Company Registration No. 01493471

Metro Broadcast Limited

Report and Financial Statements

For the year ended 31 December 2017

Metro Broadcast Limited
Company Registration No. 01493471

Report and financial statements 2017

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Officers and professional advisers

Directors

T J Askin
M E Metcalfe
E Rice
J R Sheehan
J G Tilleray
M J Hearn
B J Paton
L A Mellman
A C Goddard

Company Secretary

M J Hearn

Registered Office

6 Camberwell New Road
London
SE5 0TA

Bankers

HSBC Bank plc
22 Stamford Street
London
SE1 9LJ

Solicitors

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH

Mishcon de Reya LLP
Africa House
70 Kingsway
London WC2B 6AH

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Metro Broadcast Limited
Company Registration No. 01493471

Strategic report

The purpose of the Strategic report is to inform members of the company and help them assess how the directors have performed their duty under section 172 (duty to promote success of the company). In preparing a Strategic report the directors have complied with s414 of the Companies Act 2006.

Business review

Metro Broadcast Limited's turnover for the year was £14,025,326 (2016: £12,095,865) an increase of 16% over 2016 with significant growth recorded in both the London and Edinburgh offices.

The business continued to trade profitably in 2017 with the company's profit on ordinary activities before tax being £1,060,961 (2016: £972,111). The company was in a net asset position of £8,269,867 at year end (2016: £6,988,758) with the increase principally reflecting the net impact of the recognition of the deferred tax asset, the profit for the year less the £1,495,758 dividend paid in the year.

A deferred tax asset of £1,683,570 (2016: £nil) has been recognised in respect of capital allowances in excess of depreciation as it is probable that there will be sufficient taxable profits against which the asset will reverse in the future. This deferred tax asset has not been recognised in previous years.

WPP plc 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 company's principal activity continues to be live event production and the provision of outsourced audio-visual technicians at client sites and event venues.

Future prospects

The directors expect a similar level of activity in the forthcoming year.

Principal risks and uncertainties facing the company

Principal risks and uncertainties include the loss of key clients and staff and the failure to adhere to relevant health and safety practices relating to the business; the directors recognise the importance of these factors and manage the business accordingly to mitigate these risks, ensuring that strong client relationships are maintained and that key employees are retained.

The company's health and safety policies and staff qualifications in this field are constantly reviewed to ensure adherence with best practice.

Price and employee retention risk

The company competes for clients in a highly competitive field which may result in reduced prices and decreased profits, there is also pressure on client budgets due to external economic factors. The company manages this risk by providing a high quality service to differentiate it from competitors and by providing added value services to its clients and by maintaining strong client relationships. The company recruits and seeks to retain the most talented people by supporting them to expand their skills and capabilities.

Future developments

The directors will manage the business to achieve the financial targets set out in the 3-year strategic plan submitted to parent company WPP plc in April 2018 and to enhance the skills and reputation of the company.

The company is well-placed to deliver against its strategic targets; the directors have agreed a budget for 2018 which lays the foundation for achievement of these targets.

Signed on behalf of the directors:

MJ Hearn
Finance Director

Approved by the directors on 24 SEPT 2018.

Metro Broadcast Limited
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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

Principal activity

The company's principal activity is live event production, and the provision of outsourced audio-visual technicians at client sites and event venues.

Business review, results and dividends

Metro Broadcast Limited's turnover for the year was £14,025,326 (2016: £12,095,865) an increase of 16% over 2016 with significant growth recorded in both the London and Edinburgh offices. The business continued to trade profitably in 2017 with the company's profit on ordinary activities before tax being £1,060,961 (2016: £972,111), an increase of 9% versus 2016..

No final dividend for the year has been proposed (2016: 44.1p per ordinary share).

The results for the year ended 31 December 2017 are set out on pages 8 to 20.

Future prospects

The directors expect a similar level of activity in the forthcoming year.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks that potentially could have a material impact on the company's long term performance, these risks are assessed and managed as detailed below:

Credit risk

The company's principal financial assets are bank balances, trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. 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 mitigates the risk of bad debts by carefully assessing potential clients, monitoring and follow up of overdue receivables, and withholding deliverables pending payment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Downturn in economy

External economic factors such as a downturn in the economy could affect the company through a reduction in client expenditure and hence restricted budgets; the company mitigates this risk by concentrating its business with large corporate clients better able to withstand such a downturn.

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 was required for ongoing operations and future developments, the company participates in in group banking arrangements with its parent WPP plc, and has access to a group cash management facility.

Directors' report (continued)

Going concern

At 31 December 2017 the company held cash of £5.8 million, net assets of £8.3 million and continues to trade profitably. The directors have considered the company's forecast and budgets and products and markets for a period of at least 12 months from the date of signing these financial statements. After making these enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served during the year and subsequently were as follows:

T J Askin
M E Metcalfe
E Rice
J R Sheehan
J G Tilleray
M J Hearn
B J Paton
L A Mellman
A C Goddard

Directors' indemnities

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.

Statement on information given to the 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.

Auditor

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:

M J Hearn
Finance Director

24 SEPT 2018

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 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 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 Metro Broadcast Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Metro Broadcast Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 21.

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
We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation

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Independent auditor's report to the members of Metro Broadcast Limited (continued)

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

....
Jon Young (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

London, UK

Date: 24 September 2018

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Profit and loss account
Year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	1, 3	14,025,326	12,095,865
Cost of sales		(11,420,182)	(9,718,788)
Gross profit		2,605,144	2,377,077
Other operating expenses	4	(1,614,136)	(1,462,941)
Other operating income	5	61,628	56,003
Operating profit		1,052,636	970,139
Profit on sale of fixed assets		8,325	1,333
Interest receivable and similar income	6	-	639
Profit before taxation	7	1,060,961	972,111
Tax on profit	9	1,683,570	-
Profit after taxation for the financial year	17	2,744,531	972,111

All the activities of the Company are continuing.

The company has no recognised gains and losses in either year other than the profit for that year. Consequently no statement of total recognised gains and losses is presented.

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

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Balance Sheet
As at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Deferred tax asset	11	1,683,570	-
Property, plant & equipment	12	1,070,413	1,127,009
		2,753,983	1,127,009
Current assets			
Debtors	13	1,807,173	1,970,082
Stocks		87,600	88,700
Work in progress		95,518	56,510
Cash at bank and in hand		5,786,080	6,178,712
		7,776,371	8,294,004
Creditors: Amounts falling due within one year	14	(2,110,487)	(2,285,655)
Net current assets		5,665,884	6,008,349
Total assets less current liabilities		8,419,867	7,135,358
Creditors: Amounts falling due after more than one year			
Provisions for liabilities	15	(150,000)	(146,600)
Net assets		8,269,867	6,988,758
Capital and reserves			
Called up share capital	16	3,393,002	3,393,002
Share premium account	17	2,099,998	2,099,998
Profit and loss account	17	2,776,867	1,495,758
Shareholders' funds	18	8,269,867	6,988,758

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

The financial statements of Metro Broadcast Limited, registered number 01493471 were approved by the Board of Directors on 24 SEPT 2018.

Signed on behalf of the Board of Directors:

M J Hearn
Finance Director

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Statement of changes in equity
For the year ended 31 December 2017

2016:	Share capital £	Share premium £	Retained earnings £	Total £
Balance at 1 January 2016	3,393,002	2,099,998	1,170,097	6,663,097
Profit for the year ended 31 December 2016	-	-	972,111	972,111
Total comprehensive income for the year	-	-	972,111	972,111
Dividend paid	-	-	(675,000)	(675,000)
Capital contribution for share-based payments	-	-	28,550	28,550
Balance at 31 December 2016	3,393,002	2,099,998	1,495,758	6,988,758

2017:	Share capital £	Share premium £	Retained earnings £	Total £
Balance at 1 January 2017	3,393,002	2,099,998	1,495,758	6,988,758
Profit for the year ended 31 December 2017	-	-	2,744,531	2,744,531
Total comprehensive income for the year	-	-	2,744,531	2,744,531
Dividend paid	-	-	(1,495,758)	(1,495,758)
Capital contribution for share-based payments	-	-	32,336	32,336
Balance at 31 December 2017	3,393,002	2,099,998	2,776,867	8,269,867

1. Significant accounting policies

Metro Broadcast Limited (the Company) is a private company limited by shares incorporated in Great Britain and registered in England and Wales under the Companies Act. The Company's principal activity is live event production, and the provision of outsourced audio-visual technicians at client sites and event venues.

The directors regard the immediate parent company to be WPP Toronto Limited, a company incorporated in Great Britain and registered in England and Wales. The directors regard WPP plc, a company registered in Jersey, as the ultimate parent company and the ultimate controlling party.

The group financial statements of WPP plc are available to the public and can be obtained as set out in note 21.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year ended 31 December 2017.

Basis of preparation

The financial statements are presented in Sterling (£) and have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards not yet effective, related party transactions, share based payments and financial instruments. Where required, the equivalent disclosures are given in the group financial statements of WPP plc whose consolidated financial statements include those of the Company and are publicly available and can be obtained as set out in note 21.

The financial statements have been prepared under the historical cost convention.

Going concern

A going concern discussion is given in the Directors' report. The Directors have reviewed the outlook for the company and have concluded that the company will remain a going concern for a period of 12 months from the date of signing of these financial statements.

Adoption of New and Revised Standards

There are no IFRS or IFRIC interpretations that are effective for the first time this financial year which have a material impact on the Company.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment. At each balance sheet date, the Company reviews the carrying amounts of its tangible fixed assets 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).

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Leasehold improvements	Over length of lease
Fixtures and fittings	3-5 years
Plant and machinery	3-5 years

Stocks

Stocks are stated at the lower of cost or net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to its present location and condition. Net realisable value is based on estimated normal invoice value less further costs expected to be incurred to completion and disposal. Provision is made for obsolete or impaired items where appropriate.

Work in progress

Work-in-progress is valued at cost. Cost includes outlays incurred on behalf of clients on incomplete assignments

Debtors

Debtors are stated net of a provision for bad and doubtful debts.

Trade Creditors

Trade creditors are not interest bearing and are stated at their nominal value.

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts of goods and services in the normal course of business). Turnover is recognised when the service is performed in accordance with the terms of the contractual arrangement.

Pension costs

The company provides contributions to employees' personal money purchase pension schemes. The amount charged to the profit and loss account 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.

Leased assets

Annual rentals from operating leases are charged to the profit and loss account on a straight-line basis over the lease term Income from property sub-leases is recognised on a straight line basis over the length of the lease term.

Other Operating Income [Sub-lease income]

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Interest Income

Any interest income is recognised in the profit and loss statement in the period in which it is received.

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Notes to the financial statements (continued)
Year ended 31 December 2017

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. The following are the estimations that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are reviewed on an ongoing basis and at the end of each reporting period. During the current year, the director determined that there should be no changes in the useful lives of property, plant and equipment.

Dilapidations Provisions

These are based on estimates of the likely future cost of the dilapidation works and are reviewed on an ongoing basis at the end of each reporting period.

3. Segmental information

Turnover principally arises in the UK and is derived from the company's principal activity.

4. Other operating expenses

	2017	2016
	£	£
Selling and marketing costs	296,103	266,535
Administrative expenses	1,318,032	1,196,406
	1,614,135	1,462,941

5. Other operating income

	2017	2016
	£	£
Rental income from sub-leases at Head Office building	61,628	56,003

6. Net interest receivable

	2017	2016
	£	£
Other interest receivable and similar income	-	639
Other interest payable and similar charges	-	-
	-	639

Notes to the financial statements (continued)
Year ended 31 December 2017

7. Profit on ordinary activities before taxation

	2017 £	2016 £
Is stated after charging		
Staff costs (see note 8)	3,643,412	3,462,958
Depreciation of tangible fixed assets		
- owned	656,747	706,697
Operating lease rentals		
- motor vehicles	5,697	3,932
- land and buildings	359,584	287,515
- plant and equipment	7,237	6,597
Auditor remuneration		
- Fees payable to the company's auditor for the audit of the company's annual financial statements	29,344	29,200

There were no non audit fees payable to the company's auditor (2016:£nil).

8. Staff costs

Employee costs (including executive directors) during the year amounted to:

	2017 £	2016 £
Wages and salaries	3,190,855	3,053,791
Social security costs	356,812	322,430
Other pension costs	63,409	58,187
Capital contribution costs re WPP plc share options	32,336	28,550
	3,643,412	3,462,958

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

	2017	2016
Technical	84	68
Sales and marketing	5	5
Administration	7	7
	96	80

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Notes to the financial statements (continued)
Year ended 31 December 2017

Directors' remuneration

L A Mellman and A C Goddard are remunerated by other WPP group entities. The emoluments incurred by Metro Broadcast Limited are as follows:

	2017 £	2016 £
Emoluments	685,096	640,810
Company contributions to money purchase schemes	43,189	42,481
	728,285	683,291

Pensions

The number of directors who were members of pension schemes was as follows:

	2017	2016
Money purchase schemes	7	7

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director.

	2017 £	2016 £
Emoluments and long-term incentive schemes	158,332	146,492
Company contribution to money purchase schemes	11,000	10,917
	169,332	157,409

9. **Tax on profit on ordinary activities**

The UK corporation tax on the profit for the year at 19.25% (2016: 20%) is £(1,683,570) (2016: £nil). The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax. The differences are explained below:

	2017 £	2016 £
Profit before tax	1,060,961	972,111
Tax at 19.25% (2016: 20%)	204,235	194,422
Factors affecting charge for the year		
Depreciation in excess of capital allowances	(1,563,562)	124,472
Expenses not deductible for tax purposes/other adjustments	16,397	24,436
Group relief claim for nil consideration	(340,640)	(343,330)
Total tax charge / (credit) for the year	(1,683,570)	-

A deferred tax asset of £1,683,570 (2016: £nil) has been recognised in respect of capital allowances in excess of depreciation as it is probable, based on the company's recent profitable trading history and the 3-year strategic plan submitted to parent company WPP plc in April 2018, that there will be sufficient taxable profits against which the asset will reverse in the future. This deferred tax asset has not been recognised in previous years as its recovery was not certain; it was considered unlikely that there would be sufficient taxable profits against which the asset would reverse in the foreseeable future.There is no unrecognised Deferred Tax Asset in the 2017 financial statements (2016: £1,579,005).

Factors that may affect future tax charge

Budget announcements

On 1 April 2017 the main rate of UK corporation tax was reduced to 19% from 20% resulting in a blended tax rate for the year ended 31 December 2017 of 19.25%. During the year ended 31 December 2016 the UK Government enacted legislation to further reduce the main rate of UK corporation tax to 17% with effect from 1 April 2020. The impact of the future rate reductions have been used to measure deferred tax assets and liabilities where applicable.

10. Dividends on equity shares

	2017 £	2016 £
Proposed final dividend for the year ended 31 December 2017 of nil (2016: 44.1p) per ordinary share	-	1,495,758

The final dividend for 2016 was approved by the Directors on 30 November 2017 and paid on 1 December 2017.

11. Deferred tax asset

	2017 £	2016 £
Deferred Tax Asset – see Note 9	1,683,570	-

A deferred tax asset of £1,683,570 (2016: £nil) has been recognised in respect of capital allowances in excess of depreciation as it is probable, based on the company's recent profitable trading history and the 3-year strategic plan submitted to parent company WPP plc in April 2018, that there will be sufficient taxable profits against which the asset will reverse in the future. There is no unrecognised Deferred Tax Asset in the 2017 financial statements (2016: £1,579,005).

Notes to the financial statements (continued)
Year ended 31 December 2017

12. Property, plant & equipment

	Improvements to leasehold buildings	Fixtures and fittings	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 January 2017	382,294	828,056	5,439,162	6,649,512
Additions	1,977	7,365	599,809	609,151
Disposals	-	-	(303,370)	(303,370)
At 31 December 2017	384,271	835,421	5,735,601	6,955,293
Accumulated depreciation				
At 1 January 2017	347,590	794,370	4,380,543	5,522,503
Charge for the year	33,331	11,398	612,018	656,747
Disposals	-	-	(294,370)	(294,370)
At 31 December 2017	380,921	805,768	4,698,191	5,884,880
Net book value				
At 31 December 2017	3,350	29,653	1,037,410	1,070,413
At 31 December 2016	34,704	33,686	1,058,619	1,127,009

13. Debtors: amounts falling due within one year

	2017	2016
	£	£
Trade debtors	1,371,275	1,584,049
Amounts owned by group undertakings	5,081	7,032
Other debtors	167,680	138,971
Prepayments and accrued income	263,137	240,030
	1,807,173	1,970,082

14. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	705,277	531,406
Amounts owed to group undertakings	56,380	112,147
Taxation and social security	346,054	353,983
Accruals and deferred income	1,002,776	1,288,119
	2,110,487	2,285,655

Notes to the financial statements (continued)
Year ended 31 December 2017

15. Provisions for liabilities

	Dilapidation provision £
Balance at 1 January 2017	146,600
Utilised	-
Charged	3,400
Balance at 31 December 2017	150,000

The balance relates to dilapidation provisions for the lease of the London premises occupied in August 2012 expiring in 2020 and the Edinburgh premises occupied in 2012 and expiring in 2022 and these are based on estimates of the likely future cost of the dilapidation works.

16. Called up share capital

	2017 £	2016 £
Authorised		
4,000,000 (2016: 4,000,000) £1 ordinary shares	4,000,000	4,000,000
Allotted, called-up and fully-paid		
3,393,002 (2016: 3,393,002) £1 ordinary shares	3,393,002	3,393,002

17. Reserves

	Share premium account £	Profit and loss account £	Total £
Balance at 1 January 2017	2,099,998	1,495,758	3,595,756
Capital contribution from parent company	-	32,336	32,336
Profit for the financial year	-	2,744,531	2,744,531
Dividend paid on equity shares	-	(1,495,758)	(1,495,758)
Balance at 31 December 2017	2,099,998	2,776,867	4,876,865

The capital contribution relates to Director and Senior Management Short Term Incentive Plan amounts paid by and not recharged by WPP plc on behalf of the company.

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Notes to the financial statements (continued)
Year ended 31 December 2017

18. Reconciliation of movements in shareholders' funds

	2017 £	2016 £
Profit for the financial year	2,744,531	972,111
Dividend paid on equity shares	(1,495,758)	(675,000)
Capital contribution	32,336	28,550
Opening shareholders' funds	6,988,758	6,663,097
Closing shareholders' funds	8,269,867	6,988,758

19. Financial commitments

Capital commitments

There was £nil of contracted capital commitments at the year end (2016: £nil). The minimum lease payments due under operating leases are as follows:

2017	Property £	Motor vehicles £	Plant and equipment £
- within one year	335,717	2,028	7,554
- within two to five years	573,660	-	22,752
- after five years	-	-	5,214
	909,377	2,028	35,520

2016	Property £	Motor vehicles £	Plant and equipment £
- within one year	187,564	5,897	6,750
- within two to five years	160,000	2,028	22,347
- after five years	1,644	-	-
	349,208	7,925	29,097

Pension arrangements

The company provides contributions to employees' personal money purchase pension schemes. Employees' contributions are calculated at varying percentages of gross wages of individuals, as determined by the company and statutory requirements. The amount charged in the profit and loss account during the year was £63,409 (2016: £58,187) for the company.

Notes to the financial statements (continued)
Year ended 31 December 2017

Financial guarantees

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

20. Related party transactions

During the year the company employed Martin Leberl, the husband of M E Metcalfe (Director), as a consultant freelancer for which payment of £35,402 (2016: £40,324) was made, net of VAT. The transaction was conducted at arm's length.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions. Where required, equivalent disclosures are given in the group financial statements of WPP plc, which are publicly available.

21. Ultimate parent company and controlling party

The directors regard the immediate parent company to be WPP Toronto Limited, a company incorporated in Great Britain and registered in England and Wales at 27 Farm Street, London W1J 5RJ. The directors regard WPP plc, a company registered in Jersey at Queensway House, Hilgrove Street, St Helier, JE1 1ES, 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, registered in Jersey.

The parent undertaking of the smallest such group is Lexington International B V, registered in the Netherlands at Laan op Zuid 167, 3072 DB, Rotterdam.

Copies of the financial statements of WPP plc are available at www.wppinvestor.com.

Copies of the financial statements of Lexington International B V can be obtained from Laan op Zuid 167, 3072 DB, Rotterdam, Netherlands or 27 Farm Street, London, W1J 5RJ, UK.