Registered number: 00045810

# OGILVY & MATHER GROUP (HOLDINGS) LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024



**Registered office address:**

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**London**

**SE1 9RQ**

**United Kingdom**

OGILVY & MATHER GROUP (HOLDINGS) LIMITED

## CONTENTS

# STRATEGIC REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their Strategic Report on Ogilvy & Mather Group (Holdings) Limited ("the Company") for the year ended 31 December 2024.

**Principal activities**

The Company is a member of the WPP plc Group (the 'Group'). The Company's principal activity is the provision of advertising and allied services.

**Future developments**

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

**Business review**

Turnover has decreased by 0.3% during the year, decreasing from £104,415,000 to £104,148,000. The Company made a profit for the year ended 31 December 2024 of £14,402,000 which will be transferred to reserves (2023: profit of £2,030,000 which was transferred to reserves).

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

**Prior year restatement**

The Company's Income statement, Balance sheet and Statement of changes in equity for 2023 have each been restated.

**Income statement**
Management carried out a reassessment of the allocation of revenue and costs within the Income statement. As a result of this reassessment, the following three restatements were made to the Income statement. There has been no impact to overall profit or net assets in either year as a result of these three adjustments.

**Adjustment 1**
The 2023 Income statement has been restated to decrease both Revenue and Cost of sales by £153,765,000. Management has concluded that certain of the Company's revenue streams should have historically been recognised on a net basis, as the Company acted as an agent, rather than on a gross basis as the principal, as previously recorded. This restatement aligns with the Group's accounting policy, which states that when the Company's role is to arrange for a third party to provide a specified good or service to the client, it acts as an agent as there is no control of the relevant good or service before it is transferred to the client.

**Adjustment 2**
The 2023 Income statement has also been restated to reclassify £85,669,000 of staff and third party costs from Administrative expenses to Cost of sales. This adjustment reflects that costs associated with revenue-generating activities should be presented as Cost of sales, but had historically been reported in Administrative expenses.

**Adjustment 3**
The 2023 Income statement has also been restated to reclassify £31,173,000 of Administrative expenses, £33,000 of Interest receivable and similar income, and £4,298,000 of Interest payable and similar expenses, all of which are recharged to other Group companies, into Other operating income. These recharges had previously been netted off lines in the Income statement, but should be disclosed on a gross basis as Other operating income to reflect that these costs are separate income and expense for the Company.

In addition to these three adjustments, the Income statement is also impacted by Adjustment 6 as set out in detail under the Statement of Changes in Equity section below, which has an immaterial impact on overall profit in 2023.

The resulting restated Income statement for the year ended 31 December 2023 is as follows:

| | As stated | Adjustment 1 | Adjustment 2 | Adjustment 3 | Adjustment 6 | As restated |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Turnover | 258,180 | (153,765) | - | - | - | 104,415 |
| Cost of sales | (154,999) | 153,765 | (85,669) | - | - | (86,903) |
| **Gross profit** | 103,181 | - | (85,669) | - | - | 17,512 |
| Administrative expenses | (107,583) | - | 85,669 | (31,173) | (550) | (53,637) |
| Income from investments | 5,966 | - | - | - | - | 5,966 |
| Other operating income | - | - | - | 35,504 | - | 35,504 |
| **Operating profit** | 1,564 | - | - | 4,331 | (550) | 5,345 |
| Amounts written off investments | (10,610) | - | - | - | - | (10,610) |
| **Loss before interest** | (9,046) | - | - | 4,331 | (550) | (5,265) |
| Interest receivable and similar income | 13,901 | - | - | (33) | - | 13,868 |
| Interest payable and similar expenses | (1,946) | - | - | (4,298) | 285 | (5,959) |
| **Profit before tax** | 2,909 | - | - | - | (265) | 2,644 |

**Balance sheet**
**Adjustment 4**
The 2023 Balance sheet has been restated to gross up amounts due to/from group undertakings as a result of these balances being settled on a gross basis and therefore not meeting the requirements of IAS 32 to be presented net. This restatement has resulted in an increase of amounts due to group undertakings by £7,522,000 and an increase in the amounts due from group undertakings by £7,522,000.

**Adjustment 5**
It was identified that several jobs contained Work-in-Progress (WIP) or accrued income balances that were not appropriately allocated against corresponding deferred income entries during 2023. WIP and deferred income should have been reduced at the job level to reflect the true position. Therefore, the 2023 Balance sheet has been restated to reallocate £22,558,000 of WIP balances and £2,138,000 of accrued income to deferred income. This resulted in a decrease in deferred income of £24,696,000.

These two adjustments had no impact on profit or net assets in either year.

The Balance sheet is also impacted by Adjustment 6 as set out in detail under the Statement of Changes in Equity section below.

The resulting restated Balance sheet as at 31 December 2023 is as follows:

| | As stated | Adjustment 4 | Adjustment 5 | Adjustment 6 | As restated |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Non-current assets** | 110,627 | - | - | - | 110,627 |
| **Current assets** | | | | | |
| Work in progress | 27,205 | - | (22,558) | - | 4,647 |
| Trade and other receivables | 384,153 | 7,522 | (2,138) | - | 389,537 |
| Cash at bank and in hand | 30,564 | - | - | - | 30,564 |
| | 441,922 | 7,522 | (24,696) | - | 424,748 |
| **Current liabilities** | | | | | |
| Trade and other payables | (188,556) | (7,522) | 24,696 | 28,397 | (142,985) |
| **Net current assets** | 253,366 | - | - | 28,397 | 281,763 |
| **Total assets less current liabilities** | 363,993 | - | - | 28,397 | 392,390 |
| Trade and other payables | (113,241) | - | - | 284 | (112,957) |
| **Net assets** | 250,752 | - | - | 28,681 | 279,433 |
| **Equity** | | | | | |
| Called up share capital | 124,200 | - | - | 24,478 | 148,678 |
| Share premium account | 323 | - | - | - | 323 |
| Foreign exchange reserves | 143 | - | - | - | 143 |
| Other reserves | 28,726 | - | - | - | 28,726 |
| Merger reserve | (9,151) | - | - | - | (9,151) |
| Profit and loss account | 106,511 | - | - | 4,203 | 110,714 |
| **Total equity** | 250,752 | - | - | 28,681 | 279,433 |

**Statement of changes in equity**
**Adjustment 6**
The Company has restated the prior year comparatives following the identification of a classification error relating to the presentation of its non-redeemable A and C preference shares. These instruments were previously presented within Trade and other payables falling due after more than one year, but a review of the issue documents identified that the shares are non-redeemable and the related dividends are discretionary, and they have therefore been correctly reclassified as share capital.

The A preference shares are denominated in Euros and had therefore been translated at each balance sheet date using the closing rate. As an equity instrument, however, they are accounted for at the exchange rate prevailing at the date of issue. At 31 December 2023, the A preference shares had been included within trade and other payables at £25,897,000, but have been reclassified within share capital at a cost of £21,978,000. The difference between these balances, being the impact of foreign exchange rates since the point of issue and any dividends accrued but not declared, is recognised in the profit and loss account.

The C preference shares are denominated in GB£ and were carried at £2,500,000. This amount has been reclassified from trade and other payables to share capital.

Additionally the balance sheet was restated to remove any accrued but unpaid dividends, totalling £284,000, as the dividends on these instruments are discretionary.

As a result of the correction, total net assets as at 31 December 2023 increased from £250,752,000 to £279,433,000, and share capital increased from £124,200,000 to £148,678,000.

Also as a result of this correction, the Income statement for the year ended 31 December 2023 has been restated to remove preference share dividends (disclosed within Interest payable and similar expenses) of £285,000 and foreign exchange gains (disclosed within Administrative expenses) of £550,000. Profit for the year ended 31 December 2023 decreased from £2,295,000 to £2,030,000 as a result. In addition, opening retained earnings as at 1 January 2023 were restated to be increased by £4,468,000 to reflect the cumulative unrecognised foreign exchange movements arising in periods prior to 2023.

**Dividends**

The Company has not paid a dividend in the current year to its ordinary shareholders (2023: nil).

The Company has declared a dividend of £31,000 in the current year to its preference shareholders (2023: £32,000).

***Going concern and liquidity risk***

The Directors have assessed the ongoing business activities and the factors likely to affect the future development, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

As at 31 December 2024, the Company has net cash of £258,000, net current assets of £295,316,000 and net assets of £295,163,000 and can therefore meet its short and long-term obligations as they fall due. The Directors have considered the latest balance sheet position which provided evidence that a consistent level of net assets exists which supports the going concern basis.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing the financial statements. Additionally, the Company is a subsidiary of WPP plc and is supported by the overall WPP plc financing arrangements via the cash pooling arrangements. The conditions of these cash pooling arrangements, which are described in note 15, were considered by the Directors when assessing the appropriateness of the going concern basis of the Company.

Further, WPP plc has prepared forecasts and projections that take account of (i) reasonably possible declines in revenue or increases in costs arising from severe but plausible downside scenarios; and (ii) the results of reverse stress tests to qualify the level of revenue declines compared to 2024 and 2025, taking into account cost mitigation actions which could be implemented. These include the Company's forecasted cash flows.

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

**Financial risk management and principal risks and uncertainties**

The Directors of the Company have considered the principal risks and uncertainties affecting the Company as at 31 December 2024 and up to date of this report. The principal risks for the Company are shown below:

*Economic risk*
Adverse economic conditions, including those caused by the conflicts in Ukraine and the Middle East, severe and sustained inflation, tariffs and other trade barriers, supply chain issues including around resilience affecting the distribution of our clients' products and/or disruption in credit markets, pose a risk our clients may reduce, suspend or cancel spend with us or be unable to satisfy obligations.

In the past, clients have responded to weak economic and financial conditions by reducing or shifting their marketing budgets which are easier to reduce in the short term than their other operating expenses.

Our account teams work proactively with our clients to understand the challenges they are facing, determine general trends in marketing spend and develop plans in advance to help us prepare, redeploy resources and manage costs accordingly.

*Geopolitical risk*
Growing geopolitical tension and conflicts continue to have a destabilising effect. Alongside an adverse effect upon the economic outlook, there is general erosion of trust in institutions and - in relation to global cooperation and integration – an increasing political focus both on national interests and regional convergence. Such factors and economic conditions may be reflected in our clients' confidence in making longer-term investments and commitments in marketing spend.

WPP plc has detailed operational and financial plans, developed through the consideration of a range of potential scenarios and outcomes that are continuously monitored and, if required, used to make interventions and support decision making over our operations, investments and advice to clients.

*AI strategy*
Without the automation and efficiency gains offered by generative AI, and AI more broadly, we may experience increased costs and inefficiencies in our operations impacting profitability and competitiveness.

Clients expect us to use generative AI-driven tools and technologies in our services and deliverables and are increasingly able to purchase and use licences to such tools and technologies themselves. If we fail to adopt generative AI at pace and continue to advance and evolve our commercial model, we may struggle to keep up with these demands, leading to decreased relevance and effectiveness of our services and deliverables for clients, and allow an opportunity for AI vendors to contract directly with our clients.

Falling behind competitors leveraging the opportunities AI offers to gain a competitive advantage could result in lost market share, decreased revenue and reduced profitability. We may struggle to attract and retain talent, further hindering our ability to innovate and compete. Generated materials may infringe third-party IP resulting in legal costs and client reputation impact.

We have access to WPP Open, which is available to all staff in order to support our work and deliverables both internally and for clients, and the Group's established partnerships with leading generative AI platforms, technologies and companies.

WPP plc actively monitors the changing regulatory landscape and the introduction of new laws regulating AI to assess the impact on our business and work, and how they will impact how we service our clients.

WPP plc has a comprehensive due diligence process in place to review the third-party AI tools/platforms used in the business. This process considers the use case for the tool/platform and includes reviews of the security, legal and technology aspects of the tool/platform as well as sources of underlying learning data, where applicable, to develop a 'traffic light' approach to risk.

**Financial risk management and principal risks and uncertainties (continued)**

*Client loss*

We compete for clients in a highly competitive industry which is continuously evolving and undergoing structural change and advancements in AI, data and technology. Client net loss to competitors or as a consequence of client consolidation, insolvency or a reduction in marketing budgets due to a geopolitical change or shift in client spending could have an adverse effect on our business, revenues, results of operations, financial condition and prospects.

The ability to attract new clients and to retain or increase the amount of work from existing clients may be impacted if we fail to react quickly enough to changes in the market and to evolve our structure, or as a consequence of any loss of reputation, and may be limited by clients' policies on conflicts of interest.

We manage the risk of client loss by placing an emphasis on leading through AI, data and technology, accelerating growth through the power of creative transformation, building world-class, market-leading brands and executing efficiently to drive financial returns through margin and cash.

There is management focus on the importance of a positive and inclusive culture across our business to attract and retain talent and clients. There are regular updates to the management team on the status of client losses and upcoming pitches for new clients.

There is continuous engagement with our clients and suppliers through this period of uncertainty and reduction in economic activity.

*People and culture*

Our performance could be adversely affected if we do not react quickly enough to changes in our market; fail to attract, develop and retain key talent; are unable to retain and incentivise key talent; or are unable to adapt to new ways of working by balancing home and office working.

We continue to work across the business to embed collaboration and invest in training and development to retain and attract talented people. The Group's investment in co-located campus properties continues to increase the co-operation across Group companies and provides extremely attractive and motivating working environments.

We also continue to focus on the mental health of our people by providing access to wellbeing resources, support networks, funded events, discussion forums and additional time off.

*Cyber and information security*

A cyber-attack may lead to harm or disruption to our operations, systems or services. This risk is also likely to increase as the prevalence and sophistication of generative AI means there is potential for both human and AI-generated attacks. Such an attack may also affect suppliers and partners through the unauthorised access to or manipulation, corruption or destruction of data.

We may be subject to investigative or enforcement action or legal claims or incur fines, damages or costs and client loss if we fail to adequately protect data. A system breakdown or intrusion could have a material adverse effect on our business, revenues, results of operations, financial condition or prospects and have an impact on long-term reputation and lead to client loss.

The imposition of sanctions and the associated geopolitical situation following the conflicts in Ukraine and the Middle East have triggered an increase in cyber-attacks generally.

**Financial risk management and principal risks and uncertainties (continued)**

We are aligned with the Group IT control framework which mitigates the risk of cyber security and IT breaches by monitoring and logging our network and systems, as well as undertaking threat intelligence activities, vulnerability scanning, and penetration testing. Breach and attack simulation software provides continuous assessment and incident response plans and playbooks are tested, with lessons learned and improvements made.

We also continuously raise our people's security awareness through mandatory training and rolling phishing simulation and education programmes.

*Currency risk*
Our activities expose us to the financial risks of changes in foreign exchange rates. Overall, we have minimal exposure to currency risks due to mainly transacting in Pounds sterling. The Group's treasury function manages currency risk centrally.

*Credit risk*
We are subject to credit risk through the default of a client or other counterparty. Challenging economic conditions, heightened geopolitical issues, shocks to consumer confidence, disruption in credit markets and challenges in the supply chain disrupting our client operations can lead to a worsening of the financial strength and outlook for our clients who may reduce, suspend or cancel spend with us, request extended payment terms beyond 60 days or be unable to satisfy obligations.

We commit to media and production purchases on behalf of some of our clients as principal or agent depending on the client and market circumstances. If a client is unable to pay sums due, media and production companies may look to us to pay those amounts and there could be an adverse effect on our working capital and operating cash flow.

We evaluate and monitor clients' ongoing creditworthiness and, in some cases, require credit insurance or payments in advance.

We continue to work closely with our clients to ensure timely payment for services in line with contractual commitments and with vendors to maintain the settlement flow on media.

We have implemented increased management processes to manage working capital and review cash outflows and receipts.

**Environmental matters and streamlined energy and carbon reporting (SECR)**

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations. As the Company is a UK subsidiary of WPP plc, its SECR reporting details are included, together with the other Group subsidiaries, in the WPP plc Annual report. Refer to pages 45-55 of the Annual report of WPP plc available at wpp.com/investors for more information.

**Financial and non-financial key performance indicators**

| Financial key performance indicators | 2024 | 2023 (as restated) | Change |
|---|---|---|---|
| | £000 | £000 | % |
| **Turnover** | 104,148 | 104,415 | (0.3)% |
| **Profit before tax** | 13,718 | 2,644 | 418.8% |
| **Net assets** | 295,163 | 279,433 | 5.6% |

| Non-financial key performance indicators | 2024 | 2023 | Change |
|---|---|---|---|
| **Headcount** | 577 | 593 | (2.7)% |

Revenue and gross and operating profit for 2024 are in line with the prior period (as restated) and consistent with expected performance. Profit before tax for 2024 is significantly improved primarily due to the investment impairment costs incurred in 2023 which were much lower in 2024.

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

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

The Directors of the company, as of those of all UK companies, must act in accordance with section 172(1) of the 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 its members.

In doing this, section 172(1) requires the directors to have regard for, among other matters:
- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationship with suppliers, customers and others.
- The impact of the Company's operations on the community and environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company.

*Consequences of any long-term decisions*
Our business philosophy is to create long term value for both clients and shareholders alike. We build our business and all our relationships with integrity and treat our clients' money like our own making sure all budgets maximise the best outputs to achieve the client's goals. We endeavour to attract and retain high calibre individuals who will grow with us over the long term and ensure employees think and act like owners in all their decisions. We also strive to attract and retain profitability as this will lead to growth in the long term.

*Employees*
We regularly survey our staff about their experiences at work and have extensive internal communications programmes and platforms to keep staff informed. Our All In survey helps us better support employees, hold ourselves accountable, and create a culture that is inclusive and empowering for all.

We are committed to diversity and inclusion and offering equal opportunities to all people in their recruitment, training and career development. We will select people based on qualification and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability.

*Business relationship with suppliers, customers and others*
We focus on the cultivation of strong relationships with major suppliers to ensure continuity of supply at competitive prices. It is our policy to agree terms of payment when orders for goods and services are placed and to adhere to these arrangements when making payments, provided the relevant goods and services have been supplied in accordance with the contract.

We comply with the Modern Slavery Act (MSA) and we fully support the principles of the MSA.

We engage with our clients on issues including strategy, changes taking place in our market and understanding the changes taking place in our clients' markets. We carry out client satisfaction surveys including on our ability to support their diversity, equity and inclusion, and sustainability goals.

*Community and Environment*
We consider our impact on the wider community and environment of our business activities. We adhere to the Sustainability policy which can be found at the website of the ultimate parent company at wpp.com. The policy includes objectives focusing on key impacts under our control and influence such as minimising the impact from energy use, transport, consumption of paper, water use and managing any sustainability risks in our supply chain.

We engage with clients on issues ranging from climate action to biodiversity and human rights during the development of their campaigns.

We encourage our people to volunteer their time and continue to run employee match funding appeals for disaster relief.

## STRATEGIC REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2024

*Business conduct*
We have a number of key policies, including modem slavery, anti-bribery, corruption and data protection, all of which can be found on the website of the ultimate parent company at wpp.com. We have a zero-tolerance approach to corruption and bribery and policies are in place for areas such as ethical business relationships with customers, suppliers and employees, gift giving and receiving, charitable donations and competition laws. As such, employees are mandated to complete in depth anti bribery and corruption training.

*Acting fairly as between members of the company*
As a wholly owned subsidiary of WPP plc, our interests are aligned with those of our ultimate parent

This report was approved by the board on 30 January 2026 and signed on its behalf.

Karla Smith (Jan 30, 2026 11:35:39 GMT)

**K Smith**
Director

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their report and the financial statements for the year ended 31 December 2024.

**Results**

The Company's results for the financial year are shown in the income statement on page 19.

**Directors and their interests**

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

R Clementson (resigned 20 May 2024)
F Gordon
K Smith
J Barnes-Austin (appointed 1 June 2024)

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 the execution and discharge of their duties. The provision remains in force throughout the financial year and up until the date of this report.

**Engagement with employees**

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, briefings and thorough group and Company communications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. The employee share scheme has been running successfully since its inception. It is open to all employees who have at least two years' service for a Company wholly-owned by WPP. The WPP stock options are granted annually with the number granted at WPP's discretion. After three years, employees can choose whether to keep their options or buy WPP stock at the fixed option price. Options may be exercised for up to 10 years from the grant date.

Our non-discrimination and anti-harassment policies are included in the Group Code of Conduct.

**Engagement with suppliers, customers and others**

The Company recognises the importance of its continued partnerships with its wider stakeholders, including suppliers and customers, in delivering its business strategy and sustainability goals. The Company aims to have an open and transparent relationship which is based on honesty and respect. The Company engages in constant conversation with clients and suppliers on improving delivery of services and relationships.

A detailed statement on the Group's external stakeholder engagement can be found in the Group's annual report.

**Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

**Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also 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.

**Matters covered in the Strategic Report**

The following items have been included in the strategic report on pages 1 - 11:

- principal activities;
- future developments;
- business review;
- dividends paid or declared;
- going concern and liquidity risk statement;
- environmental matters and streamlined energy and carbon reporting; and
- financial risk management and principal risks and uncertainties.

**Disclosure of information to auditors**

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

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

**Post balance sheet events**

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

**Auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 30 January 2026 and signed on its behalf.

K Smith

Karla Smith (Jan 30, 2026 11:35:39 GMT)

K Smith
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OGILVY & MATHER GROUP (HOLDINGS) LIMITED**

# Report on the audit of the financial statements

## Opinion

In our opinion, Ogilvy & Mather Group (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Balance Sheet as at 31 December 2024;
- the Income Statement for the year then ended;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic Report and Directors' Report

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 year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### Auditors' 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 auditors' 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Evaluation of the design effectiveness of management's controls designed to prevent and detect irregularities relating to journal postings,
- Making enquiries of management and those charged with governance to identify instances of non-compliance with laws and regulations, and fraud,
- Reviewing minutes of meetings of those charged with governance,
- Identifying and testing unusual journal entries, in particular those with an unusual account combination, and
- Reviewing the financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations.
- We perform audit procedures over the tax charge and balances and engaged tax specialists as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Other required reporting

## Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Paul Wheeler (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 January 2026

# INCOME STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2024

| | Notes | 2024<br>£000 | As restated<br>(note 23)<br>2023<br>£000 |
|---|---|---|---|
| Turnover | 4 | **104,148** | 104,415 |
| Cost of sales | | **(84,667)** | (86,903) |
| **Gross profit** | | **19,481** | 17,512 |
| Administrative expenses | | **(61,179)** | (53,637) |
| Income from investments | | **2,204** | 5,966 |
| Other operating income | 5 | **45,134** | 35,504 |
| **Operating profit** | 6 | **5,640** | 5,345 |
| Amounts written off investments | | **(1,964)** | (10,610) |
| **Profit/(loss) before interest** | | **3,676** | (5,265) |
| Other interest receivable and similar income | 10 | **17,340** | 13,868 |
| Interest payable and similar expenses | 11 | **(7,298)** | (5,959) |
| **Profit before tax** | | **13,718** | 2,644 |
| Tax on profit | 12 | **684** | (614) |
| **Profit for the financial year** | | **14,402** | 2,030 |

The notes on pages 23 to 54 form part of these financial statements.

All results arise from continuing operations.

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | 2024<br>£000 | As restated<br>(note 23)<br>2023<br>£000 |
|---|---|---|---|
| Profit for the financial year | | **14,402** | 2,030 |
| **Items that will not be reclassified to profit or loss:** | | | |
| Actuarial loss on defined benefit schemes | 24 | - | (983) |
| Movement of deferred tax relating to pension deficit | 20 | - | 313 |
| **Other comprehensive income/(expense)** | | - | (670) |
| **Total comprehensive income for the year** | | **14,402** | 1,360 |

The notes on pages 23 to 54 form part of these financial statements.

# BALANCE SHEET
## AS AT 31 DECEMBER 2024

| | Notes | 2024 £000 | As restated (note 23) 2023 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Tangible fixed assets | 13 | **133,584** | 106,881 |
| Investments | 14 | **346** | 2,310 |
| Deferred tax asset | 20 | **2,218** | 1,436 |
| | | **136,148** | 110,627 |
| **Current assets** | | | |
| Work in progress | | **4,021** | 4,647 |
| Trade and other receivables | 15 | **436,937** | 389,537 |
| Cash at bank and in hand | 16 | **258** | 30,564 |
| | | **441,216** | 424,748 |
| **Current liabilities** | | | |
| Trade and other payables | 17 | **(145,900)** | (142,985) |
| **Net current assets** | | **295,316** | 281,763 |
| **Total assets less current liabilities** | | **431,464** | 392,390 |
| Trade and other payables | 18 | **(136,301)** | (112,957) |
| **Net assets** | | **295,163** | 279,433 |
| **Equity** | | | |
| Called up share capital | 21 | **148,678** | 148,678 |
| Share premium account | | **323** | 323 |
| Foreign exchange reserve | 25 | **143** | 143 |
| Other reserves | 25 | **28,726** | 28,726 |
| Merger reserve | 25 | **(9,151)** | (9,151) |
| Profit and loss account | | **126,444** | 110,714 |
| **Total equity** | | **295,163** | 279,433 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 January 2026.

K Smith
Karla Smith (Jan 30, 2026 11:35:39 GMT)

K Smith
Director

The notes on pages 23 to 54 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2024

| | Called up share capital | Share premium account | Foreign exchange reserve | Other reserves | Merger reserve | Profit and loss account | Total equity |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **At 1 January 2023 (as previously stated)** | **124,200** | **323** | **143** | **28,726** | **(9,151)** | **103,442** | **247,683** |
| Prior year adjustment (note 23) | **24,478** | **-** | **-** | **-** | **-** | **4,468** | **28,946** |
| **At 1 January 2023 (as restated)** | **148,678** | **323** | **143** | **28,726** | **(9,151)** | **107,910** | **276,629** |
| Profit for the year (as restated - see note 23) | **-** | **-** | **-** | **-** | **-** | **2,030** | **2,030** |
| Other comprehensive expense net of tax | **-** | **-** | **-** | **-** | **-** | **(670)** | **(670)** |
| Non-cash settled share-based incentive plans (note 22) | **-** | **-** | **-** | **-** | **-** | **1,444** | **1,444** |
| **At 31 December 2023** | **148,678** | **323** | **143** | **28,726** | **(9,151)** | **110,714** | **279,433** |
| Profit for the year | **-** | **-** | **-** | **-** | **-** | **14,402** | **14,402** |
| Non-cash settled share-based incentive plans (note 22) | **-** | **-** | **-** | **-** | **-** | **1,328** | **1,328** |
| **At 31 December 2024** | **148,678** | **323** | **143** | **28,726** | **(9,151)** | **126,444** | **295,163** |

The notes on pages 23 to 54 form part of these financial statements.

## 1. General information

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

The Company's principal business activities, future development and a review of its performance and position are set out in the Strategic report on pages 1 - 11.

## 2. Material accounting policies

### 2.1 Basis of preparation of financial statements

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

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

The following material accounting policies have been applied:

## 2. Material accounting policies (continued)

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

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

## 2. Material accounting policies (continued)

### 2.3 Consolidation and ultimate parent company

The Company is a wholly owned subsidiary of its intermediate parent company, WPP Jubilee Limited, and as such has taken advantage of the exemption from preparing group financial statements under section 400 of the Companies Act 2006.

The Company is a wholly owned subsidiary of its ultimate parent company. WPP plc, a company incorporated in Jersey, is the Company's ultimate parent undertaking and controlling party. The largest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of WPP plc. The registered address of WPP plc is 22 Grenville Street, St Helier, Jersey, JE4 8PX. Copies of the consolidated financial statements can be obtained from www.wpp.com/investors.

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 consolidated financial statements can be obtained from the registered address of WPP Jubilee Limited, which is Sea Containers House, 18 Upper Ground, London, SE1 9GL, United Kingdom.

The immediate parent undertaking is Ambassador Square. These financial statements are separate financial statements.

### 2.4 Going concern

The Directors have assessed the ongoing business activities and the factors likely to affect the future development, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

As at 31 December 2024, the Company has net cash of £258,000, net current assets of £295,316,000 and net assets of £295,163,000 and can therefore meet its short and long-term obligations as they fall due. The Directors have considered the latest balance sheet position which provided evidence that a consistent level of net assets exists which supports the going concern basis.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing the financial statements. Additionally, the Company is a subsidiary of WPP plc and is supported by the overall WPP plc financing arrangements via the cash pooling arrangements. The conditions of these cash pooling arrangements, which are described in note 15, were considered by the Directors when assessing the appropriateness of the going concern basis of the Company.

Further, WPP plc has prepared forecasts and projections that take account of (i) reasonably possible declines in revenue or increases in costs arising from severe but plausible downside scenarios; and (ii) the results of reverse stress tests to qualify the level of revenue declines compared to 2024 and 2025, taking into account cost mitigation actions which could be implemented. These include the Company's forecasted cash flows.

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

## 2. Material accounting policies (continued)

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

The Company has applied the following standards and amendments for the first time for the reporting period commencing 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments listed above did not have any impact on the amounts recognised in prior periods or the current period, and are not expected to significantly affect future periods.

At the date of authorisation of these financial statements, the following standards or amendments to standards, which have not been applied in these financial statements, were in issue but not yet effective:

- IFRS 18 "Presentation and Disclosure in Financial Statements". No impact is expected on these financial statements.
- IFRS 19 "Subsidiaries without Public Accountability Disclosures". The level of disclosure required in these financial statements is expected to reduce but no impact is expected on the amounts recognised.
- Lack of Exchangeability (Amendments to IAS 21) and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The Company is currently assessing the impact of these standards.

### 2.6 Foreign currency translation

**Functional and presentation currency**

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

**Transactions and balances**

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

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

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

### 2.7 Turnover

In most instances, promised services in a contract are not considered distinct or represent a series of services that are substantially the same with the same pattern of transfer to the customer and, as such, are accounted for as a single performance obligation. However, where there are contracts with services that are capable of being distinct, are distinct within the context of the contract, and are accounted for as separate performance obligations, revenue is allocated to each of the performance obligations based on relative standalone selling prices.

## 2. Material accounting policies (continued)

### 2.7 Turnover (continued)

Turnover is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement. Typically performance obligations are satisfied over time as services are rendered.

Turnover recognised over time is based on the proportion of the level of service performed. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. For most fee arrangements, relevant output measures, such as the achievement of any project milestones stipulated in the contract, are used to assess proportional performance.

For our retainer arrangements, we have a stand ready obligation to perform services on an ongoing basis over the life of the contract. The scope of these arrangements are broad and generally are not reconcilable to another input or output criteria. In these instances, turnover is recognised using a time-based method resulting in straight-line revenue recognition.

The amount of turnover recognised depends on whether we act as an agent or as a principal. Certain arrangements with our clients are such that our responsibility is to arrange for a third party to provide a specified good or service to the client. In these cases we are acting as an agent as we do not control the relevant good or service before it is transferred to the client. When we act as an agent, the turnover recorded is the net amount retained.

Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Trade and other payables due within one year. Where services are provided to customers in advance of payments, the amounts are recorded as Accrued Income and included as part of Trade and other receivables.

### 2.8 Cost of sales and administrative expenses

Cost of sales consists of the direct costs incurred in the provision of advertising and allied services to customers. Cost of sales are recognised when incurred. All non-direct costs incurred by the Company are recognised as Administrative expenses. Administrative expenses include costs incurred in the general management and administration of the Company's operations. These expenses typically comprise staff costs, office-related overheads, professional fees, and other indirect costs.

Where costs are not clearly attributable solely to Cost of sales or Administrative expenses, the Company applies reasonable allocation methodologies to apportion such costs between Cost of sales and Administrative expenses, as appropriate. This approach ensures that expenses are consistently classified in line with the nature of the underlying activities. The reported Cost of sales and Administrative expenses are considered comparable, given the consistent application of accounting policies and allocation methods.

### 2.9 Other operating income

The Company incurs certain costs, comprising staff-related, occupancy, and IT expenses, on behalf of other entities within the WPP group that are subsequently recharged. The recharged amounts are recognised as Other operating income within the Income Statement as they do not arise from the Company's ordinary activities.

## 2. Material accounting policies (continued)

### 2.10 Interest receivable

Interest income is recognised in the income statement using the effective interest method.

### 2.11 Interest payable

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.12 Pensions

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**Defined benefit pension plan**

The Company operated a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Pounds Sterling (£) and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the IFRS fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in the income statement as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

## 2. Material accounting policies (continued)

### 2.12 Pensions (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the income statement as a 'finance expense'.

### 2.13 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the income statement is charged with fair value of goods and services received.

## 2. Material accounting policies (continued)

### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

| | |
|---|---|
| Leasehold property and improvements | - The shorter of lease term or 50 years |
| Fixtures and fittings | - 3 to 10 years |
| Computer equipment | - 3 to 5 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

**2. Material accounting policies (continued)**

**2.16 Investments in subsidiaries**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.17 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. Associates are held at cost less impairment.

**2.18 Work in progress**

Work in progress includes outlays incurred on behalf of clients, including production costs, and other third-party costs that have not yet been billed and are considered receivables under IFRS 15 'Revenue from Contracts with Customers' as the control of the underlying work has transferred to the customer.

**2.19 Trade and other receivables**

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

Trade and other receivables are carried at 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 Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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

## 2. Material accounting policies (continued)

### 2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

The Company is a participant in the Group's 'zero balancing' pooling arrangements with a fellow Group company acting as the cash pool leader of these cash pools within the UK. The Company can transact as normal on its bank accounts and any overall external cash and/or overdraft balances will be held and reported by the cash pool leader. All related amounts owing to/from the cash pool leader are short-term in nature and reported as amounts due to/from group undertakings under current assets or current liabilities as applicable.

### 2.21 Trade and other payables

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

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

### 2.22 Leases

**The Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

## 2. Material accounting policies (continued)

### 2.22 Leases (continued)

The lease liability is included in 'Trade and other payables' on the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in 'Tangible FIxed Assets' in the balance sheet.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

## 2. Material accounting policies (continued)

### 2.23 Preference shares

Preference shares which are redeemable at the option of either the holder or the issuer and which include a mandatory dividend are classified as liabilities.

Preference shares which are not redeemable and on which dividends are payable at the discretion of the Company are classified as equity.

### 2.24 Dividends

Dividends on preference shares recognised as liabilities are recognised as expenses and classified within interest payable.

Dividends on preference shares recognised as equity are recognised as equity dividends in the Statement of changes in equity.

### 2.25 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.

### 2.26 Common control transactions resulting in a merger reserve

The Company has previously acquired the trade and assets of subsidiary companies. These transfers are outside the scope of IFRS 3 as common control transactions and are therefore accounted for using the hybrid method.

Common control transactions as part of group reconstructions may be accounted for by using the hybrid accounting method provided:

a) the use of the hybrid accounting method is not prohibited by company law or other relevant legislation;
b) the ultimate equity holders remain the same, and the rights of each equity holder, relevant to the others, remain unchanged; and
c) no non-controlling interest in the net assets of the group is altered by the transfer

With the hybrid accounting method the carrying value of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value.

The profit and loss of the transferred entities is included from the point of combination only and the comparatives are not restated to include the transferred business.

Any difference between the consideration and the book value of the net assets acquired is shown as a movement in a merger reserve in the statement of changes in equity.

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

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

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

**Critical accounting estimates and assumptions**

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

*Revenue recognition*
Revenue arising from the provision of advertising and related services is subject to estimates made taking into account information available. These estimates are reviewed by management on a regular basis.

In making its judgement, management has considered the detailed criteria for the recognition of revenue from the sale of its services as set out in IFRS 15 Revenue from Contracts with Customers and, in particular, whether the company had transferred to the buyer the control of those services.

In making an estimate on revenue recognition with respect to open projects at year end, management considered several detailed criteria for the recognition of revenue. Estimates were based on percentage of work completed, client acceptance and whether the revenue was realisable.

Where a contract has only been partially completed at the balance sheet date, revenue represents the value of the service provided to date based on a proportion of the total contract value. Revenue is only recognised where there is persuasive evidence that an arrangement exists; a service has been rendered; the seller's price to the buyer is fixed or determinable; and collectability is reasonably assured.

**Judgements in applying accounting policies**

In the opinion of the Directors there are no critical judgements that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

## 4. Turnover

The whole of the turnover is attributable to the provision of advertising and allied services in the current and prior year.

Analysis of turnover by country of destination:

| | 2024<br>£000 | As restated (note 23)<br>2023<br>£000 |
|---|---|---|
| United Kingdom | **58,157** | 61,572 |
| Rest of Europe | **29,461** | 27,328 |
| Rest of the world | **16,530** | 15,515 |
| | **104,148** | 104,415 |

## 5. Other operating income

| | 2024<br>£000 | As restated (note 23)<br>2023<br>£000 |
|---|---|---|
| Recharges to other Group companies | **45,134** | 35,504 |
| | **45,134** | 35,504 |

## 6. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

| | 2024<br>£000 | As restated (note 23)<br>2023<br>£000 |
|---|---|---|
| Depreciation of tangible fixed assets | **2,664** | 2,416 |
| Depreciation of right-of-use tangible fixed assets | **6,414** | 5,347 |
| Exchange differences | **584** | (905) |

## 7. Auditors' remuneration

| | 2024 £000 | 2023 £000 |
|---|---|---|
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | **187** | 313 |

There were no non-audit services provided by the Company's auditor in the current or prior year.

## 8. Employees

Staff costs, including Directors' remuneration, were as follows:

| | 2024 £000 | 2023 £000 |
|---|---|---|
| Wages and salaries | **58,098** | 61,153 |
| Social security costs | **8,498** | 8,685 |
| Cost of defined contribution scheme | **4,080** | 4,334 |
| Cost of defined benefit scheme | **-** | 350 |
| Severance and redundancy costs | **2,547** | 1,474 |
| Share-based incentive plans | **1,328** | 1,444 |
| Benefits and other employee costs | **1,380** | 1,200 |
| | **75,931** | 78,640 |

The average monthly number of employees, including the Directors, during the year was as follows:

| | 2024 No. | 2023 No. |
|---|---|---|
| Executive and administration | **82** | 35 |
| Operational | **495** | 558 |
| | **577** | 593 |

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

## 9. Directors' remuneration

| | 2024 £000 | 2023 £000 |
|---|---|---|
| Directors' emoluments | **1,073** | 986 |
| Company contributions to defined contribution pension schemes | **68** | 49 |
| | **1,141** | 1,035 |

During the year retirement benefits were accruing to 3 Directors (2023 - 2) in respect of defined contribution pension schemes.

The Directors participate in a long-term incentive scheme under which awards are granted over shares of WPP plc., the ultimate holding company of the Group. Four directors exercised share options in the year (2023: three) and three directors became entitled to receive shares under the long-term incentive scheme (2023: three).

The highest paid Director received remuneration of £418,000 (2023 - £411,000). The highest paid director exercised share options during the year and received shares under the executive long-term incentive scheme.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £33,000 (2023 - £nil).

## 10. Other interest receivable and similar income

| | 2024 £000 | As restated (note 23) 2023 £000 |
|---|---|---|
| Interest receivable from group companies | **16,779** | 13,001 |
| Interest income on defined benefit pension scheme | **-** | 33 |
| Bank interest receivable | **561** | 834 |
| | **17,340** | 13,868 |

## 11. Interest payable and similar expenses

| | 2024 £000 | As restated (note 23) 2023 £000 |
|---|---|---|
| Bank interest payable | **1,332** | 454 |
| Loans from group undertakings | **645** | - |
| Preference share dividends | **31** | 32 |
| Interest on lease liabilities | **5,290** | 5,473 |
| | **7,298** | 5,959 |

## 12. Tax on profit

| | 2024 £000 | 2023 £000 |
|---|---|---|
| **Foreign tax** | | |
| Foreign tax on income for the year | **98** | 365 |
| | **98** | 365 |
| **Total current tax** | **98** | 365 |
| **Deferred tax** | | |
| Current year | **435** | 1,293 |
| Adjustment for prior years | **(1,217)** | (1,044) |
| **Total deferred tax** | **(782)** | 249 |
| | **(684)** | 614 |

## 12. Tax on profit (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 23.5%). The differences are explained below:

| | **2024** | 2023 |
|---|---|---|
| | **£000** | £000 |
| Profit before tax | **13,718** | 2,643 |
| Profit before tax multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.5%) | **3,430** | 621 |
| **Effects of:** | | |
| Difference between current tax recognised at 23.5% and deferred tax at 25% | **-** | (33) |
| Expenses not deductible for tax purposes | **1,157** | 4,145 |
| Origination and reversal of unrecognised temporary differences | **(488)** | 465 |
| Adjustments to tax charge in respect of prior periods | **(1,217)** | (1,044) |
| Non-taxable income | **(551)** | (1,402) |
| Overseas tax charge | **98** | 365 |
| Other permanent differences | **(285)** | - |
| Group relief for nil consideration | **(2,828)** | (2,503) |
| **Total tax (credit)/charge for the year** | **(684)** | 614 |

## 12. Tax on profit (continued)

**Factors that may affect future tax charges**

The UK tax rate for the year ended 31 December 2024 is 25%. Deferred tax balances have been measured accordingly at 25% (2023: 25%).

The Company belongs to a group that falls within the scope of the OECD Pillar Two top-up tax rules income taxes which applies in the UK from 1 January 2024. Based upon initial assessments, the Group does not expect top-up taxes in the UK and therefore no related current tax has been provided.

The Group has applied the IAS 12 temporary exemption to recognise deferred tax assets and liabilities related to Pillar Two income taxes.

## 13. Tangible fixed assets

| | Leasehold property £000 | Fixtures and fittings £000 | Computer equipment £000 | Right-of-use buildings £000 | Right-of-use equipment £000 | Total £000 |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 January 2024 | 32,795 | 2,136 | 3,495 | 107,181 | 1,020 | 146,627 |
| Additions | - | 670 | 402 | 34,712 | - | 35,784 |
| Disposals | - | (3) | - | - | - | (3) |
| At 31 December 2024 | 32,795 | 2,803 | 3,897 | 141,893 | 1,020 | 182,408 |
| **Depreciation** | | | | | | |
| At 1 January 2024 | 10,914 | 1,141 | 1,236 | 25,996 | 459 | 39,746 |
| Charge for the year on owned assets | 1,390 | 435 | 839 | - | - | 2,664 |
| Charge for the year on right-of-use assets | - | - | - | 6,366 | 48 | 6,414 |
| At 31 December 2024 | 12,304 | 1,576 | 2,075 | 32,362 | 507 | 48,824 |
| **Net book value** | | | | | | |
| At 31 December 2024 | 20,491 | 1,227 | 1,822 | 109,531 | 513 | 133,584 |
| At 31 December 2023 | 21,881 | 995 | 2,259 | 81,185 | 561 | 106,881 |

## 14. Investments

| | Investments in subsidiaries £000 | Investments in associates £000 | Total £000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2024 | **6,608** | **346** | **6,954** |
| Disposals | **(294)** | **-** | **(294)** |
| At 31 December 2024 | **6,314** | **346** | **6,660** |
| **Impairment** | | | |
| At 1 January 2024 | **4,644** | **-** | **4,644** |
| Charge for the period | **1,964** | **-** | **1,964** |
| Impairment on disposals | **(294)** | **-** | **(294)** |
| At 31 December 2024 | **6,314** | **-** | **6,314** |
| **Net book value** | | | |
| At 31 December 2024 | **-** | **346** | **346** |
| At 31 December 2023 | 1,964 | 346 | 2,310 |

During 2023, the Company acquired the entire share capital of DNX Limited from its subsidiary company Ogilvyone Business Limited for £6,314,000. At 31 December 2023, an impairment review was performed of the investment in DNX Limited resulting in an impairment charge in 2023 of £4,644,000.

During 2024, DNX Limited ceased to trade and transferred all its remaining assets and liabilities to the Company. The Company's investment was therefore impaired in full, resulting in an impairment charge in 2024 of £1,670,000.

Also during 2024, the Company disposed of its investment in S.H.Benson International Limited as it was dissolved. The investment had a carrying value of £294,000 and therefore an impairment of £294,000 was recorded before disposal.

Also during 2023, the Company disposed of its investment in Ogilvyone Business Limited as it was dissolved. The investment had a carrying value of £5,966,000 and therefore an impairment of £5,966,000 was recorded before disposal.

**14. Investments (continued)**

The following were subsidiary and associate undertakings of the Company:

| Name | Registered office | Class of shares | Holding |
|---|---|---|---|
| Bold Ogilvy Société Anonyme | (a) | Ordinary | 28% |
| DNX Limited | (b) | Ordinary | 100% |

(a) 10A Imathias Str, 15344 Gerakas, Athens, Greece
(b) Sea Containers, 18 Upper Ground, London, SE1 9RQ, United Kingdom

**15. Trade and other receivables**

| | 2024 £000 | As restated (note 23) 2023 £000 |
|---|---|---|
| **Due within one year** | | |
| Trade debtors | **48,388** | 42,151 |
| Amounts owed by group undertakings | **371,601** | 326,261 |
| Other receivables | **580** | 2,164 |
| Prepayments | **4,024** | 8,501 |
| Accrued income | **12,344** | 10,460 |
| | **436,937** | 389,537 |

Included within amounts owed by group undertakings is a balance of £339 million relating to inter-group loans with fellow group companies in relation to the cash pooling arrangement. These accrued a range of variable interest rates with reference to SOFR, €STR and SONIA plus an additional 0.30%. The Company, together with its parent and certain other subsidiary undertakings, are parties to the Group's syndicated banking arrangements. The Company has jointly and severally guaranteed the borrowings under these arrangements, details of which are included in the financial statements of WPP plc.

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

In 2023, all amounts owed by group undertakings were unsecured, interest free and repayable on demand except for £295 million of loans provided to other Group companies at a variable interest rate with reference to SONIA plus an additional 0.30%.

## 16. Cash and cash equivalents

| | 2024 £000 | 2023 £000 |
|---|---|---|
| Cash at bank and in hand | **258** | 30,564 |
| Less: bank overdrafts | **-** | (212) |
| | **258** | 30,352 |

## 17. Trade and other payables falling due within one year

| | 2024 £000 | As restated (note 23) 2023 £000 |
|---|---|---|
| Bank overdraft | **-** | 212 |
| Trade payables | **11,003** | 8,824 |
| Amounts owed to group undertakings | **50,318** | 55,075 |
| Preference shares (note 21) | **3,089** | 3,239 |
| Other taxation and social security | **5,426** | 4,218 |
| Lease liabilities | **12,190** | 5,330 |
| Accruals | **26,478** | 34,762 |
| Deferred income | **37,396** | 31,325 |
| | **145,900** | 142,985 |

Included within amounts owed to group undertakings is a balance of £8 million (2023: £nil) relating to inter-group loans with fellow group companies in relation to the cash pooling arrangement. These accrued a range of variable interest rates with reference to SOFR, €STR and SONIA plus an additional 0.30% (2023: 0.30%). The Company, together with its parent and certain other subsidiary undertakings, are parties to the Group's syndicated banking arrangements. The Company has jointly and severally guaranteed the borrowings under these arrangements, details of which are included in the financial statements of WPP plc.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

## 18. Trade and other payables falling due after more than one year

| | 2024<br>£000 | As restated<br>(note 23)<br>2023<br>£000 |
|---|---|---|
| Lease liabilities | **136,218** | 112,925 |
| Corporation tax | **8** | - |
| Accruals and deferred income | **75** | 32 |
| | **136,301** | 112,957 |

## 19. Leases

### Company as a lessee

The Company leases a building. The average lease term is 24.67 years of which 14.67 years remains (2023: 15.67 years). The Company also leases 2 pieces of equipment. The average lease term is 5.00 years of which 3.00 years remains (2023: 5.08 years of which 0.46 years remained).

Lease liabilities are due as follows:

| | 2024<br>£000 | 2023<br>£000 |
|---|---|---|
| Not later than one year | **12,190** | 5,330 |
| Between one and two years | **7,463** | 5,571 |
| Between two and three years | **7,813** | 5,774 |
| Between three and four years | **8,177** | 6,011 |
| Between four and five years | **8,555** | 6,291 |
| Later than five years | **104,210** | 89,278 |
| | **148,408** | 118,255 |

## 20. Deferred taxation

| | 2024<br>£000 | 2023<br>£000 |
|---|---|---|
| At beginning of year | **1,436** | 1,372 |
| Credited/(charged) to the income statement | **782** | (249) |
| Credited to other comprehensive income | **-** | 313 |
| **At end of year** | **2,218** | 1,436 |

## 20. Deferred taxation (continued)

The deferred tax asset is made up as follows:

| | **2024** | 2023 |
|---|---|---|
| | **£000** | £000 |
| Unclaimed capital allowances | **1,546** | 1,436 |
| Share plans | **487** | - |
| Pension provisions | **185** | - |
| | **2,218** | 1,436 |

A deferred tax asset has been recognised as it is probable that there will be sufficient taxable profits against which the assets will reverse in the future. The asset is not expected to be utilised in the next 12 months as group relief remains available, and the asset is therefore classified as non-current.

## 21. Share capital

| | 2024 £000 | As restated (note 23) 2023 £000 |
|---|---|---|
| **Shares classified as equity** | | |
| **Allotted, called up and fully paid** | | |
| 124,200,002 (2023 - 124,200,002) Ordinary shares of £1.00 each | **124,200** | 124,200 |
| 19,594,846 (2023 - 19,594,846) A fixed rate cumulative preference shares of €1.52 each | **21,978** | 21,978 |
| 250,000 (2023 - 250,000) C fixed rate cumulative preference shares of £10.00 each | **2,500** | 2,500 |
| | **148,678** | 148,678 |

| | 2024 £000 | As restated (note 23) 2023 £000 |
|---|---|---|
| **Shares classified as debt** | | |
| **Allotted, called up and fully paid** | | |
| 2,450,890 (2023 - 2,450,890) B fixed rate cumulative redeemable preference shares of €1.52 each | **3,089** | 3,239 |

Holders of the cumulative redeemable preference shares have identical voting rights to ordinary shareholders with one vote for every share held. They are also entitled to a fixed cumulative preference dividend of 1% (net of associated tax credit) per annum on each share fully paid or fully credited.

The 'A' and 'C' preference shares are non-redeemable, and dividends payable on these shares are at the discretion of the Company. These shares are therefore accounted for within equity.

The 'B' fixed rate cumulative redeemable preference shares may be redeemed at par together with any arrears of dividend at any time at the option of the Company or preference shareholders. 'B' shares rank after the 'A' and 'C' shares for dividends and in their rights on winding up.

## 22. 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.

**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:

*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 / STIP Bonus 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.

The average share price of WPP plc for the year ended 31 December 2024 was £7.72 (2023: £8.41).

| | **Weighted average fair value at grant date (£) 2024** | **Number 2024** | Weighted average fair value at grant date (£) 2023 | Number 2023 |
|---|---|---|---|---|
| **Options granted** | | | | |
| Leaders, Partners and High Potential Group | **8.60** | **95,769** | 7.05 | 113,862 |
| STIP Bonus Awards | **8.26** | **63,593** | 8.64 | 53,330 |
| Special Share Awards | **8.60** | **2,776** | 7.05 | 5,665 |
| **Total options granted** | | **162,138** | | 172,857 |

| | **2024 £000** | 2023 £000 |
|---|---|---|
| Share based compensation charge included in administrative expenses | **1,328** | 1,444 |

## 23. Prior year adjustment

The Company's Income statement, Balance sheet and Statement of changes in equity for 2023 have each been restated.

**Income statement**
Management carried out a reassessment of the allocation of revenue and costs within the Income statement. As a result of this reassessment, the following three restatements were made to the Income statement. There has been no impact to overall profit or net assets in either year as a result of these three adjustments.

**Adjustment 1**
The 2023 Income statement has been restated to decrease both Revenue and Cost of sales by £153,765,000. Management has concluded that certain of the Company's revenue streams should have historically been recognised on a net basis, as the Company acted as an agent, rather than on a gross basis as the principal, as previously recorded. This restatement aligns with the Group's accounting policy, which states that when the Company's role is to arrange for a third party to provide a specified good or service to the client, it acts as an agent as there is no control of the relevant good or service before it is transferred to the client.

**Adjustment 2**
The 2023 Income statement has also been restated to reclassify £85,669,000 of staff and third party costs from Administrative expenses to Cost of sales. This adjustment reflects that costs associated with revenue-generating activities should be presented as Cost of sales, but had historically been reported in Administrative expenses.

**Adjustment 3**
The 2023 Income statement has also been restated to reclassify £31,173,000 of Administrative expenses, £33,000 of Interest receivable and similar income, and £4,298,000 of Interest payable and similar expenses, all of which are recharged to other Group companies, into Other operating income. These costs had previously been netted off lines in the Income statement, but should be disclosed on a gross basis as Other operating income to reflect that these costs are separate income and expense for the Company.

In addition to these three adjustments, the Income statement is also impacted by Adjustment 6 as set out in detail under the Statement of Changes in Equity section below, which has an immaterial impact on overall profit in 2023.

## 23. Prior year adjustment (continued)

The resulting restated Income statement for the year ended 31 December 2023 is as follows:

| | As stated | Adjustment 1 | Adjustment 2 | Adjustment 3 | Adjustment 6 | As restated |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Turnover | 258,180 | (153,765) | - | - | - | 104,415 |
| Cost of sales | (154,999) | 153,765 | (85,669) | - | - | (86,903) |
| **Gross profit** | 103,181 | - | (85,669) | - | - | 17,512 |
| Administrative expenses | (107,583) | - | 85,669 | (31,173) | (550) | (53,637) |
| Income from investments | 5,966 | - | - | - | - | 5,966 |
| Other operating income | - | - | - | 35,504 | - | 35,504 |
| **Operating profit** | 1,564 | - | - | 4,331 | (550) | 5,345 |
| Amounts written off investments | (10,610) | - | - | - | - | (10,610) |
| **Loss before interest** | (9,046) | - | - | 4,331 | (550) | (5,265) |
| Interest receivable and similar income | 13,901 | - | - | (33) | - | 13,868 |
| Interest payable and similar expenses | (1,946) | - | - | (4,298) | 285 | (5,959) |
| **Profit before tax** | 2,909 | - | - | - | (265) | 2,644 |

**Balance sheet**
**Adjustment 4**
The 2023 Balance sheet has been restated to gross up amounts due to/from group undertakings as a result of these balances being settled on a gross basis and therefore not meeting the requirements of IAS 32 to be presented net. This restatement has resulted in an increase of amounts due to group undertakings by £7,522,000 and an increase in the amounts due from group undertakings by £7,522,000, with no impact to overall profit or net assets in either year.

**Adjustment 5**
It was identified that several jobs contained Work-in-Progress (WIP) or accrued income balances that were not appropriately allocated against corresponding deferred income entries during 2023. WIP and deferred income should have been reduced at the job level to reflect the true position. Therefore, the 2023 Balance sheet has been restated to reallocate £22,558,000 of WIP balances and £2,138,000 of accrued income to deferred income. This resulted in a decrease in deferred income of £24,696,000.

These two adjustments had no impact on profit or net assets in either year.

The Balance sheet is also impacted by Adjustment 6 as set out in detail under the Statement of Changes in Equity section below.

## 23. Prior year adjustment (continued)

The resulting restated Balance sheet as at 31 December 2023 is as follows:

| | As stated | Adjustment 4 | Adjustment 5 | Adjustment 6 | As restated |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Non-current assets** | 110,627 | - | - | - | 110,627 |
| **Current assets** | | | | | |
| Work in progress | 27,205 | - | (22,558) | - | 4,647 |
| Trade and other receivables | 384,153 | 7,522 | (2,138) | - | 389,537 |
| Cash at bank and in hand | 30,564 | - | - | - | 30,564 |
| | 441,922 | 7,522 | (24,696) | - | 424,748 |
| **Current liabilities** | | | | | |
| Trade and other payables | (188,556) | (7,522) | 24,696 | 28,397 | (142,985) |
| **Net current assets** | 253,366 | - | - | 28,937 | 281,763 |
| **Total assets less current liabilities** | 363,993 | - | - | 28,397 | 392,390 |
| Trade and other payables | (113,241) | - | - | 284 | (112,957) |
| **Net assets** | 250,752 | - | - | 28,681 | 279,433 |
| | | | | | |
| **Equity** | | | | | |
| Called up share capital | 124,200 | - | - | 24,478 | 148,678 |
| Share premium account | 323 | - | - | - | 323 |
| Foreign exchange reserves | 143 | - | - | - | 143 |
| Other reserves | 28,726 | - | - | - | 28,726 |
| Merger reserve | (9,151) | - | - | - | (9,151) |
| Profit and loss account | 106,511 | - | - | 4,203 | 110,714 |
| **Total equity** | 250,752 | - | - | 28,681 | 279,433 |

**Statement of changes in equity**
**Adjustment 6**

The Company has restated the prior year comparatives following the identification of a classification error relating to the presentation of its non-redeemable A and C preference shares. These instruments were previously presented within Trade and other payables falling due after more than one year, but a review of the issue documents identified that the shares are non-redeemable and the related dividends are discretionary, and they have therefore been correctly reclassified as share capital.

The A preference shares are denominated in Euros and had therefore been translated at each balance sheet date using the closing rate. As an equity instrument, however, they are accounted for at the exchange rate prevailing at the date of issue. At 31 December 2023, the A preference shares had been included within trade and other payables at £25,897,000, but have been reclassified within share capital at a cost of £21,978,000. The difference between these balances, being the impact of foreign exchange rates since the point of issue and any dividends accrued but not declared, is recognised in the profit and loss account.

The C preference shares are denominated in GB£ and were carried at £2,500,000. This amount has been reclassified from trade and other payables to share capital.

Additionally the balance sheet was restated to remove any accrued but unpaid dividends, totalling £284,000, as the dividends on these instruments are discretionary.

## 23. Prior year adjustment (continued)

As a result of the correction, total net assets as at 31 December 2023 increased from £250,752,000 to £279,433,000, and share capital increased from £124,200,000 to £148,678,000.

Also as a result of this correction, the Income statement for the year ended 31 December 2023 has been restated to remove preference share dividends (disclosed within Interest payable and similar expenses) of £285,000 and foreign exchange gains (disclosed within Administrative expenses) of £550,000. Profit for the year ended 31 December 2023 decreased from £2,295,000 to £2,030,000 as a result. In addition, opening retained earnings as at 1 January 2023 were restated to be increased by £4,468,000 to reflect the cumulative unrecognised foreign exchange movements arising in periods prior to 2023.

## 24. Pension commitments

The Company operated a Defined Benefit Pension Scheme until 2023.

The Company provided pension arrangements to full-time employees through a defined benefit scheme, Ogilvy & Mather Group Pension and Life Assurance Plan. This Plan was settled in full in 2023 and no further liabilities or assets remain.

In accordance with IAS 19, the actuarial calculations for previous years have been carried out using the Projected Unit Method. In these circumstances, use of this method implies that the contribution rate implicit in the current service costs will increase in future years.

There is no contractual agreement or stated policy for charging the net defined benefit cost and, therefore, the Company recognised the whole of the scheme surplus or deficit in its financial statements up to the point of the scheme's settlement. In accordance with IAS 19 (Revised 2011), the Company recognises a cost equal to its contribution payable for the period, which for the current year was £- (2023: £347,000).

The scheme has been closed to new entrants.

Reconciliation of present value of plan assets:

| | **2024** | 2023 |
|---|---|---|
| | **£000** | £000 |
| At the beginning of the year | - | 1,647 |
| Current service cost | - | (350) |
| Interest income | - | 33 |
| Actuarial gains/(losses) | - | (983) |
| Contributions | - | (347) |
| **At the end of the year** | - | - |

## 24. Pension commitments (continued)

The amounts charged/(credited) to operating profit or loss are as follows:

| | **2024** **£000** | 2023 £000 |
|---|---|---|
| Current service cost | - | 350 |

Reconciliation of fair value of plan liabilities were as follows:

| | **2024** **£000** | 2023 £000 |
|---|---|---|
| Opening defined benefit obligation | - | (100,284) |
| Interest cost | - | (2,052) |
| Settlement payments from plan assets | - | 99,246 |
| Benefits paid | - | 3,090 |
| **Closing defined benefit obligation** | - | - |

Reconciliation of fair value of plan assets were as follows:

| | **2024** **£000** | 2023 £000 |
|---|---|---|
| Opening fair value of scheme assets | - | 101,931 |
| Interest income on plan assets | - | 2,085 |
| Actuarial losses | - | (983) |
| Settlement payments from plan assets | - | (99,246) |
| Contributions by employer | - | (347) |
| Administrative expenses paid from plan assets | - | (163) |
| Taxes paid from plan assets | - | (187) |
| Benefits paid | - | (3,090) |
| **Closing fair value of scheme assets** | - | - |

**24. Pension commitments (continued)**

**Defined contribution schemes**

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to the income statement of £4,080,000 (2023: £4,334,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. There are £737,000 of outstanding contributions at the balance sheet date (2023: £699,000).

**25. Reserves**

**Foreign exchange reserve**

The foreign currency reserve represents exchange adjustments on foreign currency net investments.

**Other reserves**

The other reserve represents a capital contribution made by the Company's parent.

**Merger Reserve**

On 1 January 2022, the Company acquired the trade and assets of Soclab UK Limited. The Company acquired net assets of £3,649,000 and paid a consideration of £12,800,000. Both entities were wholly owned subsidiaries of the Group and the excess between the consideration and the book value of the net assets transferred was therefore recognised as a merger reserve.

**26. 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.

**27. Post balance sheet events**

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