

**PRECISE MEDIA GROUP HOLDINGS LIMITED**

**ANNUAL REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**Registered number: 06021111**

WEDNESDAY



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# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

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# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISORS**

### **Directors**

G Richardson  
A Brown  
W Patanella  
O Lefranc  
J Krentz  
M Guilhot-Gaudeffroy

### **Company secretary**

WPP Group (Nominees) Limited

### **Registered office**

1 Broadgate  
London  
EC2M 2QS

### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

### **Lawyers**

Osborne Clarke  
Apex Plaza  
Forbury Road  
Reading  
RG1 1AX

### **Bankers**

Royal Bank of Scotland  
62/63 Threadneedle Street  
London  
EC2R 8LA

# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

## **STRATEGIC REPORT**

The Directors present their strategic report and the financial statements of the Company for the year ended 31 December 2017.

### **BUSINESS REVIEW**

The Company's purpose is that of a holding company. The Company is not a trading entity and as such there is no activity in the income statement apart from the recognition of the directors' emoluments.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors does not consider there to be any principal risks and uncertainties.

### **KEY PERFORMANCE INDICATORS**

The directors confirm that there are no KPIs for the company.

### **POST BALANCE SHEET EVENTS**

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

By order of the board



G Richardson  
Director

Approved by the Directors on 31 July 2018

1 Broadgate  
London  
EC2M 2QS

# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

## **DIRECTORS' REPORT**

The Directors present their Annual Report together with the audited financial statements and auditor's opinion for the year ended 31 December 2017. The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company in the year was that of a holding company. No other activities are planned for the foreseeable future.

### **RESULTS AND DIVIDENDS**

The results of the Company's activities can be found on page 7 of the financial statements. The Company had losses during the year of £467,000 (2016: £799,000).

The Directors do not recommend the payment of a dividend (2016: £nil).

### **DIRECTORS**

The Directors who held office during the year and since the year-end were as follows:

P Low (Resigned on 27 January 2017)

K Fawcus (Resigned on 27 January 2017)

A Prime (Resigned on 5 May 2017)

A Brown

W Patanella

J Haworth (Resigned on 14 April 2017)

O Lefranc

J Krentz

D Man (Resigned on 4 December 2017)

M Guilhot-Gaudeffroy

G Richardson (Appointed on 16 June 2017)

### **POLITICAL AND CHARITABLE DONATIONS**

The Company made no political donations or incurred any political expenditure during the year (2016: nil). The Company made no charitable donations during the year (2016: £nil).

# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

## **DIRECTORS' REPORT (*CONTINUED*)**

### **GOING CONCERN**

The Directors who held office at the date of approval of this Directors' Report confirm that the Company has adequate resources, provided by Precise Media Monitoring Limited, to enable the Company to continue in operational existence for the foreseeable future. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there is certainty that this support will continue beyond 12 months from the date of approval of the financial statements. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. Further details on the adoption of the going concern basis can be found in the Accounting Policies of the notes to the financial statements (note 1).

### **DISCLOSURE OF INFORMATION TO AUDITOR**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves 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**

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP were appointed as auditors and will continue in office.

Signed by order of the Directors



G Richardson  
Director

1 Broadgate  
London  
EC2M 2QS

Approved by the Director on 31 July 2018

# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors are responsible for preparing the Annual Report including the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

## **FOR THE YEAR ENDED 31 DECEMBER 2017**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRECISE MEDIA GROUP HOLDINGS LIMITED**

Report on the audit of the financial statements

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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 of Precise Media Group Holdings Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

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 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.



# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

## **FOR THE YEAR ENDED 31 DECEMBER 2017**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRECISE MEDIA GROUP HOLDINGS LIMITED (CONTINUED)**

#### **Other information**

The director is 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 director**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director 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 director is 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 director 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRECISE MEDIA GROUP HOLDINGS LIMITED (CONTINUED)**

### **Use of our report**

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

### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors report has been prepared in accordance with applicable legal requirements.

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

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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.



Catherine Lucy Newman, FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
31 July 2018

# PRECISE MEDIA GROUP HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

|   | Note | Year<br>ended 31<br>December<br>2017<br>£'000 | Year<br>ended 31<br>December<br>2016<br>£'000 |
|---|------|---|---|
| Other operating expenses  |      | (467)   | (799)   |
| <b>LOSS BEFORE TAX</b>  |      | <u>(467)</u>                                  | <u>(799)</u>                                  |
| Tax on loss   |      | -   | -   |
| <b>LOSS FOR THE YEAR ATTRIBUTABLE TO THE<br/>EQUITY SHAREHOLDERS OF THE COMPANY</b> |      | <u>(467)</u>                                  | <u>(799)</u>                                  |

All of the activities of the Company for the current year and preceding period derive from continuing operations.

A statement of other comprehensive income has not been included as part of these financial statements as the Company made no gains or losses in the year other than disclosed above in the profit and loss account.

The notes on pages 12 to 19 form part of the financial statements

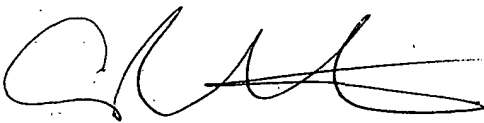
# PRECISE MEDIA GROUP HOLDINGS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

|  | Notes | 2017<br>£'000  | 2016<br>£'000 |
|--|-------|----------------|---------------|
| <b>FIXED ASSETS</b>                                  |       |                |               |
| Investments  | 6     | 1,704          | 1,704         |
| Intangible fixed assets                              | 5     | 2,500          | 2,500         |
|  |       | <u>4,204</u>   | <u>4,204</u>  |
| <b>CREDITORS: Amount falling due within one year</b> | 7     | <u>(1,266)</u> | <u>(799)</u>  |
| <b>NET CURRENT LIABILITIES</b>                       |       | <u>(1,266)</u> | <u>(799)</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>         |       | <u>2,938</u>   | <u>3,405</u>  |
| <b>NET ASSETS</b>                                    |       | <u>2,938</u>   | <u>3,405</u>  |
| <b>CAPITAL AND RESERVES</b>                          |       |                |               |
| Called-up share capital                              | 8     | 309            | 309           |
| Share premium account                                | 9     | 49,608         | 49,608        |
| Other reserves                                       |       | (37,742)       | (37,742)      |
| Profit and loss account                              |       | (9,237)        | (8,770)       |
| <b>SHAREHOLDERS' FUNDS</b>                           |       | <u>2,938</u>   | <u>3,405</u>  |

These financial statements were approved and authorised for issue by the Directors on 31 July 2018 and are signed on their behalf by:



G Richardson  
Director

Company registration number – 06021111

The notes on pages 12 to 19 form part of the financial statements

# PRECISE MEDIA GROUP HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

|   | Called-up<br>share<br>capital<br>(Note 8) | Share<br>Premium<br>account<br>(Note 9) | Profit &<br>Loss<br>account | Other<br>reserves | Total        |
|---|---|---|-----------------------------|-------------------|--------------|
|   | £'000                                     | £'000                                   | £'000                       | £'000             | £'000        |
| Balance at 1 January 2016   | 309                                       | 49,608                                  | (7,971)                     | (37,742)          | 4,204        |
| Loss for the period, representing<br>total comprehensive loss for the<br>period | -   | -                                       | (799)                       | -                 | (799)        |
| <b>Balance at 31 December 2016</b>  | <b>309</b>                                | <b>49,608</b>                           | <b>(8,770)</b>              | <b>(37,742)</b>   | <b>3,405</b> |
| Loss for the year, representing<br>total comprehensive loss for the<br>year     | -   | -                                       | (467)                       | -                 | (467)        |
| <b>Balance at 31 December 2017</b>  | <b>309</b>                                | <b>49,608</b>                           | <b>(9,237)</b>              | <b>(37,742)</b>   | <b>2,938</b> |

The notes on pages 12 to 19 form part of the financial statements

# **PRECISE MEDIA GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

### **1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently during the year and proceeding period in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

Precise Media Group Holdings Limited is a private Company limited by shares and incorporated in England, United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the business review on page 2.

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention, except for financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

These financial statements are separate financial statements. The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to produce consolidated financial statements, because it is included in the group financial statements of WPP Plc. Details of the parent in whose consolidated financial statements the Company is included are shown in note 11 to the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to 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 financial statements of WPP Plc. The group financial statements of WPP Plc are available to the public and can be obtained as set out in note 11.

#### **Adoption of new and revised standards**

On 1 January 2017, the Company adopted all the new and revised FRSs that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

#### **Going Concern**

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £1,266,000, and losses for the financial year of £467,000 (2016: losses for the financial year of £799,000) and cash at bank and in hand of £nil (2016: £nil) which the Directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Precise Media Monitoring Limited, a trading subsidiary company. Precise Media Monitoring Limited has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

**PRECISE MEDIA GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (*CONTINUED*)**

**Investments**

Investments are included at cost less provision for impairment. Profits or losses arising from disposals of fixed asset investments are treated as part of the results.

At the end of each reporting period, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment for which the estimates of future cash flows have not been adjusted. If the recoverable amount of the investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**Impairment of tangible and intangible assets**

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible 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). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

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

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

**PRECISE MEDIA GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and suitable discount rates in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill at 31 December 2017 was £2,500,000 (2016: £2,500,000). No impairment loss has been recognised on goodwill as at the end of the financial year.

**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 Profit and Loss account in the financial statements 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 balances are not recognized in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognized in respect of permanent differences except in respect of business combinations, when deferred tax is recognized on the differences between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



**PRECISE MEDIA GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Pension costs**

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

The Company participates in a group defined benefit scheme which is the legal responsibility of the ultimate parent as the sponsoring employer. There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 (revised 2011), the Company recognises a cost equal to its contribution payable for the year, which is presented within other operating expenses in the profit and loss account.

The Company operates defined contribution schemes for the benefit of its employees. The assets of the schemes are held separately from those of the Company in independently administered funds. Contributions payable for the year are charged in the profit and loss account. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to income of £nil (2016: £nil) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2017, contributions of £nil (2016: £nil) due in respect of the current reporting year had not been paid over to the schemes.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1 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.

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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.

Management is of the view that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2. OPERATING PROFIT**

Fees payable to the Company's auditor for the audit of the Company's financial statements were borne by Precise Media Monitoring Limited. £5,000 (2016: £5,000) of the fees have been allocated to Precise Media Group Holdings Limited.

**PRECISE MEDIA GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. DIRECTORS' EMOLUMENTS**

The average numbers of staff employed by the Company during the year were:

|  | 2017 | 2016 |
|--|------|------|
| Monthly average number of management staff | 3    | 4    |

Three Directors of this Company were employed under this Company, with the remainder the Directors employed under Precise Media Monitoring Limited.

The Directors' aggregate emoluments in respect of qualifying services were:

|                       | 2017  | 2016  |
|-----------------------|-------|-------|
|                       | £'000 | £'000 |
| Wages and salaries    | 424   | 700   |
| Social security costs | 43    | 99    |
| Aggregate emoluments  | 467   | 799   |

The amount attributable to the highest paid Director for the year was £176,436 (2016: £209,100). The highest pension amount attributable to a Director for the year was £nil (2016: £nil)

**PRECISE MEDIA GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. TAX ON RESULT**

The tax charge comprises:

|   | <b>2017</b><br><b>£'000</b> | <b>2016</b><br><b>£'000</b> |
|---|-----------------------------|-----------------------------|
| UK corporation tax                                    | -                           | -                           |
| Current tax charge for the year at 19.25% (2016: 20%) | -                           | -                           |
| <b>Tax on loss</b>                                    | <u>-</u>                    | <u>-</u>                    |

**Factors affecting the tax charge for the current year**

The current tax charge for the year is lower (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20 %).

|   | <b>2017</b>  | <b>2016</b>  |
|---|--------------|--------------|
| Loss before taxation                                      | <b>(467)</b> | <b>(799)</b> |
| Loss at the standard rate of tax of 19.25% (2016: 20.25%) | <b>(90)</b>  | <b>(160)</b> |
| Group relief received without payment                     | <b>90</b>    | <b>160</b>   |
| <b>Total current tax charge</b>                           | <u>-</u>     | <u>-</u>     |

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and from 19% to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015. A further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

**5. INTANGIBLE FIXED ASSETS**

|   | <b>Goodwill</b> |
|---|-----------------|
| <b>COST</b>   | <b>£'000</b>    |
| As at 1 January 2016, 31 December 2016 and 31 December 2017 | <u>2,500</u>    |

The Directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises.

**PRECISE MEDIA GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**6. INVESTMENTS**

|                                    | <b>Fixed assets</b> |              |
|------------------------------------|---------------------|--------------|
|                                    | <b>2017</b>         | <b>2016</b>  |
|                                    | <b>£000</b>         | <b>£000</b>  |
| <b>Investments in subsidiaries</b> | <b>1,704</b>        | <b>1,704</b> |

**Subsidiary undertakings**

All subsidiaries are incorporated in England and 100% of the ordinary shares are held directly or indirectly by the Company. All the subsidiaries are based in England and registered at 1 Broadgate, London, EC2M 2QS.

| <b>Name</b>                                 | <b>Business Description</b>   | <b>Voting Power Held %</b> |
|---|-------------------------------|----------------------------|
| Precise Media Acquisitions Limited          | Holding company               | 100                        |
| KBBI Group Limited                          | Holding company               | 100                        |
| KBI Trustees Limited                        | Holding company               | 100                        |
| Knight Banner Business Information Limited  | Holding company               | 100                        |
| Knight-Banner Information Limited           | Holding company               | 100                        |
| Energy Data Services Limited                | Dormant                       | 100                        |
| Precise Media Monitoring Limited            | Media Monitoring and Analysis | 100                        |
| MediaGen Limited                            | Dormant                       | 100                        |
| Entertainment Press Cuttings Agency Limited | Dormant                       | 100                        |
| Clipability Limited                         | Dormant                       | 100                        |
| Press Select Limited                        | Dormant                       | 100                        |
| Lilypress Limited                           | Dormant                       | 100                        |
| Media Report Editorial Limited              | Dormant                       | 100                        |
| Advance Media Information Limited           | Dormant                       | 100                        |
| Advance Limited                             | Dormant                       | 100                        |

**7. CREDITORS: Amount falling due within one year**

|   | <b>2017</b>  | <b>2016</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| <b>Amounts owed by group undertakings</b> | <b>(920)</b> | <b>(799)</b> |

**8. CALLED-UP SHARE CAPITAL**

|  | <b>2017</b>  | <b>2016</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| <b>Authorised</b>                              | <b>309</b>   | <b>309</b>   |
| <b>Allotted, called up and fully paid</b>      | <b>309</b>   | <b>309</b>   |
| <b>3,089,154 ordinary shares of £0.10 each</b> | <b>309</b>   | <b>309</b>   |

**PRECISE MEDIA GROUP HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**9. SHARE PREMIUM ACCOUNT**

|  | <b>Share<br/>premium<br/>£'000</b> |
|--|------------------------------------|
| Balance at 1 January 2016, 31 December 2016 and 31 December 2017 | <u>49,608</u>                      |

**10. TRANSACTIONS WITH RELATED PARTIES**

There have been no transactions that took place in the year ended 31 December 2017 with related parties that are not ultimately wholly owned subsidiaries of WPP Plc or are defined as being outside the WPP group in accordance with IAS 24.

**11. ULTIMATE CONTROLLING ENTITY**

The immediate parent company is WPP Group (UK) Limited, a company incorporated and domiciled in England and Wales. WPP plc incorporated in Jersey and registered at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES is the ultimate parent company and the ultimate controlling party.

The parent undertaking of the smallest such group is Lexington International B.V., registered in the Netherlands.

Copies of the financial statements of WPP Plc are available at [www.wppinvestor.com](http://www.wppinvestor.com) and 27 Farm Street, London, W1J 5RJ UK.

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