

VERTICURL MARKETING UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Registered office address:

Sea Containers
18 Upper Ground
London
SE1 9RQ
United Kingdom

VERTICURL MARKETING UK LIMITED

CONTENTS

	Page(s)
Strategic Report	1 - 5
Directors' Report	6 - 7
Independent Auditor's Report	8 - 10
Income Statement	11
Balance Sheet	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 25

VERTICURL MARKETING UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their Strategic report on Verticurl Marketing UK Limited (the 'Company') for the year ended 31 December 2023.

Principal activities

The Company is a member of the WPP plc Group (the 'Group'). The Company's principal activity is 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 21% during the year, from £3,477,933 to £4,204,523. The Company made a profit for the year ended 31 December 2023 of £455,957 which will be transferred to reserves (2022: a profit of £353,140 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 2023, the Company paid a dividend of £650,000 per share totalling £650,000 to its shareholders (2022: £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 conflict in Ukraine and general 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 compared to 2023. The ongoing impact of the conflicts in Ukraine and Gaza have been considered.

As at 31 December 2023, the Company has net current assets of £801,806 and net assets of £811,571 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.

VERTICURL MARKETING UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 and up to date of this report. The principal risks for the Company are shown below:

Economic risk

Adverse economic conditions, including those caused by the conflicts in Ukraine and Gaza, severe and sustained inflation in key markets where we operate, supply chain issues including around resilience affecting the distribution of our clients' products and/or disruption in credit markets, pose a risk our clients may reduce, suspend or cancel spend with us or be unable to satisfy obligations.

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.

Our account teams work proactively with our clients to understand the challenges they are facing, determine general trends in marketing spend and develop plans in advance to help us prepare, redeploy resources and manage costs accordingly.

Pandemic

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

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

Generative AI strategy

Clients will increasingly expect us to use generative AI-driven tools and technologies in our services and deliverables. If we fail to adopt generative AI at pace and evolve our commercial model, we may struggle to keep up with these demands, leading to decreased relevance and effectiveness of our services and deliverables for clients, and allow an opportunity for those AI vendors to contract directly with our clients.

Falling behind competitors leveraging the opportunities generative AI offers to gain a competitive advantage could result in lost market share, decreased revenue and reduced profitability. We may struggle to attract and retain talent, further hindering our ability to innovate and compete. Generated materials may infringe third-party IP resulting in legal costs and client reputation impact.

We have access to the Group's generative AI platform using market-leading technologies which is available to all staff in order to support our work and deliverables both internally and for clients, and the Group's established partnerships with leading generative AI platforms, technologies and companies.

We actively monitor the changing regulatory landscape and the introduction of new laws regulating AI to assess the impact on our business and work, and how they will impact how we service our clients.

We have a comprehensive due diligence process in place to review the third-party generative AI tools/platforms used in the business.

VERTICURL MARKETING UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial risk management and principal risks and uncertainties (continued)

Client loss

We compete for clients in a highly competitive industry which has been evolving and undergoing structural change. Client net loss to competitors or as a consequence of client consolidation, insolvency or a reduction in marketing budgets due to a geopolitical change or shift in client spending would have an adverse effect on our business, revenues, results of operations, financial condition and prospects.

We manage the risk of client loss by placing an emphasis on leading through AI, data and technology, accelerating growth through the power of creative transformation, building worldclass, market-leading brands and executing efficiently to drive financial returns through margin and cash.

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.

Currency risk

Our activities expose us to the financial risks of changes in foreign exchange rates. Overall, we have minimal exposure to currency risks due to mainly transacting in Pounds sterling. The Group's treasury function manages currency risk centrally.

Credit risk

We are subject to credit risk through the default of a client or other counterparty.

We commit 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 to us to pay those amounts and there could be an adverse effect on our working capital and operating cash flow.

We evaluate and monitor clients' ongoing creditworthiness and, in some cases, require credit insurance or payments in advance.

We continue to work closely with our clients to ensure timely payment for 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.

Retention of talented staff

Our performance could be adversely affected if we do not react quickly enough to changes in our market; fail to attract, develop and retain key talent; are unable to retain and incentivise key and diverse talent; or are unable to adapt to new ways of working by balancing home and office working.

We work across the business to embed collaboration and invest in training and development to retain and attract talented people. The Group's investment in co-located campus properties continues to increase the co-operation across Group companies and provides extremely attractive and motivating working environments.

We also focus on the mental health of our people by providing access to wellbeing resources, support networks, funded events, discussion forums and additional time off.

VERTICURL MARKETING UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial risk management and principal risks and uncertainties (continued)

Cyber and information security

A cyber-attack may lead to harm or disruption to our operations, systems or services. This risk is also likely to increase as the prevalence and sophistication of generative AI means there is potential for both human and AI-generated attacks. Such an attack may also affect suppliers and partners through the unauthorised access to or manipulation, corruption or destruction of data.

The imposition of sanctions and the associated geopolitical situation following the conflicts in Ukraine and Gaza have triggered an increase in cyber-attacks generally.

We are aligned with the Group IT control framework which mitigates the risk of cyber security and IT breaches by monitoring and logging our network and systems, as well as undertaking threat intelligence activities, vulnerability scanning, and penetration testing. Breach and attack simulation software provides continuous assessment.

We also continuously raise our people's security awareness through mandatory training and rolling phishing simulation and education programmes.

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 62-69 of the Annual report of WPP plc available at wpp.com/investors for more information.

Financial key performance indicators

	2023	2022	Change
	£	£	%
Turnover	4,204,523	3,477,933	20.9%
Profit before tax	606,051	445,247	36.1%
Net assets	811,571	1,005,614	(19.3)%

Turnover has increased during the year due to increased spend from existing clients. These increases have been offset by higher operating costs, driven by increased staff costs and foreign exchange losses in the year.

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.

In doing this, section 172 requires the directors to have regard for, among other matters:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationship with suppliers, customers and others.
- The impact of the Company's operations on the community and environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company.

VERTICURL MARKETING UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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

Consequences of any long-term decisions

The business philosophy of the Company is to create long term value for both clients and shareholders alike. We build our business and all our relationships with integrity and treat our client's money like our own making sure all budgets maximise the best outputs to achieve the client's goals. We endeavor to attract and retain high calibre individuals who will grow with us over the long term and ensure employees think and act like owners in all their decisions. We also strive to attract and retain profitability as this will lead to growth in the long term.

Employees

The Company is committed to diversity and inclusion and offering equal opportunities to all people in their recruitment, training and career development. The Company will select people based on qualification and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability.

Business relationship with suppliers, customers and others

The cultivation of strong relationships with major suppliers is a focus of the Company to ensure continuity of supply at competitive prices. It is a policy of the Company to agree terms of payment when orders for goods and services are placed and to adhere to these arrangements when making payments, provided the relevant goods and services have been supplied in accordance with the contract.

We comply with the Modern Slavery Act (MSA) and we fully support the principles of the MSA.

Community and Environment

The Company considers its impact on the wider community and environment of its business activities. The Company adheres to the Sustainability policy which can be found at the website of the ultimate parent company at wpp.com. The policy includes objectives focusing on key impacts under our control and influence such as minimising the impact from energy use, transport, consumption of paper, water use and managing any sustainability risks in our supply chain.

Business conduct

The Company has a number of key policies, including modern slavery, anti-bribery, corruption and data protection, all of which can be found on the website of the ultimate parent company at wpp.com. The company has a zero-tolerance approach to corruption and bribery and policies are in place for areas such as ethical business relationships with customers, suppliers and employees, gift giving and receiving, charitable donations and competition laws. As such, employees are mandated to complete in depth anti bribery and corruption training.

Acting fairly as between members of the company

As a wholly owned subsidiary of WPP plc, the interests of the company are aligned with those of its ultimate parent.

This report was approved by the board on 24 May 2024 and signed on its behalf.



Karla Smith (May 24, 2024 17:49 GMT+1)

K Smith
Director

VERTICURL MARKETING UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their Annual report and the financial statements for the year ended 31 December 2023.

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
D Seary
A Singh Gaur
K Smith (appointed 26 January 2023)
O Prats (resigned 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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;

VERTICURL MARKETING UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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 - 5:

- 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

Following a competitive audit contract tender, PricewaterhouseCoopers LLP (PwC) will be appointed as the Company's new independent auditor commencing with the audit of the Company's 2024 financial year. PwC's appointment remains subject to shareholder approval at Group level, to be obtained at the Company's 2024 AGM.

This report was approved by the board on 24 May 2024 and signed on its behalf.



Karla Smith (May 24, 2024 17:49 GMT+1)

K Smith
Director

VERTICURL MARKETING UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERTICURL MARKETING UK LIMITED

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 2023 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 statement of accounting policies; 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, 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 cover 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.

VERTICURL MARKETING UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERTICURL MARKETING UK LIMITED

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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, pensions legislation and tax legislation; 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 UK Health and Safety legislation, the UK Anti Bribery and Corruption Act, UK Anti Money Laundering and Terrorist Financing regulations, and UK Data Protection legislation

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 revenue recognition areas, in particular the percentage of revenue to recognise for open projects (projects not yet completed at year-end) pinpointed to cut-off assertion and our specific procedures performed to address as described below:

- Challenging management's percentage of completed used depending on the project type (T&M or Fixed project).
- Holding discussions with the relevant project managers.
- Considering the historical accuracy
- To confirm on the classification of the project as 'Open' at year end and assess revenue recognition.

VERTICURL MARKETING UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VERTICURL MARKETING UK LIMITED

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 and external legal counsel 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

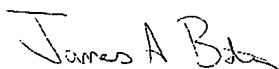
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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 A Bates ACA (Senior statutory auditor)

for and on behalf of

Deloitte LLP, Statutory Auditor

London, United Kingdom

24 May 2024

VERTICURL MARKETING UK LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	4	4,204,523	3,477,933
Administrative expenses		(3,598,472)	(3,032,686)
Operating profit	5	606,051	445,247
Profit before tax		606,051	445,247
Tax on profit	9	(150,094)	(92,107)
Profit for the financial year		455,957	353,140

The notes on pages 14 to 25 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 2023

	Notes	2023 £	2022 £
Non-current assets			
Tangible assets	11	12,328	15,178
Trade and other receivables	12	-	1,746
		<u>12,328</u>	<u>16,924</u>
Current assets			
Trade and other receivables	12	548,276	432,967
Cash at bank and in hand	13	1,495,765	1,989,135
		<u>2,044,041</u>	<u>2,422,102</u>
Current liabilities			
Trade and other payables	14	(1,002,752)	(1,433,412)
Bank overdrafts	13	(239,483)	-
		<u>801,806</u>	<u>988,690</u>
Net current assets		<u>801,806</u>	<u>988,690</u>
Total assets less current liabilities		<u>814,134</u>	<u>1,005,614</u>
Provisions for liabilities			
Deferred taxation	15	(2,563)	-
		<u>811,571</u>	<u>1,005,614</u>
Net assets		<u>811,571</u>	<u>1,005,614</u>
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account		811,570	1,005,613
		<u>811,571</u>	<u>1,005,614</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2024.


Karla Smith (May 24, 2024 17:49 GMT+1)

K Smith
Director

The notes on pages 14 to 25 form an integral part of these financial statements.

VERTICURL MARKETING UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2022	1	652,473	652,474
Profit and total comprehensive income for the year	-	353,140	353,140
At 31 December 2022	1	1,005,613	1,005,614
Profit and total comprehensive income for the year	-	455,957	455,957
Dividends: Equity capital (Note 10)	-	(650,000)	(650,000)
At 31 December 2023	1	811,570	811,571

VERTICURL MARKETING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 - 5.

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 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.

VERTICURL MARKETING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 22 Grenville Street, St Helier, Jersey, JE4 8PX. 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.

2.4 Going concern

The Directors have assessed the ongoing business activities and the potential impact that the conflict in Ukraine and general 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 compared to 2023. The ongoing impact of the conflicts in Ukraine and Gaza have been considered.

As at 31 December 2023, the Company has net current assets of £801,806 and net assets of £811,571 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 2023.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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.

VERTICURL MARKETING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 Work in progress

Work in progress includes outlays incurred on behalf of clients, including production costs, and other third-party costs that have not yet been billed and are considered receivables under IFRS 15 Revenue from Contracts with Customers.

2.11 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

VERTICURL MARKETING UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.11 Trade and other receivables (continued)

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, 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

VERTICURL MARKETING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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:

	2023 £	2022 £
United Kingdom	1,606,652	1,049,144
Rest of Europe	1,193,188	1,131,852
Rest of the world	1,404,683	1,296,937
	<u>4,204,523</u>	<u>3,477,933</u>

VERTICURL MARKETING UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Operating profit

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

	2023 £	2022 £
Depreciation of tangible fixed assets	8,132	6,431
Exchange differences	14,794	(43,916)
	<u>14,794</u>	<u>(43,916)</u>

6. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	23,200	20,600
	<u>23,200</u>	<u>20,600</u>

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:

	2023 £	2022 £
Wages and salaries	2,700,914	2,236,980
Social security costs	316,377	245,410
Cost of defined contribution pension scheme	168,002	186,707
Severance and redundancy costs	10,141	-
Benefits and other employee costs	45,450	49,940
	<u>3,240,884</u>	<u>2,719,037</u>

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

	2023 Number	2022 Number
Account management and creative support	25	22
	<u>25</u>	<u>22</u>

VERTICURL MARKETING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	234,274	199,696
Company contributions to defined contribution pension schemes	20,600	20,000
	<u>254,874</u>	<u>219,696</u>

During the year retirement benefits were accruing to one Director (2022: one Director) in respect of defined contribution pension schemes.

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	145,785	82,796
Adjustments in respect of previous periods	-	9,526
Total current tax	<u>145,785</u>	<u>92,322</u>
Deferred tax		
Current year	(619)	3,194
Adjustment for prior years	4,928	(3,409)
Total deferred tax	<u>4,309</u>	<u>(215)</u>
Taxation on profit	<u>150,094</u>	<u>92,107</u>

VERTICURL MARKETING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit before tax	<u>606,051</u>	<u>445,247</u>
Profit multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	142,422	84,597
Effects of:		
Expenses not deductible for tax purposes	2,837	1,692
Capital allowances for year in excess of depreciation	(132)	(874)
Impact of deferred tax rate change	39	575
Adjustments to tax charge in respect of prior periods	4,928	6,117
Total tax charge for the year	<u>150,094</u>	<u>92,107</u>

Factors that may affect future tax charges

The UK tax rate for the year ended 31 December 2023 is 23.5% as a result of the increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023. Deferred tax balances have been measured accordingly at 25%.

10. Dividends

	2023 £	2022 £
Dividends paid: £650,000 per share (2022: £nil)	<u>650,000</u>	<u>-</u>

VERTICURL MARKETING UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2023	29,615
Additions	5,282
At 31 December 2023	<u>34,897</u>
Depreciation	
At 1 January 2023	14,437
Charge for the year on owned assets	8,132
At 31 December 2023	<u>22,569</u>
Net book value	
At 31 December 2023	<u><u>12,328</u></u>
At 31 December 2022	<u><u>15,178</u></u>

12. Trade and other receivables

	2023 £	2022 £
Due after more than one year		
Deferred tax asset	-	1,746
	<u>-</u>	<u>1,746</u>
Due within one year		
Trade receivables	40,086	190,162
Amounts owed by group undertakings	465,383	230,170
Accrued income	42,807	12,635
	<u>548,276</u>	<u>432,967</u>

The amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

VERTICURL MARKETING UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	1,495,765	1,989,135
Less: bank overdrafts	(239,483)	-
	<u>1,256,282</u>	<u>1,989,135</u>

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.

14. Trade and other payables falling due within one year

	2023 £	2022 £
Trade payables	-	23,364
Amounts owed to group undertakings	113,939	464,475
Corporation tax	266,962	121,177
Other taxation and social security	208,436	57,362
Accruals	375,135	461,044
Deferred income	38,280	305,990
	<u>1,002,752</u>	<u>1,433,412</u>

The amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

15. Deferred taxation

	2023 £	2022 £
At beginning of year	1,746	1,531
Credited to profit or loss	(4,309)	215
At end of year	<u>(2,563)</u>	<u>1,746</u>

VERTICURL MARKETING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2023 £	2022 £
Unclaimed capital allowances	<u>(2,563)</u>	<u>1,746</u>

A deferred tax asset has been recognised in respect of capital allowances in excess of depreciation as it is probable that there will be sufficient taxable profits against which the assets will reverse in the future.

16. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022: 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

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 £168,002 (2022: £186,707) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. There are £46,856 of outstanding contributions as at the balance sheet date (2022: £7,860).

18. Post balance sheet events

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