

**WPP Delilah Limited**  
(Registered number: 10931750)

**Annual report and financial statements**  
**for the year ended 31 December 2019**

**Registered office address:**

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

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**WPP Delilah Limited**  
**(Registered number: 10931750)**

**Annual report and financial statements**  
**for the year ended 31 December 2019**

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**WPP Delilah Limited**  
**(Registered number: 10931750)**

## **Strategic report for the year ended 31 December 2019**

The Directors present their Strategic report on WPP Delilah Limited (the 'Company') for the year ended 31 December 2019.

### **Principal activities**

The Company is a member of the WPP plc Group (the 'Group'). The Company's principal activity was to act as an investment holding company. Following the disposal of its remaining investment during the year, the Company will become dormant.

### **Future developments**

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

### **Review of business**

The Company made a loss for the year ended 31 December 2019 of £85,841,000 which will be transferred to reserves (2018: £nil profit or loss).

On 13 November 2019, the Company undertook a share capital reduction by reducing the nominal value each share from £1 to £0.000001. The Company also reduced the share premium account from £185,175,643 to £185. The share capital reduction generated distributable reserves of £185,275,500.

On 14 November 2019, the Company distributed by a way of dividend-in-specie, its 99.99% investment in Millward Brown UK Limited to Beaumont Square at a fair value of £99,435,349. On the same date, the Company transferred its remaining shareholding to Beaumont Square at a fair value of £191 for cash consideration.

The Company is a subsidiary of WPP plc and is therefore subject to the overall WPP plc financing arrangements. Further details are provided in the 'Going concern and liquidity risk' section.

### **Dividends**

The Company paid an interim dividend on 14 November 2019 to the ordinary shareholders of £994.34 per share totalling £99,435,349.

In the prior year no dividend was proposed to the holders of any share for the year ended 31 December 2018.

### **COVID-19**

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

Due to the non-trading activities of the Company, the Directors do not expect a significant impact on the results of operations or financial condition of the Company for at least the next 12 months from the date at which the financial statements have been signed.

### **Going concern and liquidity risk**

The Directors believe that preparing the financial statements on the going concern basis is appropriate.

The Directors have assessed the potential impact that the global outbreak of Covid-19 has had on the liquidity, performance and financial position of the Company for at least the next 12 months from the date at which the financial statements have been signed.

As the Company is primarily an investment holder and does not trade, there is no expected impact to the financial position of the Company as a result of COVID 19.

The Company has no assets or liabilities. In addition, the Company is a subsidiary of WPP plc it is subject to the overall WPP plc financing arrangements. For these reasons, they continue to adopt the going concern basis in preparing the financial statements and no material uncertainty related to going concern has been identified for disclosure.

**WPP Delilah Limited**  
(Registered number: 10931750)

## **Strategic report for the year ended 31 December 2019**

### **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 2019 and up to date of this report. As the Company is primarily an investment holding 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 risk are discussed above.

### **Key performance indicators (KPIs)**

	2019 £'000	2018 £'000	Change %
<b>Net assets</b>	-	185,276	(100%)

The Directors have discussed the performance of the Company in the "Review of business" section on page 1.

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](http://www.wppinvestor.com).

### **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. As stated on page 1, this company acts only as an investment holding company and does not trade. The Directors continue to recognise the importance of 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 104-105 of the Annual report of WPP plc available at [wpp.com](http://wpp.com) for more information on how the Group directors meet their duty.

### **Post balance sheet events**

In the period since 31 December 2019, the emergence and spread of Covid-19 has impacted the Group and its clients. The coronavirus pandemic is adversely affecting and is expected to continue to adversely affect our business, revenues, results of operations, financial condition and prospects.

The Company is continuing to monitor and review its liquidity and working capital. We are constantly reviewing cash outflows and receipts to monitor our position.

It is clear that the impact of Covid-19 on the business will be significant, but it is not possible at this stage to quantify the depth or duration of the impact. The impact of Covid-19 was treated as a non-adjusting subsequent event and was not reflected within the 31 December 2019 financial statements.

Approved by the Board and signed on its behalf by:

D Conaghan  
Director

30 September 2020

**APP Delilah Limited**  
**(Registered number: 10931750)**

## **Directors' report for the year ended 31 December 2019**

The Directors present their annual report and audited financial statements for the Company for the year ended 31 December 2019.

### **Results**

The Company's results for the financial year are shown in the income statement on page 8.

### **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 unless otherwise stated, were as follows:

D Conaghan	(Appointed on 21 November 2019)
A Payne	(Appointed on 21 November 2019)
C Van der Welle	
S Winters	(Resigned on 6 December 2019)

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.

### **Director's 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), "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; 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.

**WPP Delilah Limited**  
**(Registered number: 10931750)**

**Directors' report for the year ended 31 December 2019**

**Items in the Strategic report:**

The following items have been included in the Strategic report on pages 1 and 2:

- principal activities and future developments;
- review of business;
- dividends paid or declared;
- post balance sheet events;
- going concern statement; and
- principal risks and uncertainties.


**Disclosure of information to auditor**

As far as each of the Directors are aware, there is no relevant audit information of which the Company's auditor is 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 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.

**Independent auditor**

Deloitte LLP are deemed to be re-appointed in accordance with an elective resolution made under s487 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



D Conaghan  
Director

30 September 2020

**WPP Delilah Limited**  
**(Registered number: 10931750)**

## **Independent auditor's report to the members of WPP Delilah Limited**

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

#### **Opinion**

In our opinion the financial statements of WPP Delilah Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss 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; and
- the related notes 1 to 13.

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.

**WPP Delilah Limited**  
**(Registered number: 10931750)**

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

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](http://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.



**WPP Delilah Limited**  
(Registered number: 10931750)

**Independent auditor's report to the members of WPP Delilah Limited (continued)**

**Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of these matters.

**Use of our report**

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

*Edward Salter*

Edward Salter (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
30 September 2020

NFP Delilah Limited  
(Registered number: 10931750)

**Income statement  
for the year ended 31 December 2019**

	Notes	2019 £'000	2018 £'000
Impairment of investments in subsidiaries		(85,841)	-
<b>Operating (loss) / result</b>		<b>(85,841)</b>	-
<b>(Loss) / result before interest and taxation</b>		<b>(85,841)</b>	-
Finance expense		-	-
<b>(Loss) / result before taxation</b>		<b>(85,841)</b>	-
Taxation	6	-	-
<b>(Loss) / result for the year</b>		<b>(85,841)</b>	-

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

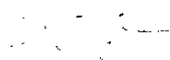
The Company has no other comprehensive income during either the current year or prior year and therefore no separate statement of comprehensive income has been presented.

WPP Deilish Limited  
(Registered number: 10931750)

**Balance sheet**  
**As at 31 December 2019**

	Notes	2019 £'000	2018 £'000
<b>Non-current assets</b>			
Investments in subsidiaries and associates	8	-	185,276
Total non-current assets		-	185,276
<b>Total assets</b>		-	185,276
<b>Net current position</b>		-	-
<b>Total assets less current liabilities</b>		-	185,276
<b>Net position / assets</b>		-	185,276
<b>Equity</b>			
Share capital	9	-	100
Share premium		-	185,176
<b>Shareholder's position / funds</b>		-	185,276

The financial statements on pages 8 to 14 were approved by the Board of Directors on 30/9/2020 and signed on its behalf by:



D Conaghan  
Director

WFP Delilah Limited  
(Registered number: 10931750)

**Statement of changes in equity  
for the year ended 31 December 2019**

		Share capital	Share premium	(Accumulated losses) / Retained earnings	Total
	Note	£'000	£'000	£'000	£'000
<b>As at 24 August 2017</b>	9	-	-	-	-
Ordinary shares issued		100	185,176	-	185,276
<b>As at 31 December 2018</b>	9	<b>100</b>	<b>185,176</b>	-	<b>185,276</b>
Loss and total comprehensive expense for the year		-	-	(85,841)	(85,841)
Share capital reduction		(100)	(185,176)	185,276	-
Dividends-in-specie to shareholders	7	-	-	(99,435)	(99,435)
<b>As at 31 December 2019</b>		-	-	-	-

**WPP Delilah Limited**  
(Registered number: 10931750)

## **Notes to the financial statements for the year ended 31 December 2019**

### **1 Presentation of the financial statements**

#### **General information**

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

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

### **2 Summary of significant accounting policies**

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

#### **2.01 Basis of preparation**

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

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

Please see the 'Going concern and liquidity risk' section in the strategic report for the going concern assessment of the Company including the impact of Covid-19.

#### **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 the disclosures required by:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7, 'Financial instruments: disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a) (iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period); and
  - (iv) paragraph 62(a) and (b) of IAS 40 Investment property;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows),
  - 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or make a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirements for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third balance sheet),
  - 111 (cash flow statement information), and
  - 134 - 136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group;
- Paragraph 134 and 135 of IAS 36 'Impairment of assets'; and
- Second sentence of paragraph 11C and paragraphs 113(a), 114, 115, 118 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with customers

These financial statements are separate financial statements. The company is exempt from the preparation and delivery of consolidated financial statements because it is included in the Group financial statements of WPP plc. These are available at [www.wppinvestor.com](http://www.wppinvestor.com).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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

In the current year, the Company has applied a number of amendments to IFRSs or IFRIC interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019. No new accounting standards have had a material impact on the Company for the year ended 31 December 2019. The other amendments to IFRSs or IFRIC interpretations have not had a material impact on the disclosures or on the amounts reported in the financial statements.

WPP Jubilee Limited  
(Registered number: 10931750)

## Notes to the financial statements for the year ended 31 December 2019

### 2 Summary of significant accounting policies (continued)

#### 2.02 Consolidation

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

#### 2.03 Foreign currency translation

##### *Functional and presentation currency*

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

#### 2.04 Finance income and expense

Finance income and expenses are recognised on an accruals basis using the effective interest method.

#### 2.05 Dividends-in-specie

Dividends in specie distributed are deducted from reserves in the year in which they are paid at the fair value on the date of payment are recognised at their fair value at the date of payment.

#### 2.06 Taxation

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

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

#### 2.07 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, highly liquid investments with maturities of three months or less and bank overdrafts. Cash equivalents and liquid investments are readily convertible into known amounts of cash and have an insignificant risk of changes in value. Bank overdrafts are shown separately within current liabilities in the balance sheet.

#### 2.08 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

### 3 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. However, in the opinion of the Directors there are no critical judgements that have been made in the process of applying the accounting policies. 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.

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

#### 3.01 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 assumption, that the future cash flows, estimated useful lives and discount rates are based on business forecasts and are therefore inherently uncertain. Future events should cause the assumptions used in these impairment tests to change with a change in adverse effect on the future of the Company.

**Notes to the financial statements for the year ended 31 December 2019**

**4 Employees**

The Company has no employees (2018: nil).

**5 Directors' remuneration**

During the year, the Directors of the Company were remunerated as executives of the Group. They received no remuneration in respect of their services to the Company (2018: £nil).

**6 Taxation**

	2019 £'000	2018 £'000
<b>Income tax charge / (credit)</b>		
Current tax:		
UK Corporation tax rate of 19.00% (2018: 19.00%)	-	-
Total current tax	-	-
The tax assessed for the year differs from the corporation tax rate in the UK for the year ended 31 December 2019 of 19.00% (2018: 19.00%)		
<b>Reconciliation of total tax charge for the year</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
(Loss) / result before taxation	(85,841)	-
Loss on ordinary activities at the UK statutory rate of 19.00% (2018: 19.00%)	(16,310)	-
Effects of:		
Impairment of Investment not taxable	16,310	-
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

Factors that may affect future tax charges:

The UK tax rate for the year ended 31 December 2019 is 19%. Further reductions to 17% to be effective 1 April 2020 were enacted as part of the Finance Act 2017 on 27 April 2017. A further change to the UK tax rate was substantively enacted on 17 March 2020 reversing the reductions to 17% meaning the applicable rate from 1 April 2020 now remains at 19%. However, as this change was substantively enacted after the balance sheet date the tax rate used for deferred tax purposes is 17%.

**7 Dividends-in-specie**

	No. of shares	pence per share	£
<b>Dividends-in-specie distributed in 2019</b>			
14 November 2019	100,001	994.34	99,435,349
			<b>99,435,349</b>

The details of the dividends-in-specie distribution are given in Note 8.

**8 Investments**

	Subsidiaries £'000
<b>Cost</b>	
At 31 December 2018	185,276
Disposals	(185,276)
<b>At 31 December 2019</b>	-
<b>Accumulated impairment</b>	
At 31 December 2018	-
Impairment charge for the year	(85,841)
Disposals	85,841
<b>At 31 December 2019</b>	-
Carrying value at 31 December 2018	185,276
<b>Carrying value at 31 December 2019</b>	-

Amounts written off investments of £35,841,000 relates to the write down in the carrying value of its subsidiary investment in Millward Brown UK Limited prior to its disposal.

On 14 November 2019, the Company distributed by a dividend-in-specie its 99.99% investment in Millward Brown UK Limited to Besumont Square at the fair value of £99,435,349. On the same date, the Company transferred its remaining shareholding in Besumont Square at a fair value of £191 for cash consideration.

**Notes to the financial statements for the year ended 31 December 2019**

**9 Share capital**

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Number of</b>	<b>Number of</b>	<b>£'000</b>	<b>£'000</b>
	<b>shares</b>	<b>shares</b>		
<b>Issued and fully paid</b>				
Ordinary shares of £0.000001 each (2018: £1 each)	<b>100,001</b>	<b>100,001</b>	<b>-</b>	<b>100</b>
	<b>100,001</b>	<b>100,001</b>	<b>-</b>	<b>100</b>

On 13 November 2019, the Company undertook a share capital reduction by reducing the nominal value each share from £1 to £0.000001. The Company also reduced the share premium account from £185,175,643 to £185. The share capital reduction generated distributable reserves of £185,275,459.

**10 Guarantees**

**Syndicated banking arrangement**

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

**11 Auditor's remuneration**

Auditor's remuneration of £3,238 for the year ended 31 December 2019 has been borne by another Group entity (2018: £nil)

**12 Post balance sheet events**

In the period since 31 December 2019, the emergence and spread of Covid-19 has impacted the Group and its clients. The coronavirus pandemic is adversely affecting and is expected to continue to adversely affect our business, revenues, results of operations, financial condition and prospects.

The Company is continuing to monitor and review its liquidity and working capital. We are constantly reviewing cash outflows and receipts to monitor our position.

It is clear that the impact of Covid-19 on the business will be significant, but it is not possible at this stage to quantify the depth or duration of the impact. The impact of Covid-19 was treated as a non-adjusting subsequent event and was not reflected within the 31 December 2019 financial statements.

**13 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.