

Registered number: 03420047

# ULTIMATE SQUARE

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



**Registered office address:**

**Sea Containers House**

**18 Upper Ground**

**London**

**SE1 9GL**

**United Kingdom**

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**ULTIMATE SQUARE**

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## ULTIMATE SQUARE

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The Directors present their Strategic report on Ultimate Square (the 'Company') for the year ended 31 December 2022.

#### **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 2022 of £852,000 which will be transferred to reserves (2021: a profit of £192,000 which was transferred to reserves).

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

#### **Dividends**

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 conflict in Ukraine and general global economic conditions may have on the liquidity, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

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

As at 31 December 2022, the Company has net current assets of £8,322,000 and net assets of £12,760,000 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 arrangements via the cash pooling 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 2022 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.

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## ULTIMATE SQUARE

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Financial key performance indicators

	2022	2021	Change
	£'000	£'000	%
Profit before tax	852	192	343.8%
Net assets	12,760	11,908	7.2%

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).

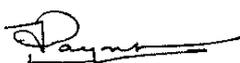
#### Directors' statement of compliance with duty to promote the success of the Company

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.

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 109-111 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 28 July 2023 and signed on its behalf.



A Payne  
Director

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## ULTIMATE SQUARE

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The Directors present their Annual report and the financial statements for the year ended 31 December 2022.

#### Results

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

#### Directors and their interests

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

R Payne (appointed 1 July 2022)  
N Douglas (appointed 30 September 2022)  
A Payne  
C van der Welle (resigned 30 September 2022)  
D Conaghan (resigned 8 July 2022)

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

#### Directors' indemnity

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

#### Directors' responsibilities statement

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

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

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

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

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

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ULTIMATE SQUARE

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**Matters covered in the strategic report**

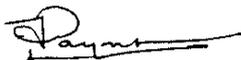
The following items have been included in the strategic report on pages 1 - 2:

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

**Post balance sheet events**

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

This report was approved by the board on 28 July 2023 and signed on its behalf.



A Payne  
Director

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ULTIMATE SQUARE

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INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Notes	2022 £'000	2021 £'000
Income from investments	6	722	174
Interest receivable and similar income	7	130	18
<b>Profit before tax</b>		<b>852</b>	192
Tax on profit	8	-	-
<b>Profit for the year</b>		<b>852</b>	192

The notes on pages 8 to 14 form part of these financial statements.

All results arise from 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.

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**ULTIMATE SQUARE**  
**REGISTERED NUMBER: 03420047**

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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

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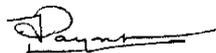
	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Investments	9	4,438	4,438
<b>Current assets</b>			
Trade and other receivables	10	8,322	7,470
<b>Net current assets</b>		<b>8,322</b>	7,470
<b>Total assets less current liabilities</b>		<b>12,760</b>	11,908
<b>Net assets</b>		<b>12,760</b>	11,908
<b>Capital and reserves</b>			
Called up share capital	11	1,903	1,903
Share premium account		21,385	21,385
Profit and loss account		(10,528)	(11,380)
		<b>12,760</b>	11,908

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

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2023.



A Payne  
Director

The notes on pages 8 to 14 form an integral part of these financial statements.

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ULTIMATE SQUARE

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2021	1,903	21,385	(11,572)	11,716
Profit and total comprehensive income for the year	-	-	192	192
At 31 December 2021	<u>1,903</u>	<u>21,385</u>	<u>(11,380)</u>	<u>11,908</u>
Profit and total comprehensive income for the year	-	-	852	852
At 31 December 2022	<u><u>1,903</u></u>	<u><u>21,385</u></u>	<u><u>(10,528)</u></u>	<u><u>12,760</u></u>

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## ULTIMATE SQUARE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. General information

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

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

#### 2. Accounting policies

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

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

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

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

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

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## ULTIMATE SQUARE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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## 2. Accounting policies (continued)

### 2.3 Consolidation and ultimate parent company

The Company is a wholly owned subsidiary of its ultimate parent company and as such has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006. WPP plc, a company incorporated in Jersey, is the Company's ultimate parent undertaking and controlling party. The largest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of WPP plc. The registered address of WPP plc is 22 Grenville Street, St Helier, Jersey, JE4 8PX. 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 Unicorn 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 conflict in Ukraine and general global economic conditions may have on the liquidity, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

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

As at 31 December 2022, the Company has net current assets of £8,322,000 and net assets of £12,760,000 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 arrangements via the cash pooling 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 2022.

### 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.

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## ULTIMATE SQUARE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 2. Accounting policies (continued)

##### 2.6 Foreign currency translation (continued)

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 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.8 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.

##### 2.9 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated 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, 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.

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 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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## ULTIMATE SQUARE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 3. Critical accounting judgements and key sources of estimation uncertainty

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

##### Critical accounting estimates and assumptions

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

##### *Impairment of investments*

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

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

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

#### 4. Employees

The Company has no employees (2021: nil).

#### 5. Directors' remuneration

During the year all Directors of the Company were remunerated as executives of the Group by a fellow Group company. They received no remuneration in respect of their services to the Company (2021: £nil).

#### 6. Income from investments

	2022 £'000	2021 £'000
Dividend from subsidiaries	<u>722</u>	<u>174</u>

Dividend income received in both the current and prior years relate entirely to amounts received from WPP Marketing Communications (Malaysia) Sdn Bhd.

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**ULTIMATE SQUARE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**7. Interest receivable**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Group interest receivable	<b>130</b>	18

**8. Taxation**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Current tax on profit for the year	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Profit before tax	<b>852</b>	192
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>162</b>	36
<b>Effects of:</b>		
Non-taxable income	<b>(137)</b>	(33)
Group relief	<b>(25)</b>	(3)
<b>Total tax charge for the year</b>	<b>-</b>	-

**Factors that may affect future tax charges**

The UK tax rate for the year ended 31 December 2022 is 19%. The increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023 was enacted at the balance sheet date and was reconfirmed in the UK Budget on 15 March 2023. Deferred tax balances have been measured accordingly at 25% (2021: 25%).

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ULTIMATE SQUARE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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9. Investments

	Investments in subsidiaries £'000
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	21,429
<b>Accumulated impairment</b>	
At 1 January 2022 and 31 December 2022	16,991
<b>Net book value</b>	
At 31 December 2021 and 31 December 2022	<u>4,438</u>

The following was the subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
WPP Marketing Communications (Malaysia) Sdn Bhd	20-1B, Jalan Pandan 2/1, Pandan Jaya, Kuala Lumpur, 55100, Malaysia	Ordinary	71%

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**ULTIMATE SQUARE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**10. Trade and other receivables**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Amounts owed by group undertakings	<b>8,322</b>	7,470

*Included within amounts owed by group undertakings is an intergroup loan of £8,050,500 (2021: £7,470,000) with a fellow Group company in relation to the cash pooling arrangement. It accrued a range of variable interest rates with reference to SONIA plus an additional 0.30% or 0.50% during the year.*

All other amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

**11. Share capital**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Allotted, called up and fully paid</b>		
1,902,851 (2021 - 1,902,851) Ordinary shares of £1.00 each	<b>1,903</b>	1,903

**12. 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.

**13. Post balance sheet events**

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