

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



Registered office address:

Sea Containers House

18 Upper Ground

London

SE1 9GL

United Kingdom

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

CONTENTS

	Page(s)
Strategic Report	1 - 2
Directors' Report	3 - 4
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 15

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Strategic report on WPP MR Overseas Media Holdings Limited (the 'Company') for the year ended 31 December 2021.

Principal activities

The Company is a member of the WPP plc Group (the 'Group'). The Company's principal activity is to act as an investment holding company.

Future developments

The Directors do not envisage any major change to the nature of the business in the foreseeable future.

Business review

The Company made a profit for the year ended 31 December 2021 of £52,093,000 which will be transferred to reserves (2020: a loss of £4,798,000 which was transferred from reserves).

The Directors are of the opinion that the current level of activity and performance is sustainable, due to the positive financial position of the Company and will remain so for the foreseeable future. Further details are provided in the "Going concern and liquidity risk" section.

Dividends

During 2021, the Company paid an interim dividend of £2.68 per share totalling £13,405,426 to ordinary shareholders (2020: £nil). No final dividend has been declared since the balance sheet date.

Going concern and liquidity risk

The Directors have assessed the ongoing business activities and the potential impact that the Covid-19 pandemic, Russian invasion of Ukraine and general global economic conditions may have on the liquidity, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

As the Company is primarily an investment holding company, there is no expected impact to the financial position of the Company as a result of Covid-19 or other general global economic conditions.

The Company is a subsidiary of WPP plc and is therefore subject to the overall WPP plc financing arrangements. The Company can therefore meet its short and long-term obligations as they fall due.

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

Financial risk management and principal risks and uncertainties

The Directors of the Company have considered the principal risks and uncertainties affecting the Company as at 31 December 2021 and up to date of this report. As the Company is primarily an investment holding financing company with a limited amount of transactions, the Directors believe that the Company has no principal risks and uncertainties other than going concern and liquidity. Going concern and liquidity risks are discussed above.

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial key performance indicators

	2021 £'000	2020 £'000	Change %
Profit/(loss) before taxation	52,093	(4,798)	N/A
Net assets	1,042,117	1,003,429	3.9%

The Company is a wholly owned subsidiary of WPP plc. 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 WPP plc, which includes this Company, is discussed in the Group's annual report, which does not form part of this report. The financial statements of WPP plc are available at www.wpp.com/investors.

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

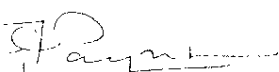
The Directors of the Company, as those of all UK companies, must act in accordance with section 172 of the UK Companies Act 2006. The Directors are of the opinion that they have acted fairly and in good faith to promote the success of the Company for the benefits of its members.

The Directors have carried out these duties and have made decisions and undertaken short and long term strategies to maintain its financial performance and position. The Directors continue to recognise the importance of the Company's partnership with all stakeholders, including employees, members, suppliers, customers and the community, as well as maintaining its high standards of business conduct and reputation.

Further details of the Company's engagement with external stakeholders is given in the Directors' report.

The Directors are of the opinion that the remaining details of how they meet their duty is in line with those reflected by the Directors of WPP plc in their Annual report. Refer to pages 113-115 of the Annual report of WPP plc available at wpp.com/investors for more information on how the Group directors meet their duty.

This report was approved by the board on 27 September 2022 and signed on its behalf.



A Payne
Director

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Annual report and the financial statements for the year ended 31 December 2021.

Results

The Company's results for the financial year are shown in the income statement on page 5.

Directors and their interests

The Directors who served during the year and up to the date of signing of the financial statements, unless otherwise stated, were:

R Payne (appointed 1 July 2022)
A Payne
C van der Welle
D Conaghan (resigned 8 July 2022)

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business.

Directors' indemnity

Each of the Directors benefit from a third party qualifying indemnity given by the Company in respect of liabilities incurred by the Director in the execution and discharge of their duties. The provision remains in force throughout the financial year and up until the date of this report.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters covered in the strategic report

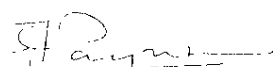
The following items have been included in the strategic report on pages 1 - 2:

- principal activities and future developments;
- review of business;
- dividends paid or declared;
- going concern statement; and
- financial risk management policies and objectives.

Post balance sheet events

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

This report was approved by the board on 27 September 2022 and signed on its behalf.



A Payne
Director

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £'000	2020 £'000
Foreign exchange gain/(loss)	12	49,422	(3,223)
Income from investments	6	13,860	-
Impairment of investments in subsidiaries	10	(8,227)	-
Write off of intercompany loan		(454)	-
Operating profit/(loss)		54,601	(3,223)
Interest payable and similar expenses	7	(2,508)	(1,575)
Profit/(loss) before taxation		52,093	(4,798)
Taxation	8	-	-
Profit/(loss) for the year		52,093	(4,798)

The notes on pages 8 to 15 form part of these financial statements.

The results disclosed above for both the current year and prior year relate entirely to continuing operations.

The Company has no other comprehensive income during either the current year or prior year and therefore no separate statement to present other comprehensive income has been prepared.

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED
REGISTERED NUMBER: 04177804

BALANCE SHEET
AS AT 31 DECEMBER 2021

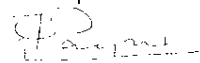
	Notes	2021 £'000	As restated (Note 14) 2020 £'000
Non-current assets			
Investments	10	1,802,783	1,811,010
Current liabilities			
Trade and other payables	11	(3,918)	(1,563)
Net current liabilities		(3,918)	(1,563)
Total assets less current liabilities		1,798,865	1,809,447
Non-current liabilities			
Trade and other payables	12	(756,748)	(806,018)
Net assets		1,042,117	1,003,429
Capital and reserves			
Called up share capital	13	5	5
Share premium account		800,118	1,000,118
Profit and loss account		241,994	3,306
		1,042,117	1,003,429

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2022.


A Payne
Director

The notes on pages 8 to 15 form an integral part of these financial statements.

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2020	-	123	8,104	8,227
Loss and total comprehensive expense for the year	-	-	(4,798)	(4,798)
Shares issued during the year	5	999,995	-	1,000,000
At 31 December 2020	5	1,000,118	3,306	1,003,429
Profit and total comprehensive income for the year	-	-	52,093	52,093
Dividends: Equity capital	-	-	(13,405)	(13,405)
Share premium reduction	-	(200,000)	200,000	-
At 31 December 2021	5	800,118	241,994	1,042,117

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Company is a private company, limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The Company is registered in England and Wales. The address of the registered office is Sea Containers House, 18 Upper Ground, London, SE1 9GL, United Kingdom.

The Company's principal business activities, future development and a review of its performance and position are set out in the Strategic report on pages 1 - 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Consolidation and ultimate parent company

The Company is a wholly owned subsidiary of its ultimate parent company and as such has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006. WPP plc, a company incorporated in Jersey, is the Company's ultimate parent undertaking and controlling party. The largest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of WPP plc. The registered address of WPP plc is 13 Castle Street, St Helier, Jersey, JE1 1ES. Copies of the consolidated financial statements can be obtained from www.wpp.com/investors. The smallest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of WPP Jubilee Limited, registered in the England and Wales. The registered address of WPP Jubilee Limited is Sea Containers House, 18 Upper Ground, London, SE1 9GL, United Kingdom. The immediate parent undertaking is WPP Jubilee Limited. These financial statements are separate financial statements.

2.4 Going concern

The Directors have assessed the ongoing business activities and the potential impact that the Covid-19 pandemic, Russian invasion of Ukraine and general global economic conditions may have on the liquidity, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

As the Company is primarily an investment holding company, there is no expected impact to the financial position of the Company as a result of Covid-19 or other general global economic conditions.

The Company is a subsidiary of WPP plc and is therefore subject to the overall WPP plc financing arrangements. The Company can therefore meet its short and long-term obligations as they fall due.

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

2.5 Impact of new international reporting standards, amendments and interpretations

No new accounting standards or IFRIC interpretations have had a material impact on the Company for the year ended 31 December 2021.

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Foreign currency translation (continued)

when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.8 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Trade and other payables

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment of investments

Investments in subsidiaries and associates are held at cost less accumulated impairment losses. Annual impairment tests are carried out to ascertain if the carrying value of investments are impaired. These tests comprise a comparison between the carrying value of investment in subsidiary and associates and the net asset value of the subsidiary and associates. In some instances, valuations of subsidiary companies and associates are prepared. Valuations for impairment tests are based on established market multiples or risk-adjusted future cash flows over the estimated useful life of the asset, where limited, discounted using appropriate interest rates.

The assumptions relating to future cash flows, estimated useful lives and discount rates are based on business forecasts and are therefore inherently judgemental. Future events could cause the assumptions used in these impairment tests to change with a consequent adverse effect on the future results of the Company.

In the opinion of the Directors there are no critical judgements that have been made in the process of applying the accounting policies.

4. Employees

The Company has no employees (2020: nil).

5. Directors' remuneration

During the year all Directors of the Company were remunerated as executives of the Group by a fellow Group company. They received no remuneration in respect of their services to the Company (2020: £nil).

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Income from investments

	2021 £'000	2020 £'000
Dividend from subsidiaries	13,860	-

The company received dividends from the following group companies in the current year:

<u>Company</u>	<u>Amount (£)</u>
WPP MR Finance (CI) Limited	£11,887,739
WPP MR Finance (G) Limited	£1,971,945

7. Interest payable and similar expenses

	2021 £'000	2020 £'000
Preference share dividends	2,508	1,575

8. Taxation

	2021 £'000	2020 £'000
Current tax on profit/(loss) for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit/(loss) before taxation	52,093	(4,798)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	9,898	(912)
Effects of:		
Expenses not deductible for tax purposes	1,649	-
Non-taxable income	(12,024)	-
Group relief	477	912
Total tax charge for the year	-	-

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Taxation (continued)

Factors that may affect future tax charges

The UK tax rate for the year ended 31 December 2021 is 19%. In the UK Budget on 3 March 2021, the Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. The change was enacted at the balance sheet date, and deferred tax balances have been remeasured accordingly at 25% (2020: 19%).

9. Dividends

	2021 £'000	2020 £'000
Dividends paid (£2.68 per share)	13,405	-

10. Investments

	Investments in subsidiaries £'000
Cost	
At 1 January 2021 and 31 December 2021	1,811,010
Accumulated impairment	
At 1 January 2021	-
Charge for the year	8,227
At 31 December 2021	8,227
Net book value	
At 31 December 2021	1,802,783
At 31 December 2020	1,811,010

The current year impairment charge of £8,227,000 relates to write downs in the carrying value of the Company's investments in WPP MR Finance (CI) Limited by £7,084,000 and WPP MR Finance (G) Limited by £1,143,000.

Details of the subsidiary undertakings of the Company as at 31 December 2021 are given in Note 17.

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Trade and other payables falling due within one year

	2021	As restated (Note 14) 2020
	£'000	£'000
Amounts owed to group undertakings	3,918	1,563

Amounts owed to Group undertakings represents an accrued dividend on preference shares. The amounts outstanding as at the year end are unsecured and are payable on demand. Interest is charged at the rate of 0.324% per annum.

12. Trade and other payables falling due after more than one year

	2021	As restated (Note 14) 2020
	£'000	£'000
Redeemable cumulative preference shares (Note 13)	756,748	806,018

Translation of Redeemable preference shares of €900,000,000 along with accrued interest as at 31 December 2021 from EUR to the reporting currency resulted in foreign exchange gain of £49,422,000 during the current year (2020: foreign exchange loss of £3,223,000).

13. Share capital

	2021	2020
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
5,001,395 (2020 - 5,001,395) Ordinary shares of £0.001 each	5,001	5,001

On 19 July 2021, the Company undertook a share premium reduction from £1,000,117,513 to £800,117,513 generating distributable reserves of £200,000,000.

	2021	As restated (Note 14) 2020
	£	£
Shares classified as debt		
Allotted, called up and fully paid		
900,000,000 (2020 - 900,000,000) Redeemable cumulative preference shares of €1.00 each	756,747,667	806,018,270

WPP MR OVERSEAS MEDIA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Share capital (continued)

The redeemable cumulative preference shares are entitled to a preference dividend at the rate of 12 month Euribor plus a margin equal to that charged under the terms of the WPP plc revolving credit facility agreement. The preference dividend rate will reset annually on 30 June each year. Holder of preference shares is not entitled to vote at any general meeting.

On a winding up or repayment of capital, each redeemable cumulative preference share shall entitle the holder to repayment of the capital paid up on such share (together with a sum equal to any arrears or deficiency of the fixed dividend with respect to such share, whether declared or earned or not, calculated up to the date of the return of the capital) in priority to any payment to the holder of the ordinary shares.

On 30 June 2030, the Company shall be entitled and bound to redeem all of the redeemable cumulative preference shares along with the dividend accrued up to the redemption date.

14. Prior year adjustment

After the financial statements for the year ended 31 December 2020 were issued it was determined that the presentation of the preference shares under current liabilities did not meet the requirements of IAS 1: Presentation of Financial Statements. As the preference shares are redeemable on 30 June 2030, they have been recognised as non-current liabilities.

Therefore, there has been a restatement of the balance sheet for the year ended 31 December 2020. The impact of this change is to both decrease the current liabilities and increase the non-current liabilities by £806,018,270.

15. Related party transactions

As a wholly owned subsidiary of the ultimate parent company, WPP plc, advantage has been taken of the exemption afforded by FRS 101 'Reduced Disclosure Framework' not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel.

16. Post balance sheet events

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

17. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
WPP MR Finance (CI) Limited	(a)	Ordinary	100%
WPP MR Finance (G) Limited	(a)	Ordinary	100%
WPP MR Finance Limited	(a)	Ordinary	100%
WPP Sphinx Limited	(b)	Ordinary	10%

(a) First Floor, Dorey Court, St Peter Port, GY1 6HJ, Guernsey

(b) Sea Containers House, 18 Upper Ground, London, SE1 9GL, England, United Kingdom