Annual Report and Financial Statements

for the year ended 31 December 2018

Registered office address: 27 Farm Street, London, W1J 5RJ



Annual Report

for the year ended 31 December 2018

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Strategic report for the year ended 31 December 2018

The Directors present their Strategic report on Kinetic Worldwide Group Limited (the 'Company') for the year ended 31 December 2018.

Principal activities, review of business and future developments

Kinetic Worldwide Group Limited (the 'Company'), a member of the WPP Plc Group (the 'Group'), is an investment holder. The Company did not undertake any accounting transactions as an investment holder, nor did it trade during the year. Therefore, the Company is considered dormant as defined in section 1169 of the Companies Act 2006 throughout the year. There were no transfers to or from reserves for the year. The Directors are of the opinion that the Company will remain dormant for the forseeable future.

Principal risks and uncertainties

The Directors of the Company have considered the principal risks and uncertainties affecting the Company as at 31 December 2018 and up to the date of this report. These are described in detail in the annual report of WPP plc which does not form part of this report.

Key performance indicators (KPIs)

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.wppinvestor.com.

By order of the Board

R Hird Director

25 September 2019

Directors' report for the year ended 31 December 2018

The Directors present their report on the Company for the year ended 31 December 2018.

Dividends

No dividend is proposed to the holders of Ordinary Shares in respect of the year ended 31 December 2018 (2017: final ordinary dividend of £nil).

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

R Hird

S Winters

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 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.

Directors' report for the year ended 31 December 2018

Statement of Directors' responsibilities

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

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

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

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

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

The following items have been included in the Strategic report on page 1:

- · principal activities and future developments;
- · review of business; and
- · principal risks and uncertainties.

Disclosure of information to auditors

As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with s418 of the Companies Act 2006.

Independent auditors

Deloitte LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

On behalf of the Board:

R Hird Director

25 September 2019

Independent auditor's report to the members of Kinetic Worldwide Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Kinetic Worldwide Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and
 of its result 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 balance sheet; and
- the related notes 1 to 9.

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.

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.

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.

Mullice Hyghes

Matthew Hughes BSc (Hons), ACA (Senior statutory auditor) For and on behalf of Deloitte LLP Statutory Auditor Leeds, United Kingdom

25 September 2019

Balance sheet for the year ended 31 December 2018

	Notes	2018	2017
Non-current assets	IAOGES	. •	. L
Investments in subsidiaries	3	10,000	10,000
Current assets			
Trade and other receivables	4	6,192,159	6,192,159
Total assets		6,202,159	6,202,159
Current liabilities			
Trade and other payables	5	(53,941)	(53,941)
Net current assets		6,138,218	6,138,218
Net assets		6,148,218	6,148,218
Equity	· · · · · · · · · · · · · · · · · · ·		
Share capital	6	10,000	10,000
Retained earnings	,	6,138,218	6,138,218
Shareholder's equity		6,148,218	6,148,218

During the financial period and preceding financial year, the Company undertook no accounting transactions. Consequently, the Company made neither a profit, a loss nor any other recognised gains or losses during the period and therefore has not prepared an income statement or separate statement of other comprehensive income or a statement of changes in equity.

The financial statements on pages 7 to 11 were approved by the Board of Directors on 25 September and signed on its behalf by:

R Hird Director

Notes to the financial statements for the year ended 31 December 2018

Presentation of the financial statements

General information

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

The Company is a private company, limited by shares, and is incorporated and domicited in the UK (England). The address of the registered office is 27 Farm Street, London, W1J 5RJ.

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

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least for the next 12 months from the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

Disclosure exemptions adopted

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

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
- (i) paragraph 79(a) (iv) of IAS 1;
- . The following paragraphs of IAS 1, Presentation of financial statements:
- 10(d) (statement of cash flows),
- 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or make a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
- 16 (statement of compliance with all IFRS),
- 38A (requirements for minimum of two primary statements, including cash flow statements),
- 388-D (additional comparative information),
- 40A-D (requirements for a third balance sheet).
- 111 (cash flow statement information), and
- 134 136 (capital management disclosures).
- · IAS 7. 'Statement of cash flows'
- · Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- · Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- · The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

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 as adopted by the EU that are mandatorily effective for an accounting period that begins on or after 1 January 2018. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IMPACT OF THE ADOPTION OF IFRS 9 FINANCIAL INSTRUMENTS

In the current year, the Company has applied IFRS 9 Financial Instruments effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives,

(a) Classification and measurement of financial assets
The date of initial application is 1 January 2018, Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash

flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
The directors of the Company reviewed and assessed the Company's existing financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following Impact on the Company's financial assets as regards their classification and measurement:

None of the reclassifications of financial assets have had any material impact on the Company's balance sheet, profit or loss, or total comprehensive income in either year.

Notes to the financial statements for the year ended 31 December 2018

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on trade debtors and contract assets. In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) If the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade debtors and contract assets in certain circumstances

The requirement under IFRS 9 to use an expected loss method of impairment of financial assets did not have a material effect on the company due to the short-term nature of the company's trade and other receivables, which are mainly due from large national or multinational companies.

(c) Classification and measurement of financial liabilities
The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

(b) Consolidation

The Company is a wholly owned subsidiary of the ultimate parent company. WPP ptc, 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 statements of WPP plc. The registered address of WPP plc is Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES. Copies of the consolidated financial statements can be obtained from www.wppinvestor.com. The smallest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of statements of WPP Jubilee Limited, registered in the UK (England). The registered address of WPP Jubilee Limited is Sea Containers House, 18 Upper Ground, London, United Kingdom, SE1 9GL. The immediate parent undertaking is WPP Group (UK) Limited. These financial statements are separate financial statements.

(c) investment in subsidiaries

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

(d) Impairment of non-financial assets

The carrying values of all non-financial assets are reviewed for impairment, either on a standalone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Any provision for impairment is charged to the income statement in the year concerned.

Impairment losses on non-financial assets are only reversed if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of depreciation or amortisation, had no impairments been recognised.

(e) Trade and other pavables

Trade and other payables are initially recognised at fair value and then held at amortised cost using the effective interest method. Long-term payables are discounted where the effect is material.

(f) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Directors confirm that no significant judgement or critical estimates are used by the Company in relation to its annual report.

Notes to the financial statements for the year ended 31 December 2018

3 Investments in subsidiaries

3 in	vestments in subsidiaries				
		1			Subsidiaries £
Co	est and carrying value at 1 January 2018, 31 December 2018 and 31 December 2	2017			10,000
De	atails of the subsidiaries including indirect subsidiaries and indirect associates of the	Company as at 31 Dece	mber 2018 are giv	en in Note 9	
Th	e Directors believe that the carrying value of the investments is supported by their un	nderlying net assets.			
1 Tr	ade and other receivables			2018 €	2017 £
	nounts due within one year nounts owed by Group undertakings		·····	6,192,159	6,192,159
	nouns over by Group undertakings			6,192,159	6,192,159
Th	e amounts owed by group undertakings are unsecured, interest free and are repayal	ole on demand.			
	ade and other payables			2018 £	2017 £
	nounts falling due within one year nounts owed to Group undertakings			53,941	53,941
				53,941	53,941
An	nounts owed to Group undertakings are unsecured, interest free and repayable on de	emand.			
S St	nare capital			•	
		2018 Number of shares	2017 Number of shares	2018 £	2017 £
lss	sued and fully paid			******	
<u>Or</u>	dinary shares of 10p each (2017: 10p each)	100,000	100,000	10,000	10,000
		100,000	100,000	10,000	10,000
		2018 Number of	2017 Number of	2018	2017
	i Li anggara sudannos delegas anadago delegas anadago delegas	shares	shares	£	£
Au	ithorised			•	
Or	dinary shares of 10p each (2017: 10p each)	500,000	500,000	50,000	50,000
		500,000	500,000	50,000	50,000

7 Directors' and auditors

remuneration

During the year the Directors of the Company were remunerated as executives of other Companies in the Group. They received no remuneration in respect of their services to the Company (2017; £nil),

Fees payable to Deloitte LLP for the audit of the company's annual accounts were £1,000 (2017; £1,000). No other services were provided by Deloitte LLP to the company in either years.

8 Related party transactions

As a wholly owned subsidiary of the ultimate parent company, WPP plc, advantage has been taken of the exemption afforded by FRS 101 'Reduced disclosure framework' not to disclose any related party transactions with other wholly owned members of the Group, or information around remuneration of key management personnel compensation.

Notes to the financial statements for the year ended 31 December 2018

Subsidiaries:

The subsidiaries and associates of the Company as at 31 December 2018 are as follows:

	Direct shares	Indirect shares		
Company	hold (%)	held(%)	Security	Address of the registered offic
,	 			
Poster Publicity Group Limited	100%	0%	Ordinary	(a)
P.O.A Holdings Limited	100%	0%	Ordinary	(q)
Poster Publicity Holdings Limited	0%	100%	Ordinary A	(a)
Poster Publicity Holdings Limited	0%	100%	Ordinary 8	(a)
Poster Publicity Holdings Limited	0%	100%	Non-Redeemable	(a)
Kinetic Worldwide Switzerland AG	0%	100%	Ordinary	(b)
Kinetic Worldwide Pty Limited	0%	100%	Ordinary	(c)
Airport Media International Limited	0%	100%	Ordinary	(d) .
Hi Resolution (Production) Limited	0%	94%	Ordinary	(a)
Aviator Media Limited	0%	100%	Ordinary	(a)
Centhavenue Media Limited	0%	100%	Ordinary	(a)
Samaroff Limited	. 0%	100%	Ordinary	(d)
PPI Kinetic Kft	0%	100%	Ordinary	(e)
(inetic Worldwide Romania SRL	0%	100%	Ordinary	(f)
Outdoor Connection Limited	0%	100%	Ordinary-A	(a)
Outdoor Connection Limited	. 0%	100%	Ordinary-B	(a)
Outdoor Connection Limited	0%	100%	Ordinary-C	(a)
larrogate Estate Kft	0%	50%	Ordinary	(g)
ranzformer Limited	0%	100%	Ordinary	(a)
Poster Publicity Juogoistocan Europa DOO	0%	51%	Ordinary	(h)
Poster Publicity Limited Ljubljana	0%	51%	Ordinary	(0)
Kinetic Worldwide Media Philippines Inc	0%	100%	Ordinary	Ó
Gnetic Worldwide SDN BHD	0%	100%	Ordinary	(k)
(inetic Worldwide (Thailand) Co. Limited	0%	100%	Ordinary	(i)
Portland Outdoor Advertising Limited	0%	100%	Ordinary	(d)
Primeads International Limited	0%	100%	Ordinary	(a)
Portland Outdoor Malaysia SDN BHD	0%	100%	Ordinary	(k)
finiato BV	. 0%	100%	Ordinary	(m)
ortland India Outdoor Advertising Limited	0%	40%	Ordinary	(n)
Poster Plan Limited	0%	30%	Ordinary	(0)
Poster Sites Management Limited	0%	100%	Ordinary	(d)
Servicios Portland De Venezuela CA	0%	100%	Ordinary	(<u>p)</u>
nternational Outdoor Systems Limited	0%	45%	Ordinary	(a)
Media Insight Outdoor Limited	0%	50%	Ordinary	(a)

⁽a) The Inspire, Hornbeam Park, Harrogate, HG2 8PA, England, United Kingdom

⁽b) Manessestrasse 85, 8045, Zürich, Switzerland

⁽c) 201 Allenby Park Parade, 2100 Sydney , New South Wales, Australia

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

⁽e) Cégkivonat Statisztika, Megye, Budapest Cim: 1037, Budapest, Hungary
(f) ŞOS, MiHAI BRAVU, Nr. 194, BL. 203 SC. A ET. 1 AP. 2, Sector 2, BUCUREŞTI, Romania
(g) 1037 Budapest, Bojtár u. 17. fszt. 1., Budapest, Hungary
(h) Trg kralja Petra Krešimira IV 14, 10000, Zagreb, Croatia
(j) Dunajska cesta 106, 1000 Ljubljana, Slovenia

⁽i) 21st Floor, Picadilly Star Building, 4th Avenue, Corner 27th Street, Taguig, 1836 Metro Manifa, Philippines (k)Unit A-3-13 Lvl 3 TTDI Plaza Jin Wan Kadir 3 Tmn Tun Dr Ismail 60000 KLumpur Malaysia

⁽I) 2 Ploenchit Center, 19th Floor, Sukhumvit Road, Klongtoey, Klongtoey, Bangkok 10110, Thailand

⁽m)Laan op Zuid 167, ROTTERDAM, 3072DB, NL01996204, Netherlands

⁽n) No.9, 3rd Floor, Mahalakshmi Chambers, M G Road, Bangalore - 560001, India

⁽o) Suite 406 4th Floor Premier Business Centre, Belfast, 20 Adelaide Street, BT2 8GD

⁽p) Caracas, Venezuela