

WPP 2005 Limited
(Registered number: 01003653)

Annual Report

for the year ended 31 December 2018

Registered office address:

Sea Containers House,
18 Upper Ground,
London,



WPP 2005 Limited
(Registered number: 01003653)

Annual Report

for the year ended 31 December 2018

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WPP 2005 Limited
(Registered number: 01003653)

Strategic report for the year ended 31 December 2018

The Directors present their Strategic report on WPP 2005 Limited (the 'Company') for the year ended 31 December 2018.

Principal activities

The Company is a member of the WPP plc Group (the 'Group'). The Company's principal activity is to provide management services and financing to the Group as well as acting as an intermediary holding company.

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 2018 of £115.7 million (2017: a loss of £197.2 million). The Directors are of the opinion that the current level of activity and performance is sustainable due to the positive year end financial position. The positive financial position is expected to remain so in the foreseeable future.

The loss for the year ended 31 December 2018 of £115.7 million will be transferred from reserves (loss for the year ended 31 December 2017 of £197.2 million transferred from reserves).

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 date of this report. The principal risk(s) for the Company is/are liquidity risk.

Liquidity risk

The Company participates in the Group banking arrangement and has access to a group cash management facility. Additionally, the Directors have reviewed the future cash requirements and earnings projections of the Company, along with its related companies. The Directors believe these forecasts have been prepared on a prudent basis and have also considered the impact of a range of potential changes to trading performance. The Directors have concluded that the Company along with its related company should be able to operate within its current facilities and comply with its banking covenants for the foreseeable future.

The Directors believe that preparing the financial statements on the going concern basis is appropriate. This is due to the mitigation of the liquidity risk as identified under the 'Principal risks and uncertainties' section of the Strategic 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.

WPP 2005 Limited
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Strategic report for the year ended 31 December 2018

Duty to promote the success of the Company

The Directors believe that they have acted in a way that has promoted the success of the Company for the benefit of its members as a whole.

On behalf of the Board,



S Winters
Director

30/09/2019

WPP 2005 Limited
(Registered number: 01003653)

Directors' report for the year ended 31 December 2018

The Directors present their report and audited financial statements for the Company for the year ended 31 December 2018.

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 were as follows:

S Winters
C Van Der Welle
A Scott (appointed on 31 October 2018)
M Read (appointed on 31 October 2018)

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.

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 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, 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WPP 2005 Limited
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Directors' report for the year ended 31 December 2018

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

- principal activities and future developments;
- review of business;
- 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 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 auditor

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

On behalf of the Board:



S Winters
Director

30/09/2019

WPP 2005 Limited
(Registered number: 01003653)

Independent auditor's report to the members of WPP 2005 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of WPP 2005 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 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 of the Company which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 23.

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 (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 2005 Limited
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Independent auditor's report to the members of WPP 2005 Limited

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 Financial Reporting Council'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 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 2005 Limited
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Independent auditor's report to the members of WPP 2005 Limited
Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you 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.



Francesca Yearsley FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

30 September 2019

WPP 2005 Limited
(Registered number: 01003653)

Income statement
for the year ended 31 December 2018

	Notes	2018 £m	2017 £m
Operating expenses		(93.7)	(178.2)
Impairment of investments in subsidiaries		(0.2)	(2.6)
Operating loss	4	(93.9)	(180.8)
Income from subsidiaries	7	1.1	-
Loss before interest and taxation		(92.8)	(180.8)
Finance income	8	7.6	6.4
Finance expense	9	(30.5)	(26.8)
Finance expense - net		(22.9)	(20.3)
Loss before taxation		(115.7)	(201.1)
Taxation	10	0.0	3.9
Loss for the year		(115.7)	(197.2)

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

WPP 2005 Limited
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Balance sheet
As at 31 December 2018

	Notes	2018 £m	2017 £m
Non-current assets			
Property, plant and equipment	11	8.2	2.7
Intangible assets	12	14.9	9.4
Investments in subsidiaries and associates	13	4,200.2	4,050.3
Investment properties	14	3.1	4.4
Deferred tax asset	10	12.0	11.3
Total non-current assets		4,238.4	4,078.1
Current assets			
Trade and other receivables	15	153.1	209.2
Cash and cash equivalents		17.4	230.6
Total current assets		170.5	439.8
Total assets		4,408.9	4,517.9
Current liabilities			
Bank overdraft		(681.6)	(568.2)
Trade and other payables	16	(160.0)	(293.4)
Total current liabilities		(841.6)	(861.6)
Net current liabilities		(671.1)	(421.7)
Total assets less current liabilities		3,567.5	3,656.4
Non-current liabilities			
Trade and other payables	16	(470.7)	(449.1)
Total non-current liabilities		(470.7)	(449.1)
Total liabilities		(1,312.3)	(1,310.6)
Net assets		3,096.6	3,207.3
Equity			
Share capital	19	2.4	2.4
Share premium		2,395.1	2,395.1
Other reserves		3,520.6	3,520.6
Accumulated losses		(2,821.5)	(2,710.8)
Shareholder's funds		3,096.6	3,207.3

The financial statements on pages 8 to 24 were approved by the Board of Directors on 30/09/2019 and signed on its behalf by:



S Winters
Director

WPP 2005 Limited
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Statement of changes in equity
for the year ended 31 December 2018

	Share capital	Share premium	Capital reserve	Capital redemption reserve	Translation reserve	Merger reserve	Accumulated losses	Total
Note	£m	£m	£m				£m	£m
As at 1 January 2017	2.3	2,395.1	127.4	5.0	(83.3)	3,471.5	(2,540.5)	3,377.5
Loss and total comprehensive loss for the year	-	-	-	-	-	-	(197.2)	(197.2)
Correction of ordinary shares issued from prior year	0.1	-	-	-	-	-	-	0.1
Non-cash settled share-based incentive plans	-	-	-	-	-	-	12.4	12.4
Tax on share-based incentive plans	-	-	-	-	-	-	14.5	14.5
As at 31 December 2017	2.4	2,395.1	127.4	5.0	(83.3)	3,471.5	(2,710.8)	3,207.3
Loss and total comprehensive loss for the year	-	-	-	-	-	-	(115.7)	(115.7)
Non-cash settled share-based incentive plans	-	-	-	-	-	-	4.5	4.5
Tax on share-based incentive plans	-	-	-	-	-	-	0.5	0.5
As at 31 December 2018	2.4	2,395.1	127.4	5.0	(83.3)	3,471.5	(2,821.5)	3,096.6

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

1 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 domiciled 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.

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.

In determining if the business is a going concern, the Directors have considered the Company's financial forecasts, budgets, cash flows, liquidity, contingent liabilities and pension funding. 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. Additionally, the Company is a subsidiary of WPP plc and is therefore subject to the overall WPP plc financing arrangements. Accordingly, they continue to adopt the going concern as a basis in preparing the financial statements.

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:

- 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);
 - (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); and
- 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.

The financial statements of WPP plc are available at 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

IFRS 16 (Leases) is effective from 1 January 2019. The standard eliminates the classification of leases as either operating or finance leases and introduces a single accounting model. Lessees will be required to recognise a right-of-use asset and related lease liability for the majority of their operating leases and show depreciation of leased assets and interest on lease liabilities separately in the income statement. The Company will adopt IFRS 16 effective 1 January 2019 on retrospective basis with the cumulative effect as an adjustment to retained earnings. Management has not confirmed the impact of the adoption of these standards on the Company's financial position. There have been no other material impacts on the disclosures on the amounts reported in the financial statements due to the amendments to accounting standards or IFRIC interpretations.

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

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 also has 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 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 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 Madrid Square. These financial statements are separate financial statements.

2.03 Foreign currency translation

(i) 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 (£).

(ii) Transactions and balances

Foreign currency transactions are booked in functional currency of the Company at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated into functional currency at rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign currency denominated balances at year-end exchange rates are included in the income statement within Operating Expenses, except when deferred these are then included in Other comprehensive income as qualifying cash flow hedges.

2.04 Turnover

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered related to advertising and allied services, stated net of discounts, returns, rebates and value added taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company this is when the service is performed. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of historical information and past experience.

2.05 Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. A provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

2.06 Finance income and expense

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

2.07 Dividends received

Interim dividends and final dividends received are included in the income statement in the year in which the right to receive the payment is established.

2.08 Share based payments

Incentives in the form of shares are provided to employees under share option and restricted share award schemes are fair-valued at their grant dates and the cost is charged to the income statement over the relevant vesting period. A credit is recognised directly in reserves.

2.09 Leases

Leases in which substantially all of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line bases over the period of the lease.

2.10 Property, plant and equipment

Property, plant and equipment is stated at the historical cost of purchase or construction less provisions for depreciation and impairment. The historical cost includes expenditure that was directly attributable to the acquisition of the item. Financing costs are capitalised within the cost of qualifying assets in construction.

Depreciation is calculated to write off the cost of property, plant and equipment, excluding freehold land, using the straight-line basis over their expected useful lives to their residual values. The normal expected useful lives of the major categories of tangible fixed assets are:

Leasehold land and buildings	The shorter of lease term or 50 years
Fixtures, fittings and equipment	3 to 10 years
Computer equipment	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and they are recognised in "Operating expenses" in the income statement.

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

2.11 Investment properties

Investment properties comprise significant portions of freehold/leasehold office buildings that are held for long-term rental yields and/or capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of the shorter of the lease term or 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the income statement.

2.12 Intangible assets

Intangible assets are stated at cost less a provision for amortisation and impairment.

The costs of acquiring and developing computer software for internal use and internet sites for external use are capitalised as intangible fixed assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset. ERP systems software is amortised over seven to ten years and other computer software over three to five years.

2.13 Capitalised borrowing costs

The Company's borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as expenses in the period in which they are incurred.

2.14 Investment in subsidiaries

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

2.15 Investment in associates

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

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

2.16 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.

2.17 Trade and other receivables

Trade and other receivables are amounts due from customers for service performed or goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

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.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Subsequent recoveries of amounts previously provided for are credited to the income statement. Long-term receivables are discounted where the effect is material.

2.18 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.

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

2.19 Trade and other payables

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

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.

2.20 Taxation

The tax expense for the period comprises current and deferred 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. 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.

Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided using rates of tax that have been enacted or substantively enacted by the balance sheet date.

2.21 Provision for liabilities

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2.22 Pensions

For defined contribution schemes, contributions are charged to the income statement as payable in respect of the accounting period.

2.23 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 Key accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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:

3.1 Intangible asset impairments and useful lives

Impairment tests on other intangible assets are undertaken if events occur which call into question the carrying values of the assets. Where other intangible assets which are not yet available for use are not amortised, they are subject to annual impairment tests. 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.

3.2 Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the asset. See Note 11 for the carrying values of property, plant and equipment. Useful economic lives are disclosed in the accounting policy for property, plant and equipment.

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

3 Key accounting judgements and estimates (continued)

3.3 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.

3.4 Recognition of share-based payment charge

As disclosed in Note 18, certain employees of the Company provide services to other entities in the Group. Management has assessed if it is appropriate for the Company to recognise the share-based payment charge for all employees in the Company, or if part of the share-based payment charge should be recognised by the entities receiving services from the employees of the Company.

Factors that have led to this conclusion include (i) all employees are contracted with the Company (ii) no secondment arrangements are in place where employees provide services to other members of the Group (iii) employees can provide service to a number of other entities in the Group without the need for new contracts of employment (iv) review of salaries and awarding of bonuses for all UK employees is the responsibility of the UK Human Resource function.

Based on these factors, and in light of the function of the Company within the Group, management has concluded that it is appropriate that the Company recognised the share-based payment charge for all of the employees of the Company.

4 Operating loss

	2018 £m	2017 £m
The following items have been charged/(credited) to the Operating loss:		
Depreciation of property, plant and equipment	1.5	1.9
Depreciation of investment properties	0.2	-
Amortisation of intangible assets	1.3	0.6
Impairment of investments in subsidiaries	0.2	2.6
Exchange (losses) / gains on foreign currency transactions	0.2	-
Operating lease expenses	7.1	6.7
Charitable donations	0.2	0.2
Employee costs	56.8	73.0
Audit fees payable to the Company's auditors	1.9	0.3

5 Employees

	2018 £m	2017 £m
Employee costs		
Wages and salaries	33.3	32.5
Social security costs	4.3	4.6
Pension costs- defined contribution plans	2.3	2.0
Cash-based incentive plans	8.5	18.2
Share-based incentive plans	4.5	12.4
Severance and redundancy costs	1.8	0.9
Other employee costs	2.2	2.4
	56.8	73.0

	2018 number	2017 number
The average monthly number of persons employed by the Company (including Directors)		
Selling, general and administration	231	216
	231	216

The average number of Company employees exclude temporary and contract staff.

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

6	Directors' remuneration	2018	2017
		£'000	£'000
	Salary and fees	766	471
	Benefits	51	46
	Pension	95	53
	Short term incentives	295	123
	Total	1,207	693

Retirement benefits accrued under money purchase schemes for 4 Directors during the year ended 31 December 2018 (2017: 2 Directors).

The emoluments for the highest paid director are shown below:

	2018	2017
	£'000	£'000
Salary and fees	261	250
Benefits	23	23
Pension	36	34
Short term incentives	86	67
Total	406	374

7	Income from investments	2018	2017
		£m	£m
	Dividends from subsidiaries	1.1	-
		1.1	-

Details of dividend received are as follows:

Date	Company	Amount
02/05/2018	Dovetail Contract Furniture Limited	0.2
17/07/2018	Piranhakid Communications Limited	0.8

8	Finance income	2018	2017
		£m	£m
	On loans with Group undertakings	7.6	6.4
	Total finance income	7.6	6.4

9	Finance expense	2018	2017
		£m	£m
	Bank interest expense	11.3	6.9
	On loans with Group undertakings	19.0	19.7
	Bank charges	0.1	0.2
	Total finance expense	30.5	26.8

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

10

Taxation

	2018 £m	2017 £m
Income tax charge / (credit)		
Current tax:		
Contra with equity for share based payments	-	14.4
Credit for group relief	-	(7.8)
Overseas tax	0.2	0.8
Total current tax	0.2	7.4
Deferred tax	(0.2)	(11.3)
Total deferred tax	(0.2)	(11.3)
Total tax charge/(credit) for the year	(0.0)	(3.9)

The tax assessed for the year is higher (2017: higher) than the blended rate of corporation tax in the UK for the year ended 31 December 2018 of 19.00% (2017: blended rate of 19.25%).

	2018 £m	2017 £m
Reconciliation of total tax credit		
Loss before taxation	(115.7)	(201.1)
Loss on ordinary activities at the UK statutory rate of 19.00% (2017: blended rate of 19.25%)	(22.0)	(38.7)
Effects of:		
Expenses not deductible for tax purposes	0.7	(0.7)
Rate change on temporary differences	(1.5)	-
Overseas tax	0.2	0.8
Recognition of previously unrecognised deferred tax	-	(19.9)
Group relief transferred for nil consideration	22.6	54.7
Total tax credit for the year	(0.0)	(3.9)

Factors that may affect future tax charges:

Changes to the UK corporation rates were substantively enacted as part of the Finance Bill 2017 (on 6 September 2017). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

No instance of current or deferred taxation has been recognised directly in other comprehensive income in either the current or prior year.

	2018 £m	2017 £m
Tax credit included in equity		
Current tax		
Tax adjustment on share based payments	(0.5)	(14.5)
Total tax credit included in equity	(0.5)	(14.5)

	2018 £m	2017 £m
Unrecognised tax losses		
At 31 December	100.0	100.0

A deferred tax asset of £12 million has been recognised in respect of capital allowances in excess of depreciation and deferred tax on share options. Deferred tax assets are recognised where it is probable that future taxable profits will be available to utilise the losses.

A deferred tax asset of £100 million (2017: £100 million) has not been recognised in respect of tax losses as it is unlikely that there will be sufficient taxable profits against which the asset will reverse in the foreseeable future. The unrecognised tax losses have no expiration date.

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

11 Property, plant and equipment

	Leasehold buildings £m	Fixtures, fittings and equipment £m	Computer hardware £m	Total £m
Cost				
At 1 January 2018	2.0	0.5	7.4	9.9
Additions	5.6	0.0	0.5	6.0
Disposals and write-offs	-	-	(0.0)	(0.0)
Reclassification from investment properties	1.0	-	-	1.0
At 31 December 2018	8.7	0.5	7.9	17.0
Accumulated depreciation				
At 1 January 2018	(1.9)	(0.4)	(4.9)	(7.2)
Charge for the year	(0.3)	(0.1)	(1.2)	(1.5)
At 31 December 2018	(2.2)	(0.5)	(6.2)	(8.8)
Net book value at 31 December 2017	0.1	0.1	2.4	2.7
Net book value at 31 December 2018	6.4	0.0	1.8	8.2

12 Intangible assets

	Computer software £m
Cost	
At 1 January 2018	14.5
Additions	6.7
At 31 December 2018	21.2
Accumulated amortisation	
At 1 January 2018	(5.1)
Charge for the year	(1.3)
At 31 December 2018	(6.4)
Net book value at 31 December 2017	9.4
Net book value at 31 December 2018	14.9

Intangible asset amortisation and impairments are recorded within operating expenses in the income statement.

13 Investments

	Subsidiary undertakings £m	Associates £m	Other £m	Total £m
Cost				
At 1 January 2017	8,218.8	10.6	-	8,229.4
Additions	0.2	-	-	0.2
At 31 December 2017	8,219.0	10.6	-	8,229.6
Additions	-	150.0	-	150.0
Write off	(2.6)	-	-	(2.6)
At 31 December 2018	8,216.4	160.6	-	8,377.0
Accumulated impairment				
At 1 January 2017	(4,176.7)	-	-	(4,176.7)
Impairment charge for the year	(2.6)	-	-	(2.6)
At 31 December 2017	(4,179.3)	-	-	(4,179.3)
Impairment charge for the year	(0.2)	-	-	(0.2)
Write off	2.6	-	-	2.6
At 31 December 2018	(4,176.8)	-	-	(4,176.8)
Carrying value at 1 January 2017	4,042.1	10.6	-	4,052.7
Carrying value at 31 December 2017	4,039.7	10.6	-	4,050.3
Carrying value at 31 December 2018	4,039.6	160.6	-	4,200.2

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

13 Investments (continued)

Details of the subsidiary undertakings, associates and available-for-sale investments of the Company as at 31 December 2018 are given in Note 22.

During the year, the company purchased 7.26% share capital of group company WPP Finance One Limited for a consideration of £150 million.

Amount written off investments of £0.2 related to a write down in the carrying value of the Company's subsidiary investment in Business Design Group McColl Limited.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or net present value of future cash flows derived from assets using a projection period of up to 5 years for each subsidiary entity. After the projection period, steady or declining growth rates have been assumed for each subsidiary entity. An annual growth rate of 3% (2017: 3%) and a pre-tax discount rate of 9% (2017: 8.14%) have been assumed.

14 Investment properties

	Total £m
Cost	
At 1 January 2018	5.8
Reclassifications to Property, plant & equipment	(1.0)
At 31 December 2018	4.8
Accumulated depreciation	
At 1 January 2018	(1.5)
Charge for the year	(0.2)
At 31 December 2018	(1.7)
Net book value at 1 January 2018	4.4
Net book value at 31 December 2018	3.1

The Company has reclassified an investment property to property, plant and equipment following the termination of the sub-lease agreement with the lessee. The property is held on a finance lease and is expected to be sub-leased in the future for at least the cost incurred on the lease.

The net book value at 31 December 2018 of the Company's investment properties comprises freehold properties of £nil (at 31 December 2017: £nil) and installed plant and equipment of £3.1 million (at 31 December 2017: £4.4 million). The fair value of the investment property is £3.1 million. The fair value on investment property has been determined based on a replacement cost basis. In arriving at their estimates of market value, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

Property is leased out to another member of the Group under an operating lease that commenced in January 2014. No lease incentives were offered on signing of the lease and no amount in relation to contingent rents have been recognised in the Statement of comprehensive income. Obligations with regard to repairs and maintenance are split between the lessor and lessee/borne by the lessee/borne by the lessor. Costs that are more capital in nature are borne by the Company, whereas general day to day repairs and maintenance are the responsibility of the lessee.

Based on a non-cancellable lease terms above, the future minimum operating lease rental income from these leases are:

	2018 £m	2017 £m
Not later than one year	1.6	5.2
Later than one year but not later than five years	6.2	9.1
Later than five years	14.0	18.5
	21.8	32.8

15 Trade and other receivables

	2018 £m	2017 £m
Amounts due within one year		
Amounts owed by Group undertakings	94.3	156.9
Other taxes and social security	27.2	26.4
Other receivables	31.6	25.9
	153.1	209.2

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

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

16 Trade and other payables		
	2018	2017
	£m	£m
Amounts falling due within one year		
Amounts owed to Group undertakings	115.2	185.9
Other taxation and social security	-	0.1
Other payables and accruals	44.8	107.4
	160.0	293.4
Amounts falling due after more than one year		
Amounts owed to Group undertakings	470.7	449.1
	630.7	742.5

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand except for a call account balance of £470.73 million (2017: £449.1 million) which is unsecured with interest paid at 4.22% (2017: 4.22%) per annum.

17 Pensions

The company contributes to defined contribution schemes. The pension cost for the year is £2.3 million (2017: £2.0 million). The assets of the schemes are held separately from those of the Company in independently administered funds. Unpaid contributions at the year end totalled £0.2 million (2017: £0.1 million).

18 Share based payments

WPP Share Option Plan

The WPP Share option plan grants options to employees who have worked at a Company owned by WPP plc for at least two years which are not subject to performance conditions or on a discretionary basis subject to the satisfaction of performance conditions.

Stock options have a life of ten years, including the vesting period. The terms of stock options with performance conditions are such that, if after nine years and eight months, the performance conditions have not been met, then the stock option will vest automatically. Stock options are satisfied out of newly issued shares in WPP plc.

The number of options granted in 2018 and 2017 was not material.

Restricted stock scheme

Certain employees participate in restricted stock schemes, which are in most cases satisfied by the delivery of stock from one of the WPP plc ESOP Trusts. The most significant schemes are:

Executive Share Awards (ESA)

Grants of stock under ESA are dependent upon annual performance targets, typically based on one or more of: consolidated Group operating profit, profit before taxation and operating margin. Grants are made in the year following the year of performance measurement, and vest two years after grant date provided that the individual concerned is continually employed by a WPP company throughout this time.

Leaders, Partners and High Potential Group

This scheme provides annual grants of restricted stock for key executives. Performance conditions include continued employment over a three-year vesting period.

Special Share Awards

From time to time, one-off awards are made to individuals in the form of restricted stock. Performance conditions include continued employment over the vesting period. As these are one-off awards the vesting period will differ for each award granted.

Executive Performance Share Plan (EPSP)

The first grant of restricted stock under the EPSP was made in 2013. This scheme is intended to reward and incentivize the most senior executives of the Group and has effectively replaced LEAP III. The performance period is five complete financial years, commencing with the financial year which the award is granted. Grant date will usually be in the first half of the first performance year, with vest date in the March following the end of the five year performance period. Vesting is conditional on continued employment throughout the vesting period.

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

18 Share based payments (continued)

There are three performance criteria, each constituting one third of the vesting value, and each measured over this five year period:

- (i) TSR against a comparator group of companies. Threshold performance (equating to ranking in the 50th percentile of the comparator group) will result in 20% vesting of the part of the award depending on TSR. The maximum vest of 100% will arise if performance ranks in the 90th percentile, with a sliding scale of vesting for performance between threshold and maximum.
- (ii) Headline diluted earnings per share. Threshold performance (7% compound annual growth) will again result in a 20% vest. Maximum performance of 14% compound annual growth will give rise to a 100% vest, with a sliding vesting scale for performance between threshold and maximum.
- (iii) Return on equity (ROE). Average annual ROE defined as headline diluted EPS divided by the balance sheet value per share of share owners' equity. Threshold performance of 10% average annual ROE, maximum performance of 14%, with a sliding scale for performance in between. Threshold again gives rise to a 20% vest with 100% for maximum.

The share based compensation charge has been recorded in the income statement as administrative expenses of £4.5 million (2017: £12.4 million).

Valuation of share options

For the purpose of valuing options and savings-related options to arrive at the share based payment charge, the Black-Scholes option pricing model has been used. The assumptions used in the model are as follows:

	2018	2017
Risk-free rate	0.78%	0.57%
Dividend yield	3.46%	2.90%
Volatility	24%	17%
Expected life (months)	48	48
Fair value of options	107.0p	112.0p

The average share price of WPP plc for the year ended 31 December 2018 was £11.56 (2017: £15.86).

ESA	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2017	486,417	15.91	7,740,524
Options granted	171,856	17.21	2,957,642
Options exercised	(233,626)	15.84	(3,700,636)
Options cancelled	(8,794)	15.99	(140,616)
As at 31 December 2017	415,853	16.49	6,856,914
Options granted	193,172	12.00	2,318,067
Options exercised	(252,791)	15.43	(3,901,515)
As at 31 December 2018	356,234	14.80	5,273,466

Leaders, Partners and High Potential Group	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2017	341,077	15.57	5,310,932
Options granted	145,253	13.09	1,901,362
Options exercised	(90,739)	13.15	(1,193,218)
Options cancelled	(16,569)	16.33	(270,586)
As at 31 December 2017	379,022	15.17	5,748,490
Options granted	229,563	8.14	1,869,561
Options exercised	(107,982)	15.47	(1,670,482)
Options cancelled	(3,398)	16.30	(55,383)
As at 31 December 2018	497,205	11.85	5,892,186

Special Share Awards	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2017	31,713	14.49	459,600
Options granted	48,496	17.21	834,616
Options exercised	(22,024)	13.76	(302,955)
As at 31 December 2017	58,185	17.04	991,261
Options granted	560,695	11.20	6,278,421
Options exercised	(14,556)	16.86	(245,436)
As at 31 December 2018	604,324	11.62	7,024,246

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

18 Share based payments (continued)

EPSP	Number	Weighted exercise price £	Weighted fair value £
As at 1 January 2017	1,409,323	13.66	19,246,947
Options granted	189,454	13.09	2,479,953
Options cancelled	(222,244)	13.09	(2,909,174)
As at 31 December 2017	1,376,533	13.67	18,817,726
Options granted	212,388	8.14	1,728,838
Options exercised	(651,141)	11.22	(7,305,799)
As at 31 December 2018	937,780	14.12	13,240,765

19 Share capital

	2018 Number of shares	2017 Number of shares	2018 £m	2017 £m
Issued and fully paid				
Ordinary shares of 0.1p each (2016: 0.1p each)	2,262,271,217	2,262,271,217	2.3	2.3
Cumulative preference shares of 10,000,000p each (2016: 10,000,000p each)	1	1	0.1	0.1
	2,262,271,218	2,262,271,218	2.4	2.4

The amount of unpaid cumulative preference dividend for the year ended 31 December 2018 is £54,000 (2017: £48,000)

20 Commitments

	2018 £m	2017 £m
Commitments under non-cancellable operating leases for land and buildings:		
Rental payments due within one year	10.7	6.3
Rental payments due between one and not later than five years	42.8	21.5
Rental payments due after five years	182.9	84.1
Total commitments under non-cancellable operating leases	236.4	111.9

The rental commitments under non-cancellable operating leases for land and buildings are offset in part by sub-lease rental income.

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.

21 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.

WPP 2005 Limited
(Registered number: 01003653)

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

22 Subsidiaries and associates

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

Company	Direct shares held (%)	Indirect shares held(%)	Security	Address of the registered office
Qci Assessment Limited	100%	0%	Ordinary	(a)
Sadek Wynberg Millward Brown Limited	100%	0%	Deferred	(b)
Sadek Wynberg Millward Brown Limited	100%	0%	Ordinary A	(b)
Sadek Wynberg Millward Brown Limited	100%	0%	Ordinary B	(b)
Sadek Wynberg Millward Brown Limited	100%	0%	Ordinary C	(b)
Sadek Wynberg Millward Brown Limited	100%	0%	Ordinary D	(b)
Business Planning and Research Limited	100%	0%	Ordinary A	(b)
Business Planning and Research Limited	100%	0%	Ordinary B	(b)
Business Planning and Research Limited	100%	0%	Ordinary C	(b)
Business Planning and Research Limited	100%	0%	Ordinary D	(b)
Business Planning and Research Limited	100%	0%	Ordinary E	(b)
The Marketing Consultancy Limited	100%	0%	Ordinary	(a)
Piranhakid Communications Limited	0%	85.58%	Ordinary	(c)
Tyrell Corporation Limited	100%	0%	Ordinary	(d)
Dovetail Contract Furniture Limited	100%	0%	Ordinary	(a)
WPP AMC Holdings Limited	17.91%	0%	Ordinary	(a)
Enduring Organisation	6.86%	0%	Ordinary	(a)
WPP Cap Limited	100%	0%	Ordinary	(a)
VAP Group Limited	100%	0%	Ordinary	(a)
Visual Art Productions (Oxford) Limited	0%	100%	Ordinary	(a)
VAP International Communications Limited	0%	100%	Ordinary	(b)
WPP LN Limited	100%	0%	Ordinary	(a)
Intact Limited	0%	100%	Ordinary	(a)
WPP 2709 Limited	0%	85.58%	Ordinary	(a)
WPP Group Holdings Limited*	0%	85.58%	Ordinary	(a)
WPP Group Holdings Limited*	0%	85.58%	Ordinary A	(a)
WPP Group Holdings Limited*	0%	85.58%	Preference B	(a)
Premiere Group Holdings Limited	0%	100%	Ordinary	(b)
Premiere Consultants Limited	0%	100%	Ordinary A	(b)
Premiere Consultants Limited	0%	100%	Ordinary B	(b)
Premiere Consultants Limited	0%	100%	Preference	(b)
Premiere Sponsorship Marketing Limited	0%	100%	Ordinary A	(b)
Premiere Sponsorship Marketing Limited	0%	100%	Ordinary B	(b)
Premiere Sponsorship Marketing Limited	0%	100%	Ordinary C	(b)
TNS-NFO US	0%	100%	Ordinary	(a)
WPP Finance Square LLC	0%	100%	Ordinary	(f)
WPP Finance (UK)	0%	66.67%	Ordinary	(a)
WPP Finance 2010	0%	33.34%	Ordinary	(a)
Permanent Organisation Two	0%	100%	Ordinary	(a)
Tempus Group Limited	0%	100%	Ordinary	(a)
WPP Finance Co. Limited	0%	100%	Ordinary	(a)
Flexible Organisation	0%	59.31%	Ordinary	(a)
WPP CP Finance plc	0%	0%	Ordinary	(b)
Santo UK Limited	0%	100%	Ordinary	(e)
Black Cat Direct Limited	0%	100%	Ordinary	(e)
Black Cat RMG:Connect Limited	0%	0%	Ordinary	(e)
WPP Group (UK) Limited*	0%	96.34%	Ordinary	(a)
WPP Group (UK) Limited*	100%	0%	Preferred	(a)
WPP Marketing Communications Holdings Limited	0%	100%	Ordinary	(b)
WPP Knowledge	0%	100%	Ordinary	(a)
WPP Enterprise Limited	0%	100%	Ordinary	(a)
WPP Direct Limited	0%	100%	Ordinary	(a)
WPP Jargon Limited	0%	100%	Ordinary	(a)
WPP Insight Limited	0%	100%	Ordinary	(a)
York Merger Square 2004 LLC	0%	0%	Ordinary	(f)
WPP GUSA UK	53.93%	46.07%	Ordinary	(a)

* The subsidiary investment and associates of WPP Group (UK) Limited and WPP Group Holdings Limited have not been included in this report and are available from the annual report of the respective companies. Those annual reports do not form part of this report.

(a) Sea Containers, 18 Upper Ground, London, SE1 9RQ, England, United Kingdom

(b) 27 Farm Street, London, W1J 5RJ, England, United Kingdom

(c) The Buckley Building, 49 Clerkenwell Green, London, EC1R 0EB, England, United Kingdom

(d) Mansion House, Manchester Road, Altrincham, Cheshire, WA14 4RW, England, United Kingdom

(e) 1 Knightsbridge Green, London, SW1X 7NW, England, United Kingdom

(f) United Corporate Services Inc, 874 Walker Road, Suite C, Dover, Kent, DE 19904, United States of America

WPP 2005 Limited
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Notes to the financial statements for the year ended 31 December 2018

23 Post balance sheet events

On 13 June 2019, it was announced that as part of internal group reorganisation the Company will acquire 3,516 ordinary shares of EUR 100 each in the share capital of Research SA B.V. for a total consideration of £211m from WPP Jubilee Limited. There is no impact on income statement or balance sheet due to this reorganisation for the year 2018.