

**WPP GROUP (NOMINEES) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



**Registered office address:**

**Sea Containers House**  
**18 Upper Ground**  
**London**  
**SE1 9GL**  
**United Kingdom**

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**WPP GROUP (NOMINEES) LIMITED**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	1 - 3
<b>Directors' Report</b>	4 - 5
<b>Independent Auditor's Report</b>	6 - 8
<b>Income Statement</b>	9
<b>Balance Sheet</b>	10
<b>Statement of Changes in Equity</b>	11
<b>Notes to the Financial Statements</b>	12 - 22

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## WPP GROUP (NOMINEES) LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The Directors present their Strategic report on WPP Group (Nominees) Limited (the 'Company') for the year ended 31 December 2020.

#### Principal activities

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

#### Future developments

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

#### Business review

The Company made a profit for the year ended 31 December 2020 of £171,000 which will be transferred to reserves (2019: a profit of £487,000 which was transferred to reserves).

On 5 February 2020, the Company acquired one share in the share capital of XumaK, S.A. for a cash consideration of \$10,416 (£8,144). On 3 September 2020, the Company transferred its investment in Kantar Research (Bangladesh) Private Limited resulting in profit on disposal of £899 to the Company. On 24 September 2020, the Company transferred its investment in Kingsway Media Services Limited resulting in loss on disposal of £7,399 to the Company.

On 1 October 2020, the Company transferred its investment in Ogilvy & Mather Advertising SRL, Ogilvy Services Central Eastern Europe SRL and mPlatform Romania SRL resulting in profit on disposal of £26,760, £52,804 and £623 respectively to the Company.

On 24 November 2020, the Company transferred its investment in Labstore, s.r.o and WPP Captive Holdings resulting in profit on disposal of £135,956 and £5,516 respectively to the Company.

During the year, the Company wrote off of Company's investment in Kintetic Reklam Hizmetleri Limited and GroupM Turkey held at a net book value of £1,677 and £12 respectively as the entities have now been dissolved.

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

#### Covid-19

As the Company does not have any employees, the Company did not access any financial support measures made available by the UK and other governments.

The Directors will continue to monitor, review and take any appropriate steps to respond to the impact of the Covid-19 pandemic in the Company, as well as recognise and address the other current and emerging risks and uncertainties we face as a business.

The extent of the continued impact of the Covid-19 pandemic on our business will depend on numerous factors that we are not able to accurately predict, including the duration and scope of the pandemic, government actions to mitigate the effects of the pandemic and the intermediate and long-term impact of the pandemic on our clients' spending plans.

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## WPP GROUP (NOMINEES) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Dividends

The Company did not pay an interim dividend either in the current year or prior year to ordinary shareholders. No final dividend has been declared since the balance sheet date.

#### Going concern and liquidity risk

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

As the Company is primarily an investment holder, there is no expected impact to the financial position of the Company as a result of Covid-19.

As at 31 December 2020, the Company has net cash of £2,341,000, net current assets of £2,330,000 and net assets of £3,049,000 and can therefore meet its short- and long- term obligations as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing the financial statements. Additionally, the Company is a subsidiary of WPP plc and is supported by the overall WPP plc financing and liquidity arrangements.

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

#### Financial risk management and principal risks and uncertainties

The Directors of the Company have considered the principal risks and uncertainties affecting the Company as at 31 December 2020 and up to date of this report. As the Company is primarily an investment holding financing company with a limited amount of transactions, the Directors believe that the Company has no principal risks and uncertainties other than going concern and liquidity. Going concern and liquidity risks are discussed above.

#### Financial key performance indicators

	2020	2019	Change
	£'000	£'000	%
Net assets	3,049	2,878	5.9%

The Company is a wholly owned subsidiary of WPP plc. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of WPP plc, which includes this Company, is discussed in the Group's annual report, which does not form part of this report. The financial statements of WPP plc are available at [www.wpp.com/investors](http://www.wpp.com/investors).

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**WPP GROUP (NOMINEES) LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

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

The Directors are of the opinion that the remaining details of how they meet their duty is in line with those reflected by the Directors of WPP plc in their Annual report. Refer to pages 117-118 of the Annual report of WPP plc available at [wpp.com/investors](http://wpp.com/investors) for more information on how the Group directors meet their duty.

This report was approved by the board on 30 December 2021 and signed on its behalf.



D Conaghan  
Director

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## WPP GROUP (NOMINEES) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The Directors present their report and the financial statements for the year ended 31 December 2020.

#### Results

The Company's results for the financial year are shown in the income statement on page 9.

#### Directors and their interests

The Directors who served during the year were:

D Conaghan  
A Payne  
C Van der Welle

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

#### Directors' indemnity

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

#### Energy and carbon reporting

The company consumed less than 40,000 kWh and is therefore exempt from this disclosure.

#### Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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**WPP GROUP (NOMINEES) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Matters covered in the strategic report**

The following items have been included in the strategic report on pages 1 - 3:

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

**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be 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.

**Post balance sheet events**

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

**Auditor**

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Board Meeting.

This report was approved by the board on 30 December 2021 and signed on its behalf.



D Conaghan  
Director

## **Independent auditor's report to the members of WPP Group (Nominees) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of WPP Group (Nominees) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 income statement;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 16.

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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.



## **Independent auditor's report to the members of WPP Group (Nominees) Limited (continued)**

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included UK Bribery Act.

We discussed among the audit engagement team including relevant internal specialists such as tax regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

## **Independent auditor's report to the members of WPP Group (Nominees) Limited (continued)**

- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **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.

#### **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.



Edward Salter (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom  
30 December 2021

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WPP GROUP (NOMINEES) LIMITED

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INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	2020 £'000	2019 £'000
Foreign exchange loss		(1)	-
Income from investments	7	24	40
Impairments and amounts written off investments	9	(67)	(87)
Profit on disposal of investments	9	215	536
<b>Profit before taxation</b>		<b>171</b>	<b>489</b>
Taxation	8	-	(2)
<b>Profit for the year</b>		<b>171</b>	<b>487</b>

The notes on pages 12 to 22 form part of these financial statements.

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

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

**WPP GROUP (NOMINEES) LIMITED**  
**REGISTERED NUMBER: 02757919**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £'000	2019 £'000
<b>Non-current assets</b>			
Investments	9	53	119
Trade and other receivables	10	666	-
		<u>719</u>	<u>119</u>
<b>Current assets</b>			
Trade and other receivables	10	-	660
Cash at bank and in hand	11	2,341	2,114
		<u>2,341</u>	<u>2,774</u>
<b>Current liabilities</b>			
Trade and other payables	12	(11)	(14)
Bank overdraft	11	-	(1)
		<u>2,330</u>	<u>2,759</u>
<b>Net current assets</b>		<u>3,049</u>	<u>2,878</u>
<b>Total assets less current liabilities</b>		<u>3,049</u>	<u>2,878</u>
<b>Net assets</b>		<u>3,049</u>	<u>2,878</u>
<b>Capital and reserves</b>			
Called up share capital	13	250	250
Profit and loss account		2,799	2,628
		<u>3,049</u>	<u>2,878</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 December 2021.



D Conaghan  
Director

The notes on pages 12 to 22 form part of these financial statements.

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**WPP GROUP (NOMINEES) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
<b>At 1 January 2019</b>	<b>250</b>	<b>2,141</b>	<b>2,391</b>
Profit and total comprehensive income for the year	-	487	487
<b>At 1 January 2020</b>	<b>250</b>	<b>2,628</b>	<b>2,878</b>
Profit and total comprehensive income for the year	-	171	171
<b>At 31 December 2020</b>	<b>250</b>	<b>2,799</b>	<b>3,049</b>

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## WPP GROUP (NOMINEES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. General information

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

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

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the 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
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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## WPP GROUP (NOMINEES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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## 2. Accounting policies (continued)

### 2.3 Exemption from preparing consolidated financial statements

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

### 2.4 Going concern

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

As the Company is primarily an investment holder, there is no expected impact to the financial position of the Company as a result of Covid-19.

As at 31 December 2020, the Company has net cash of £2,341,000, net current assets of £2,330,000 and net assets of £3,049,000 and can therefore meet its short- and long- term obligations as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing the financial statements. Additionally, the Company is a subsidiary of WPP plc and is supported by the overall WPP plc financing and liquidity arrangements.

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

### 2.5 Impact of new international reporting standards, amendments and interpretations

No new accounting standards or IFRIC interpretations have had a material impact on the Company for the year ended 31 December 2020.

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## WPP GROUP (NOMINEES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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## 2. Accounting policies (continued)

### 2.6 Foreign currency translation

#### Functional and presentation currency

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

#### Transactions and balances

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

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

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

### 2.7 Taxation

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

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

### 2.8 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.9 Associates and joint ventures

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates and joint ventures are held at cost less impairment.

### 2.10 Trade and other receivables

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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,



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## WPP GROUP (NOMINEES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.10 Trade and other receivables (continued)

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.

##### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.12 Trade and other payables

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

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

##### 2.13 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.

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## WPP GROUP (NOMINEES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Critical accounting estimates and assumptions**

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

##### *Impairment of investments*

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

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

##### *Intercompany loan owed by group companies*

There existed loan amounts owed by group companies of £665,600 as at 31 December 2020. The Directors have considered that, although the loans are repayable on demand by the group companies, the loan be classified as a non-current asset as full settlement of the loan is not expected to be within the next financial year.

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

#### 4. Auditor's remuneration

Auditor's remuneration of £3,238 for the year ended 31 December 2020 has been borne by another Group entity (2019: £3,238 borne by another Group entity).

#### 5. Employees

The Company has no employees (2019: nil).

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WPP GROUP (NOMINEES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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6. Directors' remuneration

During the year, Directors of the Company were remunerated as executives of the Group. They received no remuneration in respect of their services to the Company (2019: £nil).

7. Income from investments

	2020 £'000	2019 £'000
Dividend from associates	24	40

8. Taxation

	2020 £'000	2019 £'000
<b>Income tax charge</b>		
Current tax on profits for the year	-	2

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	171	489
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	32	93
<b>Effects of:</b>		
Expenses not deductible for tax purposes	13	17
Non-taxable income	(40)	(102)
Dividends from UK companies	(5)	(8)
Double taxation relief	-	2
<b>Total tax charge for the year</b>	-	2

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WPP GROUP (NOMINEES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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8. Taxation (continued)

**Factors that may affect future tax charges**

The UK tax rate for the year ended 31 December 2020 is 19%. The reversal of a planned reduction to 17% was enacted in 2020, and therefore the rate used for deferred tax balances for 2020 is 19% (2019: 17%).

In the UK Budget on 3 March 2021, the Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. This change was not substantively enacted at the balance sheet date and hence has not been reflected in the measurement of deferred tax balances at the period end.

9. Investments

	<b>Investments in associates £'000</b>
<b>Cost</b>	
At 1 January 2020	206
Additions	8
Disposals	(7)
Amounts written off	(2)
At 31 December 2020	<u>205</u>
<b>Accumulated impairment</b>	
At 1 January 2020	87
Charge for the period	65
At 31 December 2020	<u>152</u>
<b>Net book value</b>	
At 31 December 2020	<u>53</u>
At 31 December 2019	<u>119</u>

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## WPP GROUP (NOMINEES) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 9. Investments (continued)

On 5 February 2020, the Company acquired one share in the share capital of XumaK, S.A. for a cash consideration of \$10,416.

On 3 September 2020, the Company transferred its investment in Kantar Research (Bangladesh) Private Limited held at a net book value of £nil to another group company for consideration at market value of \$1,225 resulting in profit on disposal of £899 to the Company.

On 24 September 2020, the Company transferred its investment in Kingsway Media Services Limited held at a net book value of £7,438 to another group company for consideration at market value of \$50 resulting in loss on disposal of £7,399 to the Company.

On 1 October 2020, the Company transferred its investment in Ogilvy & Mather Advertising SRL held at a net book value of £nil to another group company for consideration at market value of €29,474 resulting in profit on disposal of £26,760 to the Company.

On the same date, the Company transferred its investment in Ogilvy Services Central Eastern Europe SRL held at a net book value of £nil to another group company for consideration at market value of €58,158 resulting in profit on disposal of £52,804 to the Company.

On the same date, the Company transferred its investment in mPlatform Romania SRL held at a net book value of £nil to another group company for consideration at market value of €686 resulting in profit on disposal of £623 to the Company.

On 24 November 2020, the Company transferred its investment in Labstore, s.r.o held at a net book value of £nil to another group company for consideration at market value of CZK 3,990,271 resulting in profit on disposal of £135,956 to the Company.

On the same date, the Company transferred its investment in WPP Captive Holdings held at a net book value of £nil to another group company for consideration at market value of \$7,314 resulting in profit on disposal of £5,516 to the Company.

Amounts written off of £1,689 includes write off of Company's investment in Kintetic Reklam Hizmetleri Limited and GroupM Turkey held at a net book value of £1,677 and £12 respectively as the entities have now been dissolved.

Current year impairment charge of £65,019 relates to a write down in the carrying value of the Company's investment in XumaK, S.A. of £8,143, Redworks Digital Bratislava s.r.o of £7,740 and WPP Second S de RL de CV of £49,136.

Details of the subsidiary and associates of the Company as at 31 December 2020 are given in Note 16.

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WPP GROUP (NOMINEES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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10. Trade and other receivables

	2020 £'000	2019 £'000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	666	-
	<u>666</u>	<u>-</u>
<b>Due within one year</b>		
Amounts owed by group undertakings	-	658
Other receivables	-	2
	<u>-</u>	<u>660</u>

The amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	2,341	2,114
Less: bank overdrafts	-	(1)
	<u>2,341</u>	<u>2,113</u>

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 arrangements. Details of these arrangements are included in the financial statements of WPP plc.

12. Trade and other payables falling due within one year

	2020 £'000	2019 £'000
Amounts owed to group undertakings	11	11
Accruals and deferred income	-	3
	<u>11</u>	<u>14</u>

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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WPP GROUP (NOMINEES) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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13. Share capital

	2020 £'000	2019 £'000
<b>Allotted, called up and fully paid</b>		
250,002 (2019 - 250,002) Ordinary shares of £1.00 each	<b>250</b>	<b>250</b>

14. 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.

15. Post balance sheet events

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

16. Subsidiary and associates

The following were subsidiary and associate undertakings of the Company:

Name	Registered office	Class of shares	Holding
AKQA El Salvador, Limitada de Capital Variable	(a)	Ordinary	100%
Always Hong Kong Limited	(b)	Ordinary	50%
Conquest Marketing Communications (Hong Kong) Limited	(b)	Ordinary	50%
Conquest Marketing Communications (Taiwan) Limited	(b)	Ordinary	50%
Geometry Global Company Limited	(c)	Ordinary	50%
GroupM Limited	(d)	Ordinary	50%
David Communications Group Limited	(b)	Ordinary	50%
GroupM Communications Hong Kong Limited	(d)	Ordinary	50%
GroupM (Shanghai) Advertising Co. Ltd	(e)	Ordinary	50%
Hong Kong Dawson Marketing Communications Company Limited	(b)	Ordinary	50%
Ogilvy Action Advertising Co., Ltd	(f)	Ordinary	25%
Ogilvy & Mather (China) Holdings Limited	(c)	Ordinary	50%
Ogilvy Red Force Technology Development Co. Ltd	(g)	Ordinary	25%
Ogilvy Health Limited	(c)	Ordinary	50%
Pulse Communications Ltd	(c)	Ordinary	50%
Soho Square Hong Kong Limited	(c)	Ordinary	50%
VBAT.MX, S. de R.L. de C.V.	(h)	Ordinary	50%
Wunderman Thompson (Taiwan) Limited	(b)	Ordinary	50%
MindShare Communications Limited	(b)	Ordinary	25%
Wunderman Thompson Limited	(b)	Ordinary	50%
Always Marketing Holdings Ltd. (Taiwan Branch)	(i)	Ordinary	33%

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**WPP GROUP (NOMINEES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**16. Subsidiary and associates (continued)**

**(continued)**

- (a) Condominio Torre Futura entre 87 y 89, Avenida Norte y Calle Mirador Locales 12-1A,06 y 15-01, Colonia Escalón San Salvador, El Salvador
- (b) 6th Floor, Alexandra House, 18 Chater Road, Central Hong Kong
- (c) 23/F, The Center, 99 Queen's Road, Central Hong Kong
- (d) 36/F, PCCW Tower, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
- (e) Room 3102, The Center, 989 Changle Road, Shanghai, 200031, China
- (f) 9th Floor, Huali Building, 58 Jinbao Street, Beijing, 100005, China
- (g) Xia Zhuang Industrial Park, No.1 Cui Liu East Street, Chang Hong West Road, Liang Xiang Town, Fang Shan District, Beijing, China
- (h) Mexico City, Federal District, Mexico
- (i) 35, 3F, Lane 11, Guangfu N. Rd., Taipei, Taiwan (Province of China)