

The Exchange Lab Holdings Limited
(Registered number: 08112958)

Annual Report and financial statements

for the period from 1 January 2018 to 30 June 2019

Registered office address:

Sea Containers,
18 Upper Ground,
London,
SE1 9GL,
United Kingdom.



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Annual Report and financial statements

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The Exchange Lab Holdings Limited
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Directors' report for the period from 1 January 2018 to 30 June 2019

The Directors present their Directors' report on The Exchange Lab Holdings Limited (the 'Company') for the period from 1 January 2018 to 30 June 2019.

Principal activities and review of business

The Company is a member of the WPP plc Group (the 'Group'). The Company's principal activity is as an investment holding company. The Company did not undertake any accounting transactions, nor did it trade during the period from 1 January 2018 to 30 June 2019. Therefore, the Company is considered dormant as defined in the Companies act 2006 throughout the period. There were no transfers to or from reserves for the period.

Future developments

The Directors do not envisage any major change to the nature of the business and that the Company will remain dormant in the foreseeable future.

Dividends

In the current period or prior year no dividend was proposed to the holders of any shareholding of the Company.

Directors and their interests

The Directors of the Company who were in office during the period and up to the date of signing the financial statements unless otherwise stated, were as follows:

S McCulloch
C Barlow
D Grainger (resigned on 10 June 2020)

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

Directors' indemnity

Each of the Directors benefits 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 the report.

COVID-19

The coronavirus pandemic is adversely affecting and is expected to continue to adversely affect the Group's business, revenues, results of operations, financial condition and prospects.

Due to the non-trading activities of the Company, the Directors do not expect a significant impact on the results of operations or financial condition of the Company in the short term.

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Directors' report for the period from 1 January 2018 to 30 June 2019

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate. The Directors have assessed the potential impact that the global outbreak of Covid-19 has had on the liquidity, performance and financial position of the Company for at least the next 12 months.

The Company has net current assets of £690 and net assets of £690 and can therefore meet its short and long term obligations as they fall due.

The Company remains in a positive net current asset and net asset position as at the date of this report.

Additionally, the Company is a subsidiary of WPP plc and is therefore subject to the overall WPP plc financing arrangements.

After making enquiries, the Directors believe that although Covid-19 will have an effect on the financial position of the Company, there are reasonable expectations that the Company has adequate resources to continue in operational existence with low liquidity risk for at least the next 12 months from the date of signing the financial statements.

Statement of Directors' responsibilities

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Duty to promote the success of the Company

The Directors believe that they have acted in a way that has promoted the success of the Company for the benefit of its members as a whole.

The Exchange Lab Holdings Limited
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Directors' report for the period from 1 January 2018 to 30 June 2019

Post balance sheet events

In the period since 30 June 2019, the emergence and spread of Covid-19 has impacted the Group and its clients.

The Company is continuing to monitor and review its liquidity and working capital.

It is clear that the impact of Covid-19 on the business will be significant, but it is not possible at this stage to quantify the depth or duration of the impact.

Audit and small companies exemptions

The Company, having not traded during the period, satisfied the conditions for exemption from audit as specified in section 480 of the Companies Act 2006 for the period ended 30 June 2019.

Approved by the Board and signed on its behalf by,



S McCulloch
Director

30/6/20

The Exchange Lab Holdings Limited
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Income statement
for the period from 1 January 2018 to 30 June 2019

		Period from 1 January 2018 to 30 June 2019	2017
	Notes	£	£
Gross result		-	-
Other operating income / (expense)		-	695
Intercompany loan write off		-	(5,533,580)
Operating result / (loss)	3	-	(5,532,885)
Taxation	6	-	-
Result / (loss) for the year		-	(5,532,885)

The results disclosed above for the current period relate entirely to continuing operations.

The Company has no other comprehensive income during either the current period or prior year and therefore no separate statement of comprehensive income has been presented.

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Balance sheet
As at 30 June 2019

	Notes	2019 £	2017 £
Non-current assets			
Investments in subsidiaries and associates	7	-	-
Current assets			
Trade and other receivables		690	690
Total assets		690	690
Net current assets		690	690
Net assets		690	690
Equity			
Share capital	8	25,072	25,072
Share premium		9,440,184	9,440,184
Other reserves		-	-
Accumulated losses		(9,464,566)	(9,464,566)
Shareholder's funds		690	690

For the period ended 30 June 2019, the Company was entitled to an exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

The financial statements on pages 4 to 10 were approved by the Board of Directors on 30/6/20 and signed on its behalf by:



S McCulloch
Director

The Exchange Lab Holdings Limited
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Statement of changes in equity
As at 30 June 2019

	Share capital £	Share premium £	Accumulated losses £	Total £
As at 1 January 2017	25,072	9,440,184	(3,931,681)	5,533,575
Loss and total comprehensive loss for the year	-	-	(5,532,885)	(5,532,885)
As at 31 December 2017 and 30 June 2019	25,072	9,440,184	(9,464,566)	690

The Exchange Lab Holdings Limited
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Notes to the financial statements for the period from 1 January 2018 to 30 June 2019

1 Presentation of the financial statements

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, 18 Upper Ground, London, SE1 9GL, United Kingdom.

The Company's principal and business activities, future development and a review of its performance and position are set out in the Directors' report on Pages 1 to 3.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

2.01 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

These financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006.

In determining if the business is a going concern, the Directors have considered the Company's financial forecast, budgets, cashflows, liquidity and contingent liabilities and after making enquiries, the Directors have reasonable expectation that the Company has adequate resources to continue operational existence for at least next 12 month from the date of signing of financial statements. Additionally, The Company is a subsidiary of WPP plc and is therefore subject to the overall WPP plc financing arrangements. The Directors believe that the principal risks and uncertainties affecting the going concern for the Company are mitigated.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7, 'Financial instruments: disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a) (iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period);
 - (iv) paragraph 62(a) and (b) of IAS 40 Investment property;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d); (statement of cash flows),
 - 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or make a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirements for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third balance sheet),
 - 111 (cash flow statement information), and
 - 134 - 136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.
- Paragraph 134 and 135 of IAS 36 'Impairment of assets'
- Second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers.

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. These are available at www.wppinvestor.com.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Directors believe that there are no significant accounting judgements or critical estimates that apply to the Company.

Amendments to International Financial Reporting Standards (IFRSs) and the new Interpretations that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs or IFRIC interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018. No new accounting standards have had a material impact on the Company for the period ended 30 June 2019. The other amendments to accounting standards or IFRIC interpretations have not had any material impact on the disclosures or on the amounts reported in these financial statements.

Notes to the financial statements for the period from 1 January 2018 to 30 June 2019

2 Summary of significant accounting policies (continued)

2.02 Consolidation

The Company is a wholly owned subsidiary of the 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. It has also met all of the exemption conditions 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 Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES. Copies of the consolidated financial statements can be obtained from www.wppinvestor.com. 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 Group (UK) Limited. These financial statements are separate financial statements.

2.03 Foreign currency translation

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (the 'functional currency'). The functional and presentation currency of the Company is Pounds Sterling (£).

2.04 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

2.05 Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

2.06 Trade and other receivables

Trade and other receivables are amounts due from customers for service performed or goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are carried at original invoice amount less any provisions for doubtful debts.

Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade or other receivable is determined to be uncollectable it is written off, firstly against any provisions available and then to the income statement.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Subsequent recoveries of amounts previously provided for are credited to the income statement. Long-term receivables are discounted where the effect is material.

2.07 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.

3 Auditors remuneration

Audit fees for the prior year were borne by another group company and not recharged.

4 Employees

The Company has no employees (2017: nil).

5 Directors' remuneration

During the period, the Directors of the Company were remunerated as executives of the Group. They received no remuneration in respect of their services to the Company.

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Notes to the financial statements for the period from 1 January 2018 to 30 June 2019

6 Taxation

	Period from 1 January 2018 to 30 June 2019	2017
	£	£
Income tax charge / (credit)		
Current tax:		
UK Corporation tax rate of 19.00% (2017: 19.25%)	-	-
Total tax charge for the year	-	-

The tax assessed for the period differs from the corporation tax rate in the UK for the period ended 30 June 2019 of 19.00% (2017: 19.25%)

	Period from 1 January 2018 to 30 June 2019	2017
	£	£
Reconciliation of total tax charge for the year		
Result / (loss) before taxation	-	(5,532,885)
Profit on ordinary activities at the UK statutory rate of 19.00% (2017: 19.25%)	-	(1,065,080)
Effects of:		
Expenses not deductible for tax purposes		1,065,214
Group relief transferred for nil consideration	-	(134)
Total tax charge for the year	-	-

Factors that may affect future tax charges:

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2017 (on 6 September 2017) and Finance Bill 2019 (which received Royal Assent in February 2019). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. This announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%. However, it is possible that the corporation tax rate remains at 19% after 1 April 2020. Deferred taxes at the balance sheet date have been measured using the enacted tax rates and reflected in these financial statements.

No instance of current or deferred taxation has been recognised directly in other comprehensive income in either the current period or prior year.

7 Investments

	Subsidiaries
	£
Cost	
At 1 January 2018 and 30 June 2019	3,591,959
Accumulated impairment	
At 1 January 2018 and 30 June 2019	(3,591,959)
Carrying value at 1 January 2017	-
Carrying value at 30 June 2019	-

Details of the subsidiary undertaking of the Company as at 30 June 2019 are given in Note 11.

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Notes to the financial statements for the period from 1 January 2018 to 30 June 2019

8 Share capital

	2019 Number of shares	2017 Number of shares	2019 £	2017 £
Issued and fully paid				
Ordinary shares of £0.001 each (2017: £0.001 each)	19,810,132	19,810,132	19,810	19,810
A ordinary shares of £0.001 each (2017: £0.001 each)	5,261,932	5,261,932	5,262	5,262
	25,072,064	25,072,064	25,072	25,072

9 Syndicated banking arrangement

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

10 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 compensation.

11 Subsidiaries

The subsidiaries of the Company as at 30 June 2019 are as follows:

Company	Direct shares held (%)	Indirect shares held(%)	Security	Address of the registered office
The Exchange Lab Limited	100%	0%	Ordinary	(a)
The Exchange Lab Canada Inc	100%	0%	Ordinary	(b)
The Exchange Lab Trustees Limited	100%	0%	Ordinary	(a)
The Exchange Lab Inc	0%	100%	Ordinary	(c)

(a) Sea Containers, 18 Upper Ground, London, SE1 9GL, United Kingdom

(b) Suite 1600, 1 First Canadian Place, 100 King Street West, Toronto, ON, M5X 1G5, Canada

(c) 874 Walker Road, Suite C, Dover, Delaware, 19904, United States