

Registered number: 02648585

Airport Media International Limited

Annual report and financial statements

for the year ended 31 December 2017



Airport Media International Limited

Annual report and financial statements 2017

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Airport Media International Limited

Strategic report

The directors present their strategic report and directors' report on the affairs of Airport Media International Limited ("the company") together with the audited financial statements and auditors report for the year ended 31 December 2017.

Principal activities

The principal activity of the company is that of a holding company. The company's principal subsidiary was Hi Resolution (Production) Limited and details of the investment are contained in note 7 to the financial statements. The company intends to continue as a holding company for the foreseeable future.

Review of the business

The company's activities are that of a holding company and therefore dividends received are the key measure of performance. The company received dividends of £1,500,000 (2016: £1,500,000).

Key performance indicators

Due to the nature of the company's activities the directors believe that analysis using key performance indicators for the company is not meaningful or appropriate.

Future developments

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next financial year.

Events after the balance sheet date

On 20 March 2018 it was declared that a final dividend for the year ended 31 December 2017 of £1,500,000 (£15 per share) will be paid out to the shareholders of the company. As the dividend was not declared at 31 December 2017 there is no liability, relating to this dividend, recognised at 31 December 2017.

Approval

Approved by the Board and signed on its behalf by:



R Hird

Director

17 August 2018

27 Farm Street
London
United Kingdom
W1J 5RJ

Airport Media International Limited

Directors' report

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report and form part of this report by cross-reference.

Going concern

The directors have considered the going concern assumption given the current economic environment and have formed the conclusion that there is a reasonable expectation that the company will continue to operate in the foreseeable future. The company has no current forecast cash requirements. Also, the company has a positive net asset position with no third party liabilities owing at the balance sheet date. The directors have assessed for reasonableness the company forecasts and available facilities in forming this judgement. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk.

Credit risk

The company's principal financial assets are investments and intercompany receivables. The company's credit risk is primarily attributable to its intercompany receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Dividends

The directors do not recommend a final dividend. An interim dividend of £1,500,000 (£15 per share) was paid on 31 March 2017 (2016: £1,500,000 or £15 per share).

Directors

The directors, who served throughout the year except as noted, were as follows:

S Winters
R Hird

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.

Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the next Annual General Meeting.

Airport Media International Limited

Directors' report (continued)

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R Hird', written in a cursive style.

R Hird
Director

17 August 2018

Airport Media International Limited

Directors' responsibilities 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 the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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;
- state whether UK Accounting Standards has 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.

Airport Media International Limited

Independent auditor's report to the members of Airport Media International Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Airport Media International Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Airport Media International Limited

Independent auditor's report to the members of Airport Media International Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Airport Media International Limited

Independent auditor's report to the members of Airport Media International Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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



Matthew Hughes BSc (Hons), ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

20 August 2018

Airport Media International Limited

Statement of comprehensive income For the year ended 31 December 2017

	Note	2017 £	2016 £
Operating profit		-	-
Income from shares in group undertakings	3	1,500,000	1,500,000
Profit before taxation		1,500,000	1,500,000
Tax	6	-	-
Profit for the financial year		1,500,000	1,500,000
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year attributable to the owners of the company		1,500,000	1,500,000

All of the activities of the company are classed as continuing.

Airport Media International Limited

Balance sheet

At 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	7	94	94
		<u>94</u>	<u>94</u>
Current assets			
Debtors	8	107,023	107,023
		<u>107,023</u>	<u>107,023</u>
Net current assets		<u>107,023</u>	<u>107,023</u>
Net assets		<u>107,117</u>	<u>107,117</u>
Capital and reserves			
Called-up share capital	9	100,000	100,000
Profit and loss account		<u>7,117</u>	<u>7,117</u>
Shareholders' funds		<u>107,117</u>	<u>107,117</u>

The financial statements of Airport Media International Limited, (registered number 02648585) were approved by the board of directors and authorised for issue on 17 August 2018. They were signed on its behalf by:



R Hird
Director

Airport Media International Limited

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

	Called up share capital (Note 9) £	Profit and loss account £	Total £
Balance at 1 January 2016	100,000	7,117	107,117
Profit for the year	-	1,500,000	1,500,000
Total comprehensive income for the year	-	1,500,000	1,500,000
Dividends	-	(1,500,000)	(1,500,000)
Balance at 31 December 2016	100,000	7,117	107,117
Profit for the year	-	1,500,000	1,500,000
Total comprehensive income for the year	-	1,500,000	1,500,000
Dividends	-	(1,500,000)	(1,500,000)
Balance at 31 December 2017	100,000	7,117	107,117

Airport Media International Limited

Notes to financial statements (continued)

For the year ended 31 December 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

Airport Media International Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is 27 Farm Street, London, W1J 5RJ. The nature of the company's operations and its principal activities are set out in the business review on page 1.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. 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 on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

The functional and presentation currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts 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 accounts of WPP plc. The group accounts of WPP plc are available to the public and can be obtained as set out in note 11.

Going concern

There are no material uncertainties that lead to significant doubt upon the entity's ability to continue as a going concern. The company has no current forecast cash requirements other than intercompany balances. Also, the company has a positive net asset position with no external liabilities owing at the balance sheet date.

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount can be measured reliably).

Airport Media International Limited

Notes to financial statements (continued)

For the year ended 31 December 2017

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Airport Media International Limited

Notes to financial statements (continued)

For the year ended 31 December 2017

1. Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss' (FVTPL) are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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 issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. Critical accounting judgements and key sources of estimation uncertainty

Management is required to make key decisions and judgements whilst acknowledging there is estimation uncertainty in the process of applying the Company's accounting policies. Where judgement has been applied or estimation uncertainty exists, the key factors taken into consideration are disclosed in the accounting policies and the appropriate note in these financial statements. There are no critical accounting judgements or key sources of estimation uncertainty.

Airport Media International Limited

Notes to financial statements (continued)

For the year ended 31 December 2017

3. Income from shares in group undertakings

	2017 £	2016 £
Income from group undertakings	<u>1,500,000</u>	<u>1,500,000</u>

4. Auditor's remuneration

Fees payable to Deloitte LLP for the audit of the company's annual accounts were £1,000 (2016: £1,000), these were borne by a fellow group company.

5. Staff costs

No salaries or wages have been paid to the directors during the year (2016: none). The directors received remuneration from other group companies during the current and preceding year on the basis that they spend most of their time working for those companies and none of their services were specifically attributable to the company.

6. Tax on profit

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

	2017 £	2016 £
Profit before tax	<u>1,500,000</u>	<u>1,500,000</u>
Tax on profit at standard UK corporation tax rate of 20 % (2016: 20%)	300,000	300,000
Effects of: Income not taxable for tax purposes	<u>(300,000)</u>	<u>(300,000)</u>
Total tax charge for year	<u>-</u>	<u>-</u>

The reduction in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 was enacted as part of the Finance (No.2) Act 2015. A further reduction to 17% from 1 April 2020 was enacted as part of the finance Act 2016.

7. Investments

	Total £
Cost at 1 January 2016, 31 December 2016 and 31 December 2017	<u>94</u>
Net book value 1 January 2016, 31 December 2016 and 31 December 2017	<u>94</u>

The company holds 93.75% of the issued share capital of Hi Resolution (Production) Limited, a company incorporated in England and Wales whose principal activity is the planning, creation and placement of advertising.

Airport Media International Limited

Notes to financial statements (continued)

For the year ended 31 December 2017

8. Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Amounts owed by group undertakings	107,023	107,023
	<u>107,023</u>	<u>107,023</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. Called-up share capital

	2017 £	2016 £
Allotted, called-up and fully-paid		
100,000 Ordinary shares of £0.10 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

10. Related party transactions

As a wholly owned subsidiary undertaking of WPP plc, the company has taken advantage of the exemption in FRS 101 from disclosing transactions with other members of the group headed by WPP plc

11. Controlling party

The directors regard Poster Publicity Holdings Limited, a company incorporated in England and Wales, as the immediate parent company and WPP plc, a company incorporated in Jersey, as the ultimate parent company and ultimate controlling party. The registered office of WPP plc is Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES.

At the end of the period the largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is WPP plc, incorporated in Jersey. The parent undertaking of the smallest such group is WPP Jubilee Limited, incorporated in England and Wales.

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