLP Registered Auditors 141 Wardour Street London W1F 0UT
Business address	12-13 Richmond Buildings Dean Street London W1D 3HS

UNCLE POST PRODUCTION LIMITED

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UNCLE POST PRODUCTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activity of the company continued to be that of television post production

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 January 2007

N S J Sargent

V C Dunn

P W G Richardson

J Eggar

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put to the Annual General Meeting

UNCLE POST PRODUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that 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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

V C Dunn

Secretary
29/8/08



UNCLE POST PRODUCTION LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF UNCLE POST PRODUCTION LIMITED

We have audited the financial statements of Uncle Post Production Limited for the year ended 31 December 2007 set out on pages 5 to 15. 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

UNCLE POST PRODUCTION LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF UNCLE POST PRODUCTION 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Kingston Smith

Kingston Smith LLP

Registered Auditors

141 Wardour Street

London

W1F 0UT

29/8/08

UNCLE POST PRODUCTION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	3,861,172	5,246,916
Cost of sales		(1,162,903)	(2,278,298)
Gross profit		2,698,269	2,968,618
Administrative expenses		(1,758,044)	(1,587,445)
Operating profit	3	940,225	1,381,173
Other interest receivable and similar income	4	37,847	19,712
Interest payable and similar charges	5	(4,921)	(26,587)
Profit on ordinary activities before taxation		973,151	1,374,298
Tax on profit on ordinary activities	6	(423,917)	(490,837)
Profit for the year	12	549,234	883,461

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

UNCLE POST PRODUCTION LIMITED

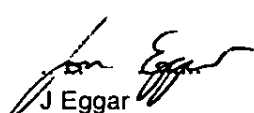
BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	8		227,932		715,102
Current assets					
Debtors	9	62,766		1,372,842	
Cash at bank and in hand		560,556		540,937	
		<u>623,322</u>		<u>1,913,779</u>	
Creditors: amounts falling due within one year	10	<u>(301,820)</u>		<u>(2,628,681)</u>	
Net current assets/(liabilities)			321,502		(714,902)
Total assets less current liabilities			<u>549,434</u>		<u>200</u>
Capital and reserves					
Called up share capital	11		200		200
Profit and loss account	12		549,234		-
Shareholders' funds	13		<u>549,434</u>		<u>200</u>

Approved by the Board and authorised for issue on 29/8/08


V C Dunn
Director


J Eggar
Director

UNCLE POST PRODUCTION LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
£	£	£
Net cash inflow from operating activities	948,464	3,200,756
Returns on investments and servicing of finance		
Interest received	37,847	19,712
Interest element of finance lease rentals	(4,921)	(26,587)
Net cash inflow/(outflow) for returns on investments and servicing of finance	32,926	(6,875)
Taxation	(689,278)	(754,102)
Capital expenditure		
Payments to acquire tangible assets	(125,765)	(118,857)
Net cash outflow for capital expenditure	(125,765)	(118,857)
Equity dividends paid	-	(1,827,461)
Net cash inflow before management of liquid resources and financing	166,347	493,461
Financing		
Capital element of finance lease contracts	(146,728)	(579,470)
Net cash outflow from financing	(146,728)	(579,470)
Increase/(decrease) in cash in the year	19,619	(86,009)

UNCLE POST PRODUCTION LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007		2006	
		£		£	
	Operating profit	940,225		1,381,173	
	Depreciation of tangible assets	612,935		670,901	
	Decrease in stocks	-		2,288	
	Decrease/(increase) in debtors	1,310,076		(227,102)	
	(Decrease)/Increase in creditors within one year	(1,914,772)		1,413,970	
	Net effect of foreign exchange differences	-		(40,474)	
	Net cash inflow from operating activities	948,464		3,200,756	
2	Analysis of net funds	1 January 2007		31 December 2007	
		£		£	
	Net cash				
	Cash at bank and in hand	540,937	19,619	-	560,556
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(146,728)	146,728	-	-
	Net funds	394,209	166,347	-	560,556
3	Reconciliation of net cash flow to movement in net funds	2007		2006	
		£		£	
	Increase/(decrease) in cash in the year	19,619		(86,009)	
	Cash outflow from decrease in debt and lease financing	146,728		579,471	
	Movement in net funds in the year	166,347		493,462	
	Opening net funds/(debt)	394,209		(99,253)	
	Closing net funds	560,556		394,209	

UNCLE POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Income in respect of short term contracts is recognised on substantive completion of an assignment and represents the fair value of the right to consideration relating to services supplied. In accordance with the groups implementation of controls based upon compliance with Sarbanes Oxley, turnover is only recognised once a written customer confirmation has been received.

1.3 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:

Land and buildings Leasehold	Over the period of the lease
Plant and machinery	Between 3 and 5 years
Fixtures, fittings & equipment	Between 3 and 5 years

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 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.

UNCLE POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

2 Turnover

Geographical market

	Turnover 2007 £	2006 £
United Kingdom	3,783,187	5,243,205
Other EEC	77,985	480
Rest of the World	-	3,231
	<u>3,861,172</u>	<u>5,246,916</u>

3 Operating profit

Operating profit is stated after charging

Depreciation of tangible assets

Operating lease rentals

Fees payable to the company's auditor for the audit of the company's annual accounts

2007 £	2006 £
612,935	670,901
120,438	135,990
10,000	6,000
<u>10,000</u>	<u>6,000</u>

4 Investment income

Bank interest

Other interest

2007 £	2006 £
29,690	19,712
8,157	-
<u>37,847</u>	<u>19,712</u>

5 Interest payable

Lease finance charges

2007 £	2006 £
4,921	26,587
<u>4,921</u>	<u>26,587</u>

UNCLE POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

6	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	422,780	530,723
	Adjustment for prior years	1,137	7,587
	Current tax charge	<u>423,917</u>	<u>538,310</u>
	Deferred tax		
	Deferred tax charge/credit current year	-	(47,473)
		<u>423,917</u>	<u>490,837</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>973,151</u>	<u>1,374,298</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 30.00%)	<u>291,945</u>	<u>412,289</u>
	Effects of		
	Non deductible expenses	12,574	3,000
	Depreciation add back	183,881	201,271
	Capital allowances	(65,620)	(85,837)
	Adjustments to previous periods	1,137	7,587
		<u>131,972</u>	<u>126,021</u>
	Current tax charge	<u>423,917</u>	<u>538,310</u>
7	Dividends	2007 £	2006 £
	Ordinary interim paid	-	883,461

UNCLE POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

8 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2007	596,983	2,816,972	3,413,955
Additions	2,362	123,403	125,765
Disposals	(599,345)	-	(599,345)
At 31 December 2007	-	2,940,375	2,940,375
Depreciation			
At 1 January 2007	413,643	2,285,210	2,698,853
On disposals	(599,345)	-	(599,345)
Charge for the year	185,702	427,233	612,935
At 31 December 2007	-	2,712,443	2,712,443
Net book value			
At 31 December 2007	-	227,932	227,932
At 31 December 2006	183,339	531,763	715,102

The net book value of other tangible fixed assets includes £- (2006 - £272,304) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £266,101 (2006 - £391,428) for the year.

9 Debtors

	2007 £	2006 £
Trade debtors	57,055	1,175,437
Other debtors	4,988	59,247
Prepayments and accrued income	723	138,158
	<u>62,766</u>	<u>1,372,842</u>

UNCLE POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

10 Creditors amounts falling due within one year	2007	2006
	£	£
Net obligations under finance leases	-	146,728
Trade creditors	48,114	70,517
Amounts owed to parent and fellow subsidiary undertakings	116,868	1,924,444
Corporation tax	-	265,361
Other taxes and social security costs	60,971	177,230
Accruals and deferred income	75,867	44,401
	<u>301,820</u>	<u>2,628,681</u>
Net obligations under finance leases		
Repayable within one year	-	146,729
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>146,729</u>
11 Share capital	2007	2006
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>
12 Statement of movements on profit and loss account		Profit and loss account £
Profit for the year		<u>549,234</u>

UNCLE POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

13 Reconciliation of movements in shareholders' funds	2007 £	2006 £
Profit for the financial year	549,234	883,461
Dividends	-	(883,461)
Net addition to shareholders' funds	549,234	-
Opening shareholders' funds	200	200
Closing shareholders' funds	549,434	200

14 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Land and buildings 2007 £	2006 £
Operating leases which expire Within one year	-	98,385

15 Employees

Number of employees

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

	2007 Number	2006 Number
Administration	12	13
Operations	17	18
	29	31

Employment costs

	2007 £	2006 £
Wages and salaries	1,442,651	1,880,262
Social security costs	117,111	192,408
	1,559,762	2,072,670

UNCLE POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

16 Control

The immediate parent company is The Farm Post Production Limited, a company registered in England and Wales, and the ultimate parent company is WPP Group PLC, a company registered in England and Wales

17 Related party transactions

During the year, the Company made transactions at arms length with The Farm Post Production Limited, the immediate parent company. Purchases amounted to £61,986 (2006 - £547,481) of which £0 (2006 - £190,290) was still outstanding at the year end. Sales of £239,626 (2006 - £589,254) were made, £571,273 (2006 - £239,625) was outstanding at year end.