Registered number: 09937310

VERTICURL MARKETING UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



Registered office address:

Sea Containers

18 Upper Ground

London

SE1 9RQ

United Kingdom

VERTICURL MARKETING UK LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Strategic report on Verticurl Marketing UK Limited (the 'Company') for the year ended 31 December 2021.

Principal activities

The Company is a member of the WPP plc Group (the 'Group'). The Company's principal activity is the provision of advertising and allied services.

Future developments

The Directors do not envisage any major change to the nature of the business in the foreseeable future.

Business review

Turnover has increased by 18% during the year, from £2,130,993 to £2,517,729. The Company made a profit for the year ended 31 December 2021 of £265,999 which will be transferred to reserves (2020: a profit of £282,584 which was transferred to reserves).

The Directors are of the opinion that the current level of activity and performance is sustainable, due to the positive financial position of the Company and will remain so for the foreseeable future. Further details are provided in the "Going concern and liquidity risk" section.

Dividends

During 2021, the Company paid a dividend of £500,000 per share totalling £500,000 to the shareholders of the Company (2020: £nil).

No final dividend has been declared since the balance sheet date.

Going concern and liquidity risk

The Directors have assessed the ongoing business activities and the potential impact that the Covid-19 pandemic, Russian invasion of Ukraine and related global economic conditions may have on the liquidity, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

In line with the Group approach, the Company's forecasts and projections take account of (i) reasonably possible declines in revenue less pass-through costs; and (ii) remote declines in revenue less pass-through costs for stress-testing purposes as a consequence of the Covid-19 pandemic compared to 2021. The impact of the Russian invasion of Ukraine and sanctions response from governments has been considered.

As at 31 December 2021, the Company has net current assets of £644,668 and net assets of £652,474 and can therefore meet its short and long-term obligations as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing the financial statements. Additionally, the Company is a subsidiary of WPP plc and is supported by the overall WPP plc financing arrangements.

The Directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial risk management and principal risks and uncertainties

The Directors of the Company have considered the principal risks and uncertainties affecting the Company as at 31 December 2021 and up to date of this report. The principal risk(s) for the Company are shown below:

Covid-19 pandemic
The extent of the continued impact of the Covid-19 pandemic on our business will depend on numerous factors that we are not able to accurately predict, including the duration and scope of the pandemic, any existing or new variants, government actions to mitigate the effects of the pandemic and the intermediate and long-term impact of the pandemic on our clients' spending plans.

We are continuing to manage the risk by constantly monitoring our working capital position, supported by actions to maintain liquidity including cost reduction and cash conservation.

Economic and credit risk
Adverse economic conditions, including those caused by the pandemic, invasion of Ukraine by Russia, sustained inflation in key markets where we operate and supply chain issues affecting the distribution of our clients' products pose a risk our clients may reduce, suspend or cancel spend with us or be unable to satisfy obligations. The Company is subject to credit risk through the default of a client or other counterparty.

The Company commits to media and production purchases on behalf of some of our clients as principal or agent depending on the client and market circumstances. If a client is unable to pay sums due, media and production companies may look at us to pay those amounts and there could be an adverse effect on our working capital and operating cash flow.

The Company is working closely with our clients during this period of economic uncertainty to ensure timely payment of services in line with contractual commitments and with vendors to maintain the settlement flow on media.

There are increased management processes to manage working capital and review cash outflows and receipts during the Covid-19 pandemic.

Currency risk
The Company's activities expose it to the financial risks of changes in foreign exchange rates. Overall, the Company has minimal exposure to currency risks due to it mainly transacting in Pounds sterling. The Group's treasury function takes out contracts to manage the risk at a Group level.

Loss of clients
We compete for clients in a highly-competitive industry which has been evolving and undergoing structural change, now accelerated by the Covid-19 pandemic.

There are a range of impacts on our clients globally as a consequence of the Covid-19 pandemic. In the past, clients have responded to weak economic and financial conditions by reducing or shifting their marketing budgets which are easier to reduce in the short term than their other operating expenses.

The Company manages the risk of client loss by placing an emphasis on providing faster, more agile and more effectively integrated solutions and continuously improving our creative capability and reputation of our business.

There is management focus on the importance of a positive and inclusive culture across our business to attract and retain talent and clients. There are regular updates to the management team on the status of client losses and upcoming pitches for new clients. There is continuous engagement with our clients and suppliers through this period of uncertainty and reduction in economic activity.

Financial risk management and principal risks and uncertainties (continued)

Retention of talented staff
The Company recruits and aims to retain the most talented people by supporting them to expand their skills and capabilities.

Cyber security and IT staff
The Company is reliant on third parties for the performance of a significant portion of our worldwide information technology and operations functions. A failure to provide these functions could have an adverse effect on our business.

A cyber-attack could result in disruption to our business or compromise the security of data.

With a majority of our people working remotely as a consequence of the Covid-19 pandemic, there is the potential of an increased risk of compromised data security and cyber-attacks.

These could all have a legal, financial or reputational consequence on the Company.

The Company mitigates the risk of cyber security and IT breaches by adhering to strict information security protocol and by monitoring and logging our network and systems. We are also raising our people's security awareness through our training.

Environmental matters and streamlined energy and carbon reporting (SECR)

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations. As the Company is a UK subsidiary of WPP plc, its SECR reporting details are included, together with the other Group subsidiaries, in the WPP plc Annual report. Refer to pages 214-217 of the Annual report of WPP plc available at wpp.com/investors for more information.

Financial key performance indicators

	2021 £	2020 £	Change %
Turnover	2,517,729	2,130,993	18.1%
Profit before tax	329,440	353,227	(6.7)%
Net assets	652,474	886,475	(26.4)%

The Company is a wholly owned subsidiary of WPP plc. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of WPP plc, which includes this Company, is discussed in the Group's annual report, which does not form part of this report. The financial statements of WPP plc are available at www.wpp.com/investors.

Directors' statement of compliance with duty to promote the success of the Company

The Directors of the Company, as those of all UK companies, must act in accordance with section 172 of the UK Companies Act 2006. The Directors are of the opinion that they have acted fairly and in good faith to promote the success of the Company for the benefits of its members.

The Directors have carried out these duties and have made decisions and undertaken short and long-term strategies to maintain its financial performance and position. The Directors continue to recognise the importance of the Company's partnership with all stakeholders, including employees, members, suppliers, customers and the community, as well as maintaining its high standards of business conduct and reputation.

Further details of the Company's engagement with external stakeholders is given in the Directors' report.

The Directors are of the opinion that the remaining details of how they meet their duty is in line with those reflected by the Directors of WPP plc in their Annual report. Refer to pages 113-115 of the Annual report of WPP plc available at wpp.com/investors for more information on how the Group directors meet their duty.

This report was approved by the board on 6 March 2023 and signed on its behalf.

Karla Smith (Mar 6, 2023 18:17 GMT)

K Smith
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Annual report and the financial statements for the year ended 31 December 2021.

Results

The Company's results for the financial year are shown in the income statement on page 11.

Directors and their interests

The Directors who served during the year and up to the date of signing of financial statements, unless otherwise stated, were:

M Wrigley
C Lawson
O Prats (resigned 26 January 2023)
D Seary
A Singh Gaur
K Smith (appointed 26 January 2023)

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business.

Directors' indemnity

Each of the Directors benefits from a third party qualifying indemnity given by the Company in respect of liabilities incurred by the Director in the execution and discharge of their duties. The provision remains in force throughout the financial year and up until the date of this report.

Engagement with suppliers, customers and others

The Company recognises the importance of its continued partnerships with its wider stakeholders, including suppliers and customers, in delivering its business strategy and sustainability goals. The Company aims to have an open and transparent relationship which is based on honesty and respect. The Company engages in constant conversation with clients and suppliers on improving delivery of services and relationships.

A detailed statement on the Group's external stakeholder engagement can be found in the Group's Annual report.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Directors' responsibilities statement (continued)

- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

Matters covered in the Strategic Report

The following items have been included in the strategic report on pages 1 - 4:

- principal activities and future developments;
- review of business;
- dividends paid or declared;
- going concern statement;
- financial risk management policies and objectives; and
- environmental matters and streamlined energy and carbon reporting.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

Under section 487(2 of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 6 March 2023 and signed on its behalf.

Karla Smith (Mar 6, 2023 18:17 GMT)

K Smith
Director

Independent auditor's report to the members of
Verticurl Marketing UK Limited
Company Registration No. 09937310

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Verticurl Marketing UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report[1], other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not over the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pension legislation and tax legistlation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included GDPR and environmental regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it is described below:

- Open job revenue at year-end
  - We presume a risk of material misstatement due to fraud related to revenue recognition. The revenue recognised from projects open/incomplete at year end is not recorded accurately due to management applying an inappropriate measure of progress over the satisfaction of the contract's performance obligation(s).
  - The key assertions covered by our procedures are cut-off and completeness.
  - The procedures included:
    - To address cut-off:
      - Test client invoices issued in January.
      - Obtain the listing of invoices issued during the first two weeks of January. Determine your sample size in accordance with PCAOB AAM Figure 23002-4.1 based on component performance materiality. (1) Determine the period to which the invoice relates based on the service period.

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

- (2) Obtain the client contract/statement of work to verify that an agreement exists.
- (3) Obtain the revenue calculation and test that revenue was appropriately determined.
- (4) Trace the invoiced amount to the GL to determine if it was appropriate included in or excluded.

- To address completeness:
  - Obtain a reciprocal population to revenue (PO listing, direct costs detail, etc.). Determine your sample size in accordance with PCAOB AAM Figure 23002-4.1 based on component performance materiality. Consider guidance within the Audit Sampling Guide Chapter 4, Section 1.7, Determination of a Reciprocal Population Sample Size, when determining the population over which the sample calculation should be performed (i.e., revenue or the reciprocal population). Perform the following procedures for each selection:
  - Obtain the statement of work to ensure that a contract was entered into.
  - Trace the contract into the revenue detail for the year. If no revenue is recorded, obtain an explanation from management.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

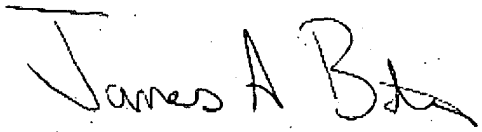
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of
Verticurl Marketing UK Limited
Company Registration No. 09937310

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.



James Bates FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
6 March 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	4	**2,517,729**	2,130,993
Cost of sales		**-**	(800)
Gross profit		**2,517,729**	2,130,193
Administrative expenses		**(2,188,289)**	(1,776,966)
Operating profit	5	**329,440**	353,227
Profit before tax		**329,440**	353,227
Tax on profit	9	**(63,441)**	(70,643)
Profit for the year		**265,999**	282,584

The notes on pages 14 to 26 form part of these financial statements.

The Company has no other comprehensive income during either the current year or prior year and therefore no separate statement to present other comprehensive income has been prepared.

All results arise from continuing operations.

VERTICURL MARKETING UK LIMITED
REGISTERED NUMBER: 09937310

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Non-current assets			
Tangible assets	11	**6,275**	6,744
Trade and other receivables	12	**1,531**	1,446
		7,806	8,190
Current assets			
Trade and other receivables	12	**544,007**	199,453
Cash at bank and in hand	13	**1,377,339**	1,560,637
		1,921,346	1,760,090
Current liabilities			
Trade and other payables	14	**(1,276,678)**	(881,805)
Net current assets		**644,668**	878,285
Total assets less current liabilities		**652,474**	886,475
Net assets		**652,474**	886,475
Capital and reserves			
Called up share capital	16	**1**	1
Profit and loss account		**652,473**	886,474
		652,474	886,475

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 March 2023.

Karla Smith (Mar 6, 2023 18:17 GMT)

K Smith
Director

The notes on pages 14 to 26 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	**1**	**603,890**	**603,891**
Profit and total comprehensive income for the year	-	**282,584**	**282,584**
At 31 December 2020	**1**	**886,474**	**886,475**
Profit and total comprehensive income for the year	-	**265,999**	**265,999**
Dividends: Equity capital (Note 10)	-	**(500,000)**	**(500,000)**
At 31 December 2021	**1**	**652,473**	**652,474**

1. General information

The Company is a private company, limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The Company is registered in England and Wales. The address of the registered office is Sea Containers, 18 Upper Ground, London, SE1 9RQ, United Kingdom.

The Company's principal business activities, future development and a review of its performance and position are set out in the Strategic report on pages 1 - 4.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. Accounting policies (continued)

2.3 Consolidation and ultimate parent company

The Company is a subsidiary of its ultimate parent company. WPP plc, a company incorporated in Jersey, is the Company's ultimate parent undertaking and controlling party. The largest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of WPP plc. The registered address of WPP plc is 13 Castle Street, St Helier, Jersey, JE1 1ES. Copies of the consolidated financial statements can be obtained from www.wpp.com/investors. The smallest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of WPP Jubilee Limited, registered in the England and Wales. Copies of the consolidated financial statements of WPP Jubilee Limited can be obtained from its registered address at Sea Containers House, 18 Upper Ground, London, SE1 9GL, United Kingdom. The immediate parent undertaking is Verticurl Pte Ltd. These financial statements are separate financial statements.

2.4 Going concern

The Directors have assessed the ongoing business activities and the potential impact that the Covid-19 pandemic, Russian invasion of Ukraine and related global economic conditions may have on the liquidity, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

In line with the Group approach, the Company's forecasts and projections take account of (i) reasonably possible declines in revenue less pass-through costs; and (ii) remote declines in revenue less pass-through costs for stress-testing purposes as a consequence of the Covid-19 pandemic compared to 2021. The impact of the Russian invasion of Ukraine and sanctions response from governments has been considered.

As at 31 December 2021, the Company has net current assets of £644,668 and net assets of £652,474 and can therefore meet its short and long-term obligations as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing the financial statements. Additionally, the Company is a subsidiary of WPP plc and is supported by the overall WPP plc financing arrangements. The Directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2.5 Impact of new international reporting standards, amendments and interpretations

No new accounting standards or IFRIC interpretations have had a material impact on the Company for the year ended 31 December 2021.

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

2. Accounting policies (continued)

2.6 Foreign currency translation (continued)

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.7 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Pass-through costs comprise fees paid to external suppliers when they are engaged to perform part or all of a specific project and are charged directly to clients, predominantly media and data collection costs. Costs to obtain a contract are typically expensed as incurred as the contracts are generally short-term in nature.

In most instances, promised services in a contract are not considered distinct or represent a series of services that are substantially the same with the same pattern of transfer to the customer and, as such, are accounted for as a single performance obligation. However, where services can be distinct within the contract, and are accounted for as separate performance obligations, turnover is allocated to each of the performance obligations based on relative standalone selling prices.

Turnover is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement. Typical performance obligations are satisfied over time as services are rendered.

Turnover recognised over time is based on the proportion of the level of service performed. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. For most fee arrangements, costs incurred are used as an objective input measure of performance. The primary input of substantially all work performed under these arrangements is labour. There is normally a direct relationship between costs incurred and the proportion of the contract performed to date. In other circumstances relevant output measures, such as the achievement of any project milestones stipulated in the contract, are used to assess proportional performance.

For our retainer arrangements, we have a stand ready obligation to perform services on an ongoing basis over the life of the contract. The scope of these arrangements are broad and generally are not reconcilable to another input or output criteria. In these instances, turnover is recognised using a time-based method resulting in straight-line turnover recognition. The amount of turnover recognised depends on whether we act as an agent or as a principal. Certain arrangements with our clients are such that our responsibility is to arrange for a third party to provide a specified good or service to the client. In these cases we are acting as an agent as we do not control the relevant good or service before it is transferred to the client. When we act as an agent, the turnover recorded is the net amount retained. Costs incurred with external suppliers (such as production costs and media suppliers) are excluded from turnover and recorded as work in progress until billed.

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Trade and other receivables

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Trade and other receivables are carried at original invoice amount less any provisions for doubtful debts.

Provisions are made where there is evidence of a risk of non-payment, taking into account ageing,

2. Accounting policies (continued)

2.10 Trade and other receivables (continued)

previous experience and general economic conditions. When a trade or other receivable is determined to be uncollectable it is written off, firstly against any provisions available and then to the income statement.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due.

Subsequent recoveries of amounts previously provided for are credited to the income statement.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Trade and other payables

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in the process of applying the accounting policies

Revenue recognition
Revenue arising from the provision of advertising consultancy and allied services is subject to judgements made taking into account information available. These judgements are reviewed by management on a regular basis.

In making a judgement on revenue recognition with respect to open projects at year end, management considered several detailed criteria for the recognition of revenue. Judgements were based on percentage of work completed or milestones achieved, confirmation of work completed and client acceptance and whether the revenue was realizable. There were also considerations as to whether the billings were in compliance with the contracts with customers as set out in IFRS 15 Revenue from Contracts with Customers and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the services. Though there is uncertainty in determining the level of completion, following the detailed quantification of the company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the services, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate.

In the opinion of the Directors there are no key sources of estimation uncertainty that have been made in the process of applying the accounting policies.

4. Turnover

The whole of the turnover is attributable to the provision of advertising and allied services in the current and prior year.

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	**550,997**	761,083
Rest of Europe	**930,663**	336,493
Rest of the world	**1,036,069**	1,033,417
	2,517,729	2,130,993

5. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of owned tangible fixed assets	**5,309**	6,070
Exchange differences	**67,437**	(22,313)

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**17,428**	32,296

There were no non-audit services provided by the Company's auditor in the current or prior year.

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	**1,502,683**	1,261,081
Social security costs	**191,103**	162,716
Cost of defined contribution pension scheme	**171,385**	107,767
Benefits and other employee costs	**4,824**	26,293
	1,869,995	1,557,857

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 Number	2020 Number
Account management and creative support	**17**	14

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	**181,273**	463,684
Company contributions to defined contribution pension schemes	**18,038**	40,340
	199,311	504,024

During the year retirement benefits were accruing to one Directors (2020: two Directors) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £181,273 (2020: £280,533).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £18,038 (2020: £22,800).

9. Taxation

	2021 £	2020 £
Income tax charge		
Current tax on profits for the year	**63,526**	69,028
Adjustments in respect of previous periods	**-**	3,061
Total current tax	**63,526**	72,089
Deferred tax		
Current year	**(168)**	(656)
Adjustment for prior years	**83**	(790)
Total deferred tax	**(85)**	(1,446)
Taxation on profit	**63,441**	70,643

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit before tax	**329,440**	353,227
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	**62,594**	67,113
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,252**	1,342
Capital allowances for year in excess of depreciation	**(184)**	(83)
Impact of deferred tax rate change	**(304)**	-
Adjustments to tax charge in respect of prior periods	**83**	2,271
Total tax charge for the year	**63,441**	70,643

Factors that may affect future tax charges

The UK tax rate for the year ended 31 December 2021 is 19%. In the UK Budget on 3 March 2021, the Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. The change was enacted at the balance sheet date, and deferred tax balances have been remeasured accordingly at 25% (2020: 19%).

10. Dividends

	2021 £	2020 £
Dividends paid (£500,000 per share)	**500,000**	-

11. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2021	**23,750**
Additions	**4,840**
At 31 December 2021	**28,590**
Depreciation	
At 1 January 2021	**17,006**
Charge for the year on owned assets	**5,309**
At 31 December 2021	**22,315**
Net book value	
At 31 December 2021	**6,275**
At 31 December 2020	6,744

12. Trade and other receivables

	2021 £	2020 £
Due after more than one year		
Deferred tax asset	**1,531**	1,446

	2021 £	2020 £
Due within one year		
Trade receivables	**92,972**	57,611
Amounts owed by group undertakings	**291,100**	138,076
Other receivables	**562**	3,766
Prepayments and accrued income	**159,373**	-
	544,007	199,453

The amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	**1,377,339**	1,560,637

The Company participates in group banking arrangements with its ultimate parent Company, WPP plc, and has access to a group cash management facility. The Company guarantees the facility to the extent of its cash deposited in the UK with its clearing bank. The Company, together with its ultimate parent Company, WPP plc, and certain other subsidiary undertakings, is a party to the group's syndicated banking arrangements. The Company has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP plc.

14. Trade and other payables falling due within one year

	2021 £	2020 £
Trade payables	**941**	15,510
Amounts owed to group undertakings	**376,422**	397,224
Corporation tax	**28,855**	45,329
Other taxation and social security	**7,685**	101,753
Accruals	**367,380**	44,611
Deferred income	**495,395**	277,378
	1,276,678	881,805

The amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. Deferred taxation

	2021 £	2020 £
At beginning of year	**1,446**	-
Credited to profit or loss	**85**	1,446
At end of year	**1,531**	1,446

The deferred tax asset is made up as follows:

	2021 £	2020 £
Unclaimed capital allowances	**1,531**	1,446

16. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020: 1) Ordinary share of £1.00	**1**	1

17. Pension commitments

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to the income statement of £171,385 (2020: £107,767) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. There are £56,402 outstanding contributions as at the balance sheet date (2020: £19,074).

18. Post balance sheet events

There have been no significant events affecting the Company since the year end.