Company Registration No. 2956243

The Finsbury Group Limited

Report and Financial Statements

31 December 2016

The Finsbury Group Limited

Annual report and financial statements 2016

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Annual report and financial statements 2016

Officers and professional advisers

Directors

R Rudd
R Younger
J Murgatroyd
R Head
F Birch

Company Secretary

WPP Group (Nominees) Ltd

Registered Office

Tenter House
45 Moorfields
London EC2Y 9AE
United Kingdom

Bankers

HSBC Bank plc
The Helicon
2 South Place
London EC2M 2UP
United Kingdom

Solicitors

Squire Sanders (UK) LLP
7 Devonshire Square
London
EC2M 4YH
United Kingdom

Auditor

Deloitte LLP
London
United Kingdom

The Finsbury Group Limited

Strategic report

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

The Company is a financial communications firm with three principal areas of operation – financial public relations, investor relations and regulatory affairs. There have not been any significant changes in the Company's principal activities in the year under review.

The profit after taxation for the year is £8,902,722 (2015: £9,589,887). Turnover for the year ended 31 December 2016 was £33,033,441 (2015: £34,652,418). The net assets at 31 December 2016 were £15,245,267 (2015: £14,640,238).

Key performance indicators

The Company's revenue decreased by 4.7% in the year compared to an increase of 15.2% in 2015. This is primarily the result of higher project fees in 2015 and the impact of Brexit on the market in 2016. The Company continued to grow its business in non-core geographies and, also in line with one of the Company's strategic aims, from clients looking to benefit from and leverage The Finsbury Group Limited's global offering and expertise.

Operating profit for the year is reported at £8,902,710 down 7.1% on 2015. This is a function of decreased turnover as above.

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to be:

- competition;
- level of financial market activity;
- risks arising from current credit arrangements (including the availability of insurance) with clients;
- a dependency on key staff, suppliers and clients; and
- uncertainties posed by the potential impact of the economic outlook on business activities.

The Company has considerable financial resources together with contracts with a number of clients and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Future developments

The directors expect the general level of activity to remain consistent with 2016 in the forthcoming year. Recovering markets should help boost project spend through the year but this is expected to be tempered by increasing scrutiny on new and existing fees by increasingly procurement-savvy clients. The full impact of Brexit is still to be determined.

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

R Rudd
Director
19 September 2017

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016. Information in relation to the future developments and financial risks and their management is included in the Strategic Report, as permitted by section 414 C (11) of the Companies Act 2006.

Financial risk management

The Company does not use derivatives to manage its financial risks. 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 risk the directors consider significant to this Company is credit risk. This risk is mitigated by the Company's credit controls policies.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources taking into account the available cash to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 2.

Dividends

A dividend payment of £10,000,000 was approved and paid by the Board for the year 2016 (2015: £9,000,000).

Directors

The directors who served throughout the year and up to the date of signing, except as quoted were:

R Rudd
R Younger
J Murgatroyd
R Chisholm (resigned 15 July 2016)
R Head
F Birch
W Tanner (resigned 15 July 2016)

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.

Disclosure of information to auditor

Each of the persons who is a director at the date of the 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.

The Finsbury Group Limited

Directors' report (continued)

Events after the balance sheet date

There were no significant events since the balance sheet date.

Auditor

A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

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

R Rudd
Director
19 September 2017

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 FRS101 "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; 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.

Independent auditor's report to the members of The Finsbury Group Limited

We have audited the financial statements of The Finsbury Group Limited for the year ended 31 December 2016 which comprise the Profit and Loss account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20 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 FRS101 "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 matter 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 and the Directors' Report.

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.

Helen Burridge

Helen Burridge (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20 September 2017

The Finsbury Group Limited

Profit and loss account
For the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	4	33,033,441	34,652,418
Cost of sales		(1,635,451)	(2,509,499)
Gross profit		31,397,990	32,142,919
Administrative expenses		(22,495,280)	(22,557,698)
Operating profit		8,902,710	9,585,221
Net finance income	8	12	4,666
Profit before taxation		8,902,722	9,589,887
Tax on profit	9	-	-
Profit after taxation	10	8,902,722	9,589,887

Results are derived from continuing operations.

There are no other recognised gains and losses for the current and prior years other than those presented above. Accordingly no separate statement of comprehensive income is presented.

The Finsbury Group Limited

Balance sheet
As at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	56,197	93,101
Fixed asset investments	12	100	100
		56,297	93,201
Current assets			
Work in progress		512,465	420,184
Debtors	13	7,759,465	13,876,474
Cash at bank and in hand		16,900,276	10,861,067
		25,172,206	25,157,725
Creditors: amounts falling due within one year	14	(9,983,236)	(10,610,688)
Net current assets		15,188,970	14,547,037
Total assets less current liabilities		15,245,267	14,640,238
Net assets		15,245,267	14,640,238
Capital and reserves			
Called up share capital	16	36,603	36,603
Profit and loss account		15,208,664	14,603,635
Shareholders' funds		15,245,267	14,640,238

The financial statements of The Finsbury Group Limited (registered number 2956243) were approved by the Board of Directors and authorised for issue on 19 September 2017.

Signed on behalf of the Board of Directors

R Rudd
Director

The Finsbury Group Limited

Statement of changes in equity
As at 31 December 2016

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2015	36,603	12,328,710	12,365,313
Profit and total comprehensive income for the period	-	9,589,887	9,589,887
Issue of share capital	-	-	-
Dividends	-	(9,000,000)	(9,000,000)
Capital contribution for equity-settled share based payments	-	1,685,038	1,685,038
Balance at 31 December 2015	36,603	14,603,635	14,640,238
Profit and total comprehensive income for the period	-	8,902,722	8,902,722
Issue of share capital	-	-	-
Dividends	-	(10,000,000)	(10,000,000)
Capital contribution for equity-settled share based payments	-	1,702,307	1,702,307
Balance at 31 December 2016	36,603	15,208,664	15,245,267

Notes to the financial statements
Year ended 31 December 2016

1. General information

The Finsbury Group Limited is incorporated in the United Kingdom under the Companies Act 2006.

The Finsbury Group Limited is a private company limited by shares and is registered in England & Wales. 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 strategic report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

These financial statements are separate financial statements. The company is exempt from the preparation and delivery 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 20. The registered office address of the parent company preparing consolidated accounts is Queensway House, Hillgrove Street, St Helier, Jersey, JE1 1ES.

Adoption of new and revised Standards

Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. Significant accounting policies

Basis of accounting

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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Notes to the financial statements
Year ended 31 December 2016

2. Significant accounting policies (continued)

Basis of accounting (continued)

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, 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 financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The accounting policies adopted and applied consistently throughout the current and preceding year are described below.

Going concern

The directors have identified risks and uncertainties facing the Company, arising from the current economic conditions and other factors, as set out in the Directors' Report. The Company has considerable financial resources together with contracts with a number of clients and suppliers across different geographical areas and industries. As a consequence, the directors believe the Company is well placed to manage these risks and uncertainties into the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the accounts.

Tangible assets

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet as described below.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

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

Computers	-	33% per annum
Short-term leasehold improvements	-	over the term of the lease
Fixtures and fittings	-	20% per annum

Residual value is calculated on prices prevailing at the date of acquisition. Useful lives and residual values are reviewed at the end of every reporting period.

Fixed Assets Investments

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment.

Work in progress

Work in progress represents third party costs billable to clients and is stated at the lower of cost and net realisable value.

2. Significant accounting policies (continued)

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 liabilities are initially measured 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.

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.

Pension costs

The company operates a defined contribution scheme. 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 actually paid are shown either as accruals or prepayments in the balance sheet.

Foreign currencies

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 foreign currencies are recorded at the rate of exchange at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the balance sheet date. Differences arising from movements in rates of exchange are recognised in the profit and loss account.

Notes to the financial statements
Year ended 31 December 2016

2. Significant accounting policies (continued)

Turnover and revenue recognition

Turnover is stated net of VAT and trade discounts.

Revenue is typically derived from retainer fees and services to be performed subject to specific agreement. Revenue is recognised when the service is performed, in accordance with the terms of the contractual agreement. Revenue is recognised on project-based work, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account revenue and related costs as contract activity progresses. The turnover and pre-tax profit, all of which arises in the United Kingdom, are attributable to one activity, the provision of communications advice.

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.

Share-based payments

The company has applied the requirements of IFRS 2 to all unvested share-based payments. Certain employees of the company benefit from equity-settled share-based payments through participation in stock option and restricted stock incentive schemes. Such awards are satisfied by the delivery of shares in WPP plc, the ultimate parent undertaking.

Equity-settled share-based payments are measured at fair value (excluding the impact of non market-based vesting conditions) at the date of grant. Fair value is determined by the market price on that date or the application of a Black Scholes model, depending on the characteristics of the scheme concerned. For the years presented, the majority of the charge to the profit and loss account related to schemes where fair value equalled market price since the equity instrument had no restrictions that impact valuation. Market price on any given day is obtained from external, publicly available sources.

The fair value determined at the grant date is recognised in the profit and loss account as an expense on a straight-line basis over the relevant vesting period, based on the company's estimate of the number of shares that will ultimately vest and adjusted for the effect of any other non-market based vesting conditions.

The Company charged £1,702,307 to the profit and loss account in the year ended 31 December 2016 (2015: £1,685,038) in relation to equity-settled share-based payments.

Restricted stock schemes

Certain employees participate in restricted stock schemes, which are in most cases satisfied by the delivery of stock from one of the WPP plc ESOP Trusts. The most significant schemes are:

Performance Share Awards (PSA)

Grants of restricted stock under PSA are dependent upon annual performance targets, typically based on one or more of: operating profit, profit before taxation and operating margin. Grants are made in the year following the year of performance measurement, and will vest two years after grant provided the individual concerned is continually employed by a WPP company throughout this time.

Grant details

For restricted stock awards, the number of shares granted for the most significant schemes and the weighted average fair value of these grants was as follows:

PSA	2016	2015
Number of shares granted	102,014	123,388
Weighted average fair value at grant date	£18.00	£15.99

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.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost 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

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Notes to the financial statements
Year ended 31 December 2016

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2 above, 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 to be relevant. Actual results may differ from these estimates.

The most significant areas where such judgements and estimation uncertainty apply are revenue recognition and debtor recoverability. Where judgement has been applied or estimation uncertainty exists, the key factors taken into consideration are disclosed in the accounting policies and the appropriate note in these financial statements.

4. Turnover

An analysis of the Company's turnover is as follows:

	2016 £	2015 £
Continuing operations		
Sales of services	33,033,441	34,652,418
Other operating income		
Interest receivable and similar income (note 8)	4,323	4,674
Total revenue	33,037,764	34,657,092

The revenue is generated wholly in the United Kingdom.

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £74,262 (2015: £75,710).

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.

6. Staff costs

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

	2016 Number	2015 Number
Operations	77	77
Administration	20	20
	97	97

Notes to the financial statements
Year ended 31 December 2016

6. Staff costs (continued)

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	14,645,212	14,741,731
Social security costs	2,143,578	2,468,918
Other pension costs	571,122	575,121
Share based payments	1,702,307	1,685,038
	19,062,219	19,470,808

7. Directors' remuneration and transaction

	2016	2015
	£	£
Directors' remuneration		
Emoluments	8,223,523	8,268,309
Company contributions to money purchase pension schemes	67,792	93,167
	8,291,315	8,361,476
	Number	**Number**
The number of directors who:		
Are members of a money purchase pension scheme	6	6
	£	£
Remuneration of the highest paid director:		
Emoluments	5,527,524	5,375,561
Company contributions to money purchase schemes	-	-

The highest paid director did not exercise any share options in the year and had no shares receivable under long-term incentive schemes.

Directors' transactions

Details of transactions with directors during the year are disclosed in note 18.

Notes to the financial statements
Year ended 31 December 2016

8. Finance income

	2016 £	2015 £
Interest payable on bank loans and overdrafts	(4,311)	(8)
Interest receivable from bank deposits	4,323	4,674
	12	4,666

9. Tax on profit

The expense for the year can be reconciled to the profit in the profit and loss account as follows:

	2016 £	2015 £
Profit before tax	8,902,722	9,589,887
Tax on profit at standard UK corporation tax rate of 20% (2015: 20.25%)	(1,780,544)	(1,941,952)
Effects of:		
Expenses not deductible/income not taxable for tax purposes	(154,169)	(140,644)
Deductions for the exercise of employee share options	-	281,334
Movement in short term timing differences	(38,636)	(309,289)
Capital allowances in excess of depreciation	(9,685)	(9,547)
Group relief	1,983,034	2,120,098
Total tax expense for period	-	-

A deferred tax asset of £851,498 (2015: £707,166) has not been recognised as it is uncertain that there will be sufficient taxable profits against which the asset will reverse in the foreseeable future.

Notes to the financial statements
Year ended 31 December 2016

10. Profit after taxation

Profit after taxation is stated after (crediting) / expensing:

	2016 £	2015 £
Net foreign exchange (gains)/losses	(441,571)	26,252
Depreciation of tangible assets:		
Owned	61,347	59,024
Operating lease rentals		
- plant and machinery	8,983	17,562
- other	175,485	129,909
Staff costs (see note 6)	19,062,219	19,470,808

11. Tangible assets

	Computers £	Short-term leasehold improvements £	Fixtures and fittings £	Total £
Cost				
At 1 January 2016	345,624	622,620	380,393	1,348,637
Additions	20,948	-	3,495	24,443
At 31 December 2016	366,572	622,620	383,888	1,373,080
Depreciation				
At 1 January 2016	298,212	609,699	347,625	1,255,536
Charge for the Year	37,485	12,921	10,941	61,347
At 31 December 2016	335,697	622,620	358,566	1,316,883
Net book value				
At 31 December 2016	30,875	-	25,322	56,197
At 31 December 2015	47,412	12,921	32,768	93,101

12. Fixed asset investments

	Shares in subsidiary undertakings £
Cost and net book value	
At 1 January 2016 and 31 December 2016	100

Investments in subsidiary undertakings comprise ordinary shares of the following companies all of which are engaged in public relations and related activities or dormant and are registered in England and Wales.

Notes to the financial statements
Year ended 31 December 2016

Name of company	Country of incorporation	Principal activity	Holding	Address
Subsidiary				
FIPRA UK Limited	United Kingdom	Dormant	100%	Tenter House, 45 Moorfields, London, EC2Y 9AE
Finsbury.com Limited	United Kingdom	Dormant	100%	Tenter House, 45 Moorfields, London, EC2Y 9AE

13. Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	5,020,258	5,447,404
Amounts owed by other group undertakings	568,248	456,307
Other debtors	2,697	1,525
Prepayments and accrued income	2,168,262	7,971,238
	7,759,465	13,876,474

14. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	352,110	209,084
Amounts owed to other group undertakings	197,178	300,856
Other taxes and social security	2,523,657	2,541,245
Accruals and deferred income	6,804,316	7,451,856
Other creditors	105,975	107,647
	9,983,236	10,610,688

15. Retirement benefit schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund, which amounted to £571,122 (2015: 575,121). As of 31 December 2016 pension costs payable totalled £68,850 (2015: £72,647).

16. Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1,052,631 ordinary shares of £0.01 each	10,526	10,526
1,352,463 A ordinary shares of £0.01 each	13,525	13,525
202,631 B ordinary shares of £0.01 each	2,026	2,026
1,052,631,000 ordinary shares of £0.00001 each	10,526	10,526
	36,603	36,603

All classes of share rank *pari passu*.

17. Financial commitments

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

	2016		2015	
	Land and buildings £	Other £	Land and buildings £	Other £
Commitment expiring:				
- within one year	176,300	1,981	175,616	5,944

Operating lease payments primarily represent rentals payable by the group for its office properties. Leases of land and buildings provide for the lessee to pay all insurance, maintenance and repair costs.

18. Transactions with directors

The following transactions have taken place with directors:

Quasi-loan to directors:

The company made unsecured non-interest-bearing quasi-loans to Mr Rudd at various times throughout the year, in respect of personal costs incurred by him and initially paid by the company. At the balance sheet date there was a balance of £nil (2015: £nil) outstanding. The maximum outstanding at any point in the year was £67,784 (2015: £15,881).

19. Guarantees and other financial commitments

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

The Finsbury Group Limited

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20. 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, registered at Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES. The parent undertaking of the smallest such group is WPP Jubilee Limited, incorporated in England and Wales.

Copies of the financial statements of WPP plc are available at www.wppinvestor.com. Copies of the financial statements of WPP Jubilee Limited can be obtained from 27 Farm Street, London W1J 5RJ, its registered address.