

**Gain Theory Limited**  
**Report and Financial statements**  
**For the year ended 31 December 2016**

**Registered number: 01138157**



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**Gain Theory Limited**  
Company Registration No. 01138157

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## **Gain Theory Limited**

Company Registration No. 01138157

### **Officers and professional advisers**

#### **Directors**

Manjiry Tamhane  
Jon Webb  
Sandeep Vohra  
Alan Bloodworth

#### **Secretary**

S Vohra

#### **Registered Office**

3 Waterhouse Square  
138 - 142 Holborn  
London  
EC1N 2SW

#### **Bankers**

HSBC  
275 Greenwich High Road  
Greenwich  
London  
SE10 8NE

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
EC4A 3BZ

#### **Solicitors**

Squire, Sanders & Dempsey (UK) LLP  
7 Devonshire Square  
London  
EC2M 4YH

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2016. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and for the same reason a strategic report has not been prepared.

### **Review of the business**

The company is a wholly-owned subsidiary of WPP plc and operates as part of the group's network.

The principal activity of the company is the supply of econometric and specialised marketing consultancy services to large multi-national concerns.

The WPP group manages its operations on a network basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the network of WPP plc, which includes the company, is discussed in the group's Annual Report which does not form part of this Report.

As shown in the company's Income statement on page 8, the company's turnover has increased by 4.5% over the prior year, through organic growth and client wins. The company continues to recruit highly qualified staff which will secure the future of Gain Theory Ltd by being able to provide superior business outcomes for our clients. The balance sheet on page 9 of the financial statements shows that the company's financial position continues to be in a strong net asset position.

### **Future developments**

There were no significant future developments since the balance sheet date.

### **Events after the balance sheet date**

There were no significant events since the balance sheet date.

### **Going concern**

*The directors expect 2017 to be a challenging year, driven by pressure on consumer spending which in turn impacts on our clients' businesses.*

Despite this, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements, noted on page 12.

### **Financial risk management objectives and policies**

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk.

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the only financial risks the directors consider relevant to this company are interest rate risk and credit risk. Key management mitigates these risks by regular monitoring throughout the year.

The company does not manage its financial risk by the use of derivative financial instruments.

## **Gain Theory Limited**

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### **Directors' report (continued)**

#### **Financial risk management objectives and policies (continued)**

##### ***Cash flow risk***

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The company maintains foreign currency accounts and uses these accounts to mitigate its foreign currency risk.

##### ***Credit risk***

The Company's principal financial assets are bank balances and cash, trade and other debtors, and investments.

The Company's credit risk is primarily attributable to its trade debtors. 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.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### ***Liquidity risk***

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

##### **Dividends**

The directors do not recommend payment of a final dividend (2015: £nil).

##### **Directors**

The directors, who served throughout the year except as noted, were as follows:

Manjiry Tamhane  
Jon Webb  
Sandeep Vohra  
Alan Bloodworth

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

##### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

##### **Employee consultation**

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the company website.

## Gain Theory Limited

Company Registration No. 01138157

### Directors' report (continued)

#### 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 s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

 25/8/17

M Tamhane  
Director

3 Waterhouse Square, 138 -142 Holborn, London EC1N 2SW

## **Gain Theory Limited**

Company Registration No. 01138157

### **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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions 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.

## **Independent auditor's report to the members of Gain Theory Limited**

Company Registration No. 01138157

We have audited the financial statements of Gain Theory Limited for the year ended 31 December 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion 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.



## **Independent auditor's report to the members of Gain Theory Limited (continued)**

Company Registration No. 01138157

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.
- The directors were not entitled to take advantage of the small companies exemption in preparing the Director's Report or from the requirement to prepare the Strategic Report



Anthony Morris (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

25 August 2017

## Gain Theory Limited

Company Registration No. 01138157

### Income statement

Year ended 31 December 2016

	Note	Total 2016 £'000	Total 2015 £'000
Turnover	3	4,781	4,576
Administrative expenses		(4,791)	(4,780)
Other operating income		41	41
<b>Profit/(Loss) before taxation</b>	<b>4</b>	<b>31</b>	<b>(163)</b>
Tax	8	-	-
<b>Profit/(Loss) for the financial year</b>		<b>31</b>	<b>(163)</b>

The results for 2016 and 2015 were derived from continuing operations.

There are no recognised gains or losses other than the profit above in either year and therefore no separate statement of other comprehensive income has been presented.

## Gain Theory Limited

Company Registration No. 01138157

### Balance sheet

For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Tangible assets	9	278	416
		<u>278</u>	<u>416</u>
<b>Current assets</b>			
Work in progress	10	377	398
Trade and other receivables	11	646	970
Cash at bank and in hand		1,619	1,973
		<u>2,642</u>	<u>3,341</u>
<b>Current liabilities (Trade and Other Payables)</b>	12	<u>(1,984)</u>	<u>(2,852)</u>
<b>Net current assets</b>		<u>658</u>	<u>489</u>
<b>Total assets less current liabilities</b>		<u>936</u>	<u>905</u>
<b>Net assets</b>		<u>936</u>	<u>905</u>
<b>Equity</b>			
Share capital	13	203	203
Retained earnings		<u>733</u>	<u>702</u>
<b>Equity attributable to owners of the Company</b>		<u>936</u>	<u>905</u>

The financial statements of Gain Theory Limited (registered number 01138157) were approved by the board of directors and authorised for issue on

They were signed on its behalf by

 25/8/17

M Tamhane

Director

**Gain Theory Limited**  
Company Registration No. 01138157

**Statement of changes in equity**  
For the year ended 31 December 2016

	Share capital £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 January 2015</b>	203	865	1,068
Loss for the period	-	(163)	(163)
<b>Total comprehensive income for the period</b>	-	(163)	(163)
<b>Balance at 31 December 2015</b>	203	702	905
Profit for the period	-	31	31
<b>Total comprehensive income for the period</b>	-	31	31
<b>Balance at 31 December 2016</b>	203	733	936

## **Notes to the financial statements**

### **For the year ended 31 December 2016**

#### **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**

Gain Theory Limited is a company incorporated in the United Kingdom under the Companies Act 2006. It is a private company limited by shares and domiciled in the UK. 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 2.

The Company meets the definition of a qualifying entity under FRS 100 (Application of Financial Reporting Requirements) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. 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 accounts of WPP plc. The group accounts of WPP plc are available to the public and can be obtained as set out in note 18. The registered office address of the parent company preparing consolidated accounts is 27 Farm Street, London, W1J 5RJ, UK.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, 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 and related party transactions. Where required, equivalent disclosures are given in the group accounts of WPP plc.

The Company has adopted the amendments to IAS 1 Disclosure Initiative for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

The adoption of these amendments has not resulted in any impact on the financial performance or financial position of the Company.

The Company has adopted the amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation for the first time in the current year. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expressed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

## **Gain Theory Limited**

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### **Notes to the financial statements**

For the year ended 31 December 2016

As the Company already uses the straight-line method for depreciation and amortisation for its property, plant and equipment and intangible assets, respectively, the adoption of these amendments has had no impact on the Company's financial statements.

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors' report also describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The company meets its day-to-day working capital requirements through participating in group banking arrangements with WPP plc and has access to a group cash management facility.

The directors, having assessed the responses of the directors of the company's parent to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the WPP group to continue as a going concern or its ability to continue with the current banking arrangements.

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.

#### **Tangible fixed assets and depreciation**

Fixed assets are shown at cost less accumulated depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold property	16.67% to 33.33% on straight line basis
Computer equipment	33.33% on a straight line basis
Fixtures, fittings and equipment	25% on a straight line basis

#### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

#### **Pension costs**

Pension costs represent contributions made to defined contribution personal pension schemes on behalf of certain directors and employees of the company.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## **Gain Theory Limited**

Company Registration No. 01138157

### **Notes to the financial statements**

**For the year ended 31 December 2016**

Accounting policies (continued)

#### **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 or, if appropriate, at the forward contract rate.

#### **Turnover**

Turnover represents income recognised in respect of services provided during the year excluding value added tax.

Services provided but which had not been billed at the balance sheet date have been recognised as revenue. Revenue recognition in this manner is based on an assessment of the fair value of the services provided at the balance sheet date where there exists an agreed right to receive consideration for work undertaken. Accrued income is included in the financial statements as a current asset.

Services which have been invoiced at the balance sheet date but not yet provided have not been recognised as revenue. Deferred income is included in the financial statements as a liability.

#### **Taxation**

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.

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 goodwill or from the initial recognition (other than in a business combination) 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.

## Gain Theory Limited

Company Registration No. 01138157

### Notes to the financial statements

For the year ended 31 December 2016

#### 1. Accounting policies (continued)

##### Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, 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.

##### **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.

#### 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 (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 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.

##### ***Critical judgements in applying the Company's accounting policies***

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

The most significant areas where such judgements and estimation uncertainty apply are as follows:

##### **(i) Bad debt provision**

The Company measures the bad debt provision at the Directors' best estimate of the amounts recoverable from clients at the reporting date. These estimates are made taking account of information available and different possible outcomes, and are subject to period review.

There are no key sources of estimation uncertainty.



## Gain Theory Limited

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### Notes to the financial statements

For the year ended 31 December 2016

#### 3. Turnover

	2016 £'000	2015 £'000
Geographical market		
UK	2,168	3,212
Europe	899	416
Rest of the World	1,714	948
	<u>4,781</u>	<u>4,576</u>

The turnover and profit before taxation for the year is attributable to the principal activity of the company, which is that of providing econometric and specialised marketing consultancy services to large multi-national concerns.

#### 4. Profit/ (loss) before taxation

Profit/ (loss) before taxation is stated after charging:

	2016 £'000	2015 £'000
Depreciation of tangible fixed assets	155	152
Staff Costs	3,283	3,061
Operating lease expense	279	279
Exchange gain/(loss)	161	56
	<u>3,878</u>	<u>3,548</u>

#### 5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £12,323 (2015: £11,725).

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

## Gain Theory Limited

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### Notes to the financial statements

For the year ended 31 December 2016

#### 6. Staff costs

The average monthly number of employees (including executive directors) was:

	2016 Number	2015 Number
Production	62	59
	<u>62</u>	<u>59</u>

Their aggregate remuneration comprised:

	2016 £'000	2015 £'000
Wages and salaries	2,799	2,650
Social security costs	372	316
Other pension costs (see note 15)	112	95
	<u>3,283</u>	<u>3,061</u>

There were no share based payment charges in the year

#### 7. Director's Emoluments

	2016 £'000	2015 £'000
Emoluments	627	535
Pension Contributions	55	48
	<u>682</u>	<u>583</u>
Remuneration of the highest paid director:	£'000	£'000
Emoluments	256	227

#### 8. Tax on profit/ (loss)

The tax charge for the year is £nil (2015: £nil). The charge for the year can be reconciled to the profit in the Income statement as follows:

	2016 £'000	2015 £'000
Profit/(loss) before Tax	31	(163)
Tax on profit/ (loss) at standard UK Corporation Tax rate of 20% (2015: 20.25%)	6	-
Group relief claimed for nil consideration	(6)	-
	<u>-</u>	<u>-</u>
Total tax charge for period	-	-

**Notes to the financial statements**  
For the year ended 31 December 2016

**9. Tangible fixed assets**

	Short Leasehold property £'000	Computer Equipment £'000	Furniture fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2016	107	413	549	1,069
Additions	-	16	-	16
At 31 December 2016	107	429	549	1,085
<b>Depreciation</b>				
At 1 January 2016	39	346	267	652
Charge for the year	26	49	80	155
At 31 December 2016	65	395	347	807
<b>Net book value</b>				
At 31 December 2016	42	34	202	278
At 31 December 2015	68	66	282	416

**10. Work in progress**

	2016 £'000	2015 £'000
Work completed, to be invoiced	377	398

**11. Trade and other receivables**

	2016 £'000	2015 £'000
Trade debtors	209	830
Amounts owed by fellow group undertakings	334	34
Prepayments and accrued income	97	99
Other debtors	6	7
	646	970

All amounts owed to and from group undertakings are repayable on demand and do not accrue interest.

## Gain Theory Limited

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### Notes to the financial statements

For the year ended 31 December 2016

#### 12. Trade and other liabilities

	2016 £'000	2015 £'000
Trade creditors	21	175
Amounts owed to group undertakings	48	962
Other taxation and social security	209	230
Accruals	1,154	861
Deferred income	552	624
	<u>1,984</u>	<u>2,852</u>

All amounts owed to and from group undertakings are repayable on demand and do not accrue interest.

#### 13. Share capital

	2016 £'000	2015 £'000
Authorised, allotted, called-up and fully-paid 203,000 Ordinary shares of £1 each	<u>203</u>	<u>203</u>

#### 14. Financial commitments

At the balance sheet date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, relating to properties, which fall due as follows:

	2016 £'000	2015 £'000
Within one year	280	280
Within two to five years	813	1,094
After five years	-	-
	<u>1,093</u>	<u>1,374</u>

#### 15. Retirement benefit schemes

##### Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all 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 income of £111,927 (2015: £95,397) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. There were no pension amounts prepaid or accrued as at 31 December 2016 (2015: £nil).

The number of directors to whom retirement benefits are accruing in respect of money purchase schemes are 3, (2015: 3)

## **Gain Theory Limited**

Company Registration No. 01138157

### **Notes to the financial statements**

For the year ended 31 December 2016

#### **16. Financial guarantees**

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

#### **17. Related parties**

The company is a wholly-owned subsidiary and therefore, in accordance with IFRS 24, is exempt from the disclosure of information regarding related party transactions with its parent company and fellow wholly-owned subsidiary undertakings. Details of the ultimate parent company are shown in note 18.

#### **18. Ultimate parent company and controlling party**

The directors regard WPP Group Holdings Limited, a company incorporated in England and Wales, as the immediate parent company and WPP plc, a company incorporated in Jersey, as the ultimate parent company and the ultimate controlling party.

At the year end the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is WPP plc, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, registered in Jersey. The parent undertaking of the smallest such group is WPP Jubilee Limited, 27 Farm Street, London, W1J 5RJ, registered in England and Wales.

Copies of the financial statements of WPP plc are available at [www.wppinvestor.com](http://www.wppinvestor.com). Copies of the financial statements of WPP Jubilee Limited can be obtained from 27 Farm Street, London, W1J 5RJ, UK.