Company Registration No. 00280055

J. Walter Thompson U.K. Holdings Limited

Annual report and financial statements

For the year ended 31 December 2020

J. Walter Thompson U.K. Holdings Limited

Report and financial statements for the year ended 31 December 2020

Contents

J. Walter Thompson U.K. Holdings Limited

Officers and professional advisers

Directors

J Gautier
M Segimon

Company Secretary

P H Dipple

Registered Office

Greater London House
Hampstead Road
London
NW1 7QP

Banker

HSBC Bank PLC
62-76 Park Street
London
SE1 9DZ

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

J. Walter Thompson U.K. Holdings Limited

Strategic report

The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

Principal activities and review of the business

J. Walter Thompson U.K. Holdings Limited (the 'company') is a holding company and a wholly owned subsidiary of WPP plc (the 'Group'). The company's principal activity is to act as an investment holding company. There have been no changes in the company's activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

The company's operating profit for the year was £ nil (2019: profit of £ nil).

The company's profit before tax for the year was £ 159,000 (2019: profit of £75,981,000). The decrease in profit before tax is due to no dividend income in the current year. In the prior year there was a one-off income from the disposal of an investment.

The balance sheet on page 14 of the financial statements confirms that the company's financial position at 31 December 2020 has, in net assets terms, increased by £ 159,000 in comparison with the prior year.

Covid-19

The coronavirus pandemic has touched all our lives. At WPP, and in the company, the first priority remains the wellbeing of our people and doing what we can to limit the impact of the virus on society. The second priority has been the continuity of service for our clients. We have thrown ourselves into achieving both objectives.

Despite the negative impact of the pandemic on the financial performance of the company during the year, the company did not access any financial support measures made available by the UK and other governments other than the HMRC VAT deferral scheme for the quarterly return for the period ended 31 March 2020. This account was settled on 31 March 2021.

The Directors will continue to monitor, review and take appropriate steps to respond to the impact of the pandemic in the company as well as recognize and address the other current and emerging risks and uncertainties we face as a business.

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, government actions to mitigate the effects of the pandemic and the intermediate and long-term impact of the pandemic on our clients spending plans.

Principal risks and uncertainties facing the company

The directors of the company have considered the principal risks and uncertainties affecting the company as at 31 December 2020 and up to the date of this report.

The company is a holding company and is dependent on the value and financial performance of its subsidiaries. The company manages these risks by conducting a regular impairment review of the value of its investments in those subsidiaries.

Covid-19 pandemic

The coronavirus pandemic negatively impacted the business, revenues, results of operations, financial conditions and prospects of its subsidiaries in 2020.

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

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

J. Walter Thompson U.K. Holdings Limited

Strategic report

Duty to promote the success of the company

The Directors of the company, as of those of all UK companies, must act in accordance with section 172 of the 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 its members.

The Directors have carried out these duties and have made decisions and undertaken long term strategies to maintain its financial performance and position. The Directors continued to recognize the importance of the company's partnership with all its 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 117-118 of the WPP plc annual report available at wpp.com for more information on how the Group Directors meet their duty.

Key performance indicators

The WPP plc group manages its operations on a network basis. For this reason, the company's directors believe that any 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 the advertising sector of WPP plc, which includes the company, is discussed in the WPP plc Annual Report which does not form part of this Report.

Financial risk management objectives and policies

The financial risks faced by the company as a result of its activities and the management of those risks are described below.

Cash flow and liquidity risk

The directors do not believe that the company is exposed to any significant cash flow or liquidity risk. The company currently has sufficient cash to fund its activities. However, in the event that additional liquidity were to be required for ongoing operations and future developments, the company participates in group banking arrangements with its parent, WPP plc, and has access to a group cash management facility.

After making enquiries, the directors believe that although Covid-19 will have an effect on the financial position of the company, there are reasonable expectations that the company has adequate resources to continue in operational existence with low liquidity risk for at least the next 12 months from the date of signing the financial statements.

Credit risk

The company's principal financial assets are its investments, bank balance and intercompany receivables. The company's main credit risk is primarily attributable to its intercompany receivables. The company has no other significant concentration of credit risk.

The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Environment

The WPP plc group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. The company operates in accordance with WPP plc Group policies, which are described in the Group's Corporate Responsibility report which does not form part of this Report. Initiatives designed to minimise the company's impact on the environment include improving our energy use efficiency, paper use and recycling.

J. Walter Thompson U.K. Holdings Limited

Strategic report

Future developments

The directors expect the level of business activity and result for the year ended 31 December 2021 to be comparable to the year ended 31 December 2020.

The ultimate parent company, WPP plc, has announced a strategic review with the intention to create a simpler structure to provide more integrated offerings to clients, including bringing together subsidiary company J Walter Thompson Group Limited and the Wunderman business to form Wunderman Thompson, a creative, data and technology agency built to inspire growth for its clients. This may impact the set up and structure of the company as it currently stands. No disruption to the company's trading operations is anticipated.

From April 2021, following an update to ultimate parent company WPP plc policy, the company's group banking arrangements with ultimate parent company WPP plc have been restructured into 'zero balancing' pooling arrangements with WPP Finance Co. Limited (WPP Finance Co) acting as the leader of these cash pools within the UK (the Zero Balancing Pooling Arrangements). All such receivables shall be short term in nature and the Company, as a participant in the cash pooling arrangements governed by the Zero Balancing Agreement, shall maintain access to its cash at all times when required, notwithstanding that such cash will be held by WPP Finance Co.

Approved by the Board of Directors
and signed on behalf of the Board

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J Gautier

Director

14 January 2022 | 10:35:11 GMT

J. Walter Thompson U.K. Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Company information

J. Walter Thompson U.K. Holdings Limited (registered number 00280055) is a private company limited by shares. The company is registered in England and Wales and has its registered office at Greater London House, Hampstead Road, London NW1 7QP.

Results and dividends

As shown in the company's income statement on page 11 the profit for the year after taxation was £159,000 (2019: profit of £75,981,000).

The large profit for the year ended 31 December 2019 was due to the receipt of a dividend of £ 53,596,000 from subsidiary company Wunderman Thompson (UK) Limited (formerly J Walter Thompson Group Limited) on 24 December 2019. The company also booked a profit of £ 22,355,000 following the sale of the company's interest in subsidiary company Kantar Media UK Limited in October 2019.

The company paid no interim dividends to the ordinary £1 shareholders in 2020 and 2019 and no final dividend is proposed (2019: £nil). A final dividend of £ 136,000 was paid to the preference shareholder on 24 December 2019 following the buy-back of the company's issued preference shares. An interim dividend of £141,000 payable to the preference shareholder at 31 December 2018 was paid on 29 March 2019.

Post balance sheet events

Details of events impacting the company after the balance sheet date of 31 December 2020 are reflected in note 19 Post balance sheet events.

Directors

The directors of the company who served during the year and subsequent to the year-end are set out on page 1.

Directors' indemnities

The ultimate parent company, WPP plc, has made qualifying third-party indemnity provisions for the benefit of the company directors. These provisions also cover the company's immediate parent and the company's subsidiaries. These provisions were made during the year and remain in force at the date of this report.

Going concern

The directors have assessed the ongoing business activities and the potential impact that the global outbreak of Covid-19 may have on the liquidity, performance and financial position of the company and its subsidiaries for at least the next twelve months, from the date of signing the financial statements.

In line with the WPP plc 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 2020.

The company has cash at bank of £ 90,005,000, net current assets of £ 101,976,000 and net assets of £ 149,115,000 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 with low liquidity risk 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 and liquidity arrangements.

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

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements (Accounting policies).

Following the April 2021 update to WPP plc policy, the Cash Pooling Arrangements have been restructured into "zero balancing" pooling arrangements, with WPP Finance Co. Limited (WPP Finance Co) acting as the leader of these cash pools within the UK (the Zero Balancing Pooling Arrangements).

J. Walter Thompson U.K. Holdings Limited

Directors' report

Going concern (continued)

All such receivables shall be short term in nature and the Company, as a participant in the cash pooling arrangements governed by the Zero Balancing Agreement, shall maintain access to its cash at all times when required, notwithstanding that such cash will be held by WPP Finance Co.

Strategic report

In accordance with section 414(c) 11 of the Companies Act 2006, the information required by Schedule 7, The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 in respect of requirements of the business review is included in the strategic report. This includes a review of the development of the business of the company during the year, of its position at the end of the year, the principal risks and uncertainties facing the company, financial risk management objectives and policies and of the likely future developments in its business.

External stakeholder engagement

The company recognises the importance of its continued partnerships with its wider stakeholders including suppliers and customers. 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 WPP plc group's external stakeholder engagement can be found in the WPP plc annual report which does not make up part of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself 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 section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

DocuSigned by:
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J Gautier
Director

14 January 2022 | 10:35:11 GMT

J. Walter Thompson U.K. Holdings Limited

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 FRS 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 judgments 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
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information contained on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

J. Walter Thompson U.K. Holdings Limited

Independent auditor's report to the members of J. Walter Thompson U.K. Holdings Limited (continued)

Report on the audit of the financial statements (continued)

Opinion

In our opinion the financial statements of J. Walter Thompson U.K Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2020 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 profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the related notes 1 to 19.

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 report1, 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

Independent auditor's report to the members of J. Walter Thompson U.K. Holdings Limited (continued)

Report on the audit of the financial statements (continued)

Other information (continued)

to determine whether this gives rise to 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 and internal audit 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 statements2. These included UK Companies Act, pensions legislation, 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,
- 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.

J. Walter Thompson U.K. Holdings Limited

Independent auditor's report to the members of J. Walter Thompson U.K. Holdings Limited (continued)

Report on the audit of the financial statements (continued)

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

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, internal audit and in-house / 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, reviewing internal audit reports, and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

There were no instances of non-compliance or fraud have been identified.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

J. Walter Thompson U.K. Holdings Limited

Independent auditor's report to the members of J. Walter Thompson U.K. Holdings Limited (continued)

Report on the audit of the financial statements (continued)

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.

DocuSigned by:

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Jon Young (FCA)(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

17 January 2022 | 08:48:57 GMT

J. Walter Thompson U.K. Holdings Limited

Income statement
For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Operating result		-	-
Dividend income from subsidiary company	3	-	53,596
Interest receivable and similar income	5	159	166
Interest payable and similar expenses	6	-	(136)
Income from disposal of interest in fixed asset investment	7	-	22,355
Profit before taxation	8	159	75,981
Tax on profit	9	-	-
Profit for the financial year attributable to owners of the Company		159	75,981

There are no other comprehensive income or expenses other than the profits for the years ended 31 December 2020 and 31 December 2019 respectively, and consequently a separate statement of other comprehensive income has not been presented.

All operations of the company continued throughout both years and no operations were acquired or discontinued.

The accompanying notes form an integral part of these financial statements.

J. Walter Thompson U.K. Holdings Limited

Balance sheet
As at 31 December 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments in subsidiaries	11	47,139	47,139
Current assets			
Debtors	12	11,971	11,812
Cash at bank and in hand		90,005	90,005
		101,976	101,817
Creditors: amounts falling due within one year	13	-	-
Net current assets		101,976	101,817
Total assets less current liabilities		149,115	148,956
Creditors: amounts falling due after one year	14	-	-
Net assets		149,115	148,956
Capital and reserves			
Called-up share capital	15	44,569	44,569
Share premium account	16	20,982	20,982
Profit and loss account		83,564	83,405
Shareholders' funds		149,115	148,956

The financial statements of J Water Thompson U.K. Holdings Limited, registered number 00280055, were approved by the Board of Directors and authorised for issue.

The accompanying notes form an integral part of these financial statements.

Signed on behalf of the Board of Directors

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J Gautier
Director

14 January 2022 | 10:35:11 GMT

J. Walter Thompson U.K. Holdings Limited

Statement of changes in equity
For the year ended 31 December 2020

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2019	44,569	20,982	7,424	72,975
Profit and total comprehensive income for the year	-	-	75,981	75,981
Balance at 31 December 2019	44,569	20,982	83,405	148,956
Profit and total comprehensive income for the year	-	-	159	159
Balance at 31 December 2020	44,569	20,982	83,564	149,115

J. Walter Thompson U.K. Holdings Limited

Statement of changes in equity
For the year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

J. Walter Thompson U.K Holdings Limited is a company limited by shares incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the business review on page 3.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the company changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements because it is included in the group financial statements of WPP plc. Details of the parent in whose consolidated financial statements the company is included are shown in note 18 to the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets, related party transactions and certain disclosures required by IFRS15 and IFRS16. Where required, equivalent disclosures are given in the group financial statements of WPP plc. The group financial statements of WPP plc are available to the public and can be obtained as set out in note 18.

Impact of initial application of amendments to IFRS Standards and Interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the following amendment to IFRS Standards and Interpretations became effective:

Impact of Covid-19 Related Rent Concessions (Amendment to IFRS 16).

The Company does not consider that other standards or amendments to standards adopted during the year have a significant impact on the financial statements.

Impact of COVID-19 Related Rent Concessions

The amendment to IFRS 16, Covid-19-Related Rent Concessions, was issued by the IASB in May 2020 and is effective from 1 June 2020. It provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of Covid-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a Covid-19-related rent concession is a lease modification. The Company has elected to

1. Accounting policies (continued)

Impact of initial application of other amendments to IFRS Standards and Interpretations (continued)

apply the practical expedient. There has been no material impact to our financial statements as a result of the application of this amendment.

Amendments to References to the Conceptual Framework in IFRS Standards

The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The standard which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

IFRS9 Financial instruments

The company has adopted IFRS9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The company has elected not to restate comparatives in accordance with the transition provisions of IFRS9.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities,
2. Impairment of financial assets, and
3. General hedge accounting.

The company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 January 2018. Accordingly, the company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(a) Classification and measurement of financial assets (continued)

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;

1. Accounting policies (continued)

IFRS9 Financial instruments (continued)

- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The directors of the company have reviewed and assessed the company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had no impact on the company's financial position, profit or loss, other comprehensive income or total comprehensive income.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the company to recognise a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost; and,
2. Trade debtors and contract assets.

In particular, IFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade debtors and contract assets in certain circumstances.

The application of IFRS 9 has had no impact on the classification and measurement of the company's financial assets.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the company's financial liabilities.

Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies (continued)

Going concern

As stated in the Directors report above, the Directors have considered the financial position and the impact of Covid-19 on the company and concluded that preparing the financial statements on the going concern basis is appropriate.

The company's business activities, together with the factors likely to affect its future development, performance and position are also set out in the Directors report.

The directors do not believe that the company is exposed to any significant cash flow or liquidity risk. The company currently has sufficient cash to fund its activities. However, in the event that additional liquidity were to be required for ongoing operations and future developments, the company participates in group banking arrangements with its parent, WPP plc, and has access to a group cash management facility.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Following the updated WPP plc policy, the Cash Pooling Arrangements had recently been restructured into "zero balancing" pooling arrangements, with WPP Finance Co. Limited (WPP Finance Co) acting as the leader of these cash pools within the UK (the Zero Balancing Pooling Arrangements). All such receivables shall be short term in nature and the Company, as a participant in the cash pooling arrangements governed by the Zero Balancing Agreement, shall maintain access to its cash at all times when required, notwithstanding that such cash will be held by WPP Finance Co.

Investments

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Investments with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Impairment of investments

At each balance sheet date, the company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An investment with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1. Accounting policies (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the ultimate parent company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1. Accounting policies (continued)

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding

Dividend and interest income (continued)

and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in the income statement in the period in which they arise.

Finance costs

As explained below, where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets such as trade receivables, loans, and other receivables are recognized and derecognized on a trade date basis. Loans and receivables are measured at fair value using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

J. Walter Thompson U.K. Holdings Limited

Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies (continued)

Financial assets (continued)

The company always recognises lifetime expected credit losses for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

Lifetime expected credit loss represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month expected credit loss represents the portion of lifetime

Impairment of financial assets

expected credit loss that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilites such as trade creditors, loans, and other payables are recognized and derecognized on a trade date basis. Loans and payables are measured at fair value using the effective interest method, less any derecognition. Interest expense is recognised by applying the effective interest rate, except for short-term payables when the recognition of interest would be immaterial.

Derecognition of Financial Liabilities

In accordance with IFRS9 Financial Instruments, a financial liability of the company is only released to the income statement when the underlying legal obligation is extinguished.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

J. Walter Thompson U.K. Holdings Limited

Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies (continued)

Provisions (continued)

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, 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 relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below.

Impairment of investments

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £64,539,000 with no impairment loss recognised in 2020 or 2019.

There are no other critical accounting judgements in the financial statements.

3. Income from shares in group undertakings

The company received no income from shares in group undertakings in the financial year. In the year ended 31 December 2019 the company received a dividend of £ 53,596,000 from subsidiary undertaking Wunderman Thompson (UK) Limited in the financial year.

4. Directors' Remuneration

The directors are also executives of the Wunderman Thompson Europe, Middle East and Africa Group of companies and Wunderman Thompson (UK) Limited (formerly J. Walter Thompson Group Limited), subsidiaries of the ultimate parent company, WPP plc. The directors received remuneration from these companies during the year. It is not practicable to allocate an amount that is applicable to their services as directors of J. Walter Thompson U.K. Holdings Limited.

J. Walter Thompson U.K. Holdings Limited

Notes to the financial statements
For the year ended 31 December 2020

5. Interest receivable and similar income

	2020 £'000	2019 £'000
Interest receivable from subsidiary company	159	166
Interest receivable and similar income	159	166

6. Interest payable and similar expenses

	2020 £'000	2019 £'000
Dividends payable to preference shareholders	-	(136)
Interest payable and similar expenses	-	(136)

7. Income from disposal of interest in fixed asset investment

	2020 £'000	2019 £'000
Income from disposal of interest in fixed asset investment	-	22,355
Income from investment disposal	-	22,355

The company disposed of its interest in Kantar Media UK Limited, 26-30 Uxbridge Road, London W5 2AU, valued at £ 17,400,000, on October 23 2019. The company booked a profit of £ 22,355,000 on this disposal.

8. Profit/(loss) before taxation

The fee payable for the audit of the company's financial statements was £5,226 (2019: £5,226). This was borne by the company's main operating subsidiary undertaking, Wunderman Thompson (UK) Limited (formerly J. Walter Thompson Group Limited). No amounts for other services have been paid to the auditor in either year.

The company has no employees (2019: none).

9. Tax on profit

There was no tax charge in either year.

i) Current taxation

The UK tax rate for the year ended 31 December 2020 is 19%. The reversal of a planned reduction to 17% was enacted in 2020 and therefore the rate used for deferred tax balances for the year ended 31 December 2020 is also 19% (2019:17%).

Corporation tax payable is payable at 19% (2019: 19%) on taxable profits for the year. However, losses are available from other group companies to reduce taxable profits to nil under the group relief provisions. There is no corresponding payment by the claimant company for the losses.

The charge for the year, based on the UK standard rate of corporation tax is 19% (2019: 19%). A reconciliation of the tax charge calculated using this standard rate, and the actual charge, is shown below:

J. Walter Thompson U.K. Holdings Limited

Notes to the financial statements
For the year ended 31 December 2020

9. Tax on profit (continued)

i) Current taxation (continued)

	2020 £'000	2019 £'000
Profit /(loss) before taxation	159	75,981
Tax on profit/(loss) at standard rate of 19% (2019: 19%)	30	14,436
Factors affecting charge for the year:		
Rate change on temporary differences	-	-
Non-taxable dividends received	-	(10,183)
Prior year adjustments	-	-
Overseas tax	-	-
Expenses not deductible for tax purposes	1	283
Amounts accounted for in retained earnings	-	-
Adjustments to tax charge in respect of group relief	(31)	(4,536)
Current tax for the year	-	-

ii) Factors that may affect future tax charge

In the UK budget of 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 become effective from 1 April 2023. This change was not substantively enacted at the balance sheet date and hence has not been reflected in the measurement of deferred tax balances at the year ended 31 December 2020. This change is not expected to have a material effect on the Company's deferred tax balances.

The UK tax rate for the year ended 31 December 2020 is 19%. The reversal of a planned reduction to 17% was enacted in 2020 and therefore the rate used for deferred tax purposes for the year ended 31 December 2020 is also 19% (2019:17%).

10. Dividends on equity shares

The company paid no interim dividends to its ordinary shareholders in 2020 and 2019, and no final dividend was declared in either year.

11. Investments

	2020 £'000	2019 £'000
Cost and net book value at 1 January 2020 and 1 January 2019	47,139	64,539
Additions	-	-
Disposals	-	(17,400)
Net book value at 31 December 2020	47,139	47,139

11. Investments (continued)

Subsidiary undertakings

Details of the company's subsidiaries at 31 December 2020 are as follows. All ownership interests are in the ordinary share capital of the investee.

Name and Address	Place of incorporation (or registration) and operation	Proportion of ownership interest %	Proportion of voting power held %
Wunderman Thompson (UK) Limited Greater London House, Hampstead Road, London NW1 7QP. Principal activity : Full service Advertising Agency	United Kingdom	100	100
Mortimer Square Limited 27 Farm Street, London W1J 5RJ. Principal activity : Holding company	United Kingdom	80	80

The investments in subsidiaries are all stated at cost less provision for impairment.

The company disposed of its interest in Kantar Media UK Limited, 26-30 Uxbridge Road, London W5 2AU, valued at £ 17,400,000, on October 23 2019. The company booked a profit of £ 22,355,000 on this disposal.

12. Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Amounts owed by subsidiary undertaking	11,971	11,812
	11,971	11,812

The loan of £11,971,000 (2019: £11,812,000) remains outstanding and attracts an imputed interest charge of 1.3425% (2019: 1.4279%). There is no due date, repayment schedule or security charge on the loan.

13. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Dividends payable on preference shares	-	-
	-	-

The company has no accrued dividends payable at 31 December 2020 and 31 December 2019. Accrued dividends at 31 December 2018 amount of £140,000 was payable to the company's preference shareholder. The accrual covered the year from 1 January 2018 to 31 December 2018 and was settled by the company on 29 March 2019.

J. Walter Thompson U.K. Holdings Limited

Notes to the financial statements
For the year ended 31 December 2020

14. Creditors: amounts falling due after one year

	2020 £'000	2019 £'000
Preference Shares	-	-

	2020 £'000	2019 £'000
Preference shares consist of the following amounts:		
13,227,894 1% cumulative "C" fixed rate preference shares of £1 each	-	-
800,000 1% cumulative "D" fixed rate preference shares of £1 each	-	-
	-	-

On 20 December 2019 the company purchased at par value the 14,027,894 1% cumulative redeemable preference shares with a paid up value of £ 1 per share issued by the company from 2 June 1997 to 30 December 1998.

Preference shares issued at 31 December 2018 were accounted for as long term creditors in line with FRS 101.

15. Called-up share capital

	2020 £'000	2019 £'000
Authorised equity share capital:		
61,500,004 ordinary shares of £1 each	61,500	61,500
Called up, allotted and fully paid share capital:		
44,569,253 ordinary shares of £1 each	44,569	44,569
	44,569	44,569

16. Share premium account

	2020 £'000	2019 £'000
Premium paid on issue of ordinary shares	20,982	20,982
	20,982	20,982

17. Related party transactions

The company has taken advantage of the exemption provided by FRS 101:8(k) not to disclose the details of transactions with related parties. The company and all companies with whom related party transactions took place in the year are ultimately 100% owned by WPP plc, the consolidated financial statements of which are publicly available.

18. Controlling party

The directors regard WPP Unicorn Limited, a company incorporated in Great Britain and registered in England and Wales as the immediate parent company (registered office 27 Farm Street, London W1J 5RJ) and WPP plc, a company incorporated in Jersey (registered office Queensway House, Hilgrove Street, St Helier, Jersey JE1 1EG) as the ultimate parent company and ultimate controlling party.

The parent undertaking of the largest group, which includes the company and for which group financial statements are prepared, is WPP plc, a company incorporated in Jersey, (registered office Queensway House, Hilgrove Street, St Helier, Jersey JE1 1EG).

The parent undertaking of the smallest such group is WPP Jubilee Limited, a company incorporated in Great Britain, (registered office 27 Farm Street, London W1J 5RJ).

Copies of the group financial statements of WPP plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

Copies of the group financial statements of WPP Jubilee Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

19. Post balance sheet events

From April 2021, following an update to ultimate parent company WPP plc policy, the company's group banking arrangements with ultimate parent company WPP plc have been restructured into `zero balancing` pooling arrangements with WPP Finance Co. Limited (WPP Finance Co) acting as the leader of these cash pools within the UK (the Zero Balancing Pooling Arrangements). All such receivables shall be short term in nature and the Company, as a participant in the cash pooling arrangements governed by the Zero Balancing Agreement, shall maintain access to its cash at all times when required, notwithstanding that such cash will be held by WPP Finance Co.