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# ***Burson-Marsteller A/S***

Bredgade 65, 2., DK-1260 Copenhagen K

## **Annual Report for 1 January - 31 December 2017**

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CVR No 24 21 35 87

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
28/5 2018

Lars Petersen  
Chairman

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# **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Burson-Marsteller A/S for the financial year 1 January - 31 December 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 28 May 2018

## **Executive Board**

Nikolaj Buchardt  
Chief Executive Officer

## **Board of Directors**

Howard Clayden  
Chairman

Ramiro Prudencio

Nikolaj Buchardt

# Independent Auditor's Report

To the Shareholder of Burson-Marsteller A/S

## Opinion

We have audited the Financial Statements of Burson-Marsteller A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is 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 in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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.

# Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

## **Independent Auditor's Report**

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 28 May 2018

**Deloitte**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 96 35 56*

Kim Takata Mücke  
State Authorised Public Accountant  
mne10944

Morten Jarlbo  
State Authorised Public Accountant  
mne33247

## **Company Information**

### **The Company**

Burson-Marsteller A/S  
Bredgade 65, 2.  
DK-1260 Copenhagen K

CVR No: 24 21 35 87  
Financial period: 1 January - 31 December  
Municipality of reg. office: Copenhagen

### **Board of Directors**

Howard Clayden, Chairman  
Ramiro Prudencio  
Nikolaj Buchardt

### **Executive Board**

Nikolaj Buchardt

### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK-0900 Copenhagen C

# **Management's Review**

## **Primary activities**

The Company's primary activity consists of consultancy and advisory services within PR and communication and work related to the subsequent production.

## **Development in the year**

The income statement of the Company for 2017 shows a loss of TDKK 1,169, and at 31 December 2017 the balance sheet of the Company shows equity of TDKK 6,786.

Due to the difficult market situation in Denmark, Burson-Marsteller A/S performed dissatisfactory in 2017.

Burson-Marsteller is planning to enter in to a closer strategic cooperation with Halo Agency A/S, which is another WPP company, in 2018.

## **Outlook**

Burson-Marsteller A/S expects next year performance to be in line with this year.

## **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2017</u> TDKK	<u>2016</u> TDKK
<b>Gross profit/loss</b>		<b>2.442</b>	<b>2.241</b>
Staff expenses	1	-3.724	-3.882
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-184	-247
<b>Profit/loss before financial income and expenses</b>		<b>-1.466</b>	<b>-1.888</b>
Financial expenses		-13	-11
<b>Profit/loss before tax</b>		<b>-1.479</b>	<b>-1.899</b>
Tax on profit/loss for the year	2	310	415
<b>Net profit/loss for the year</b>		<b>-1.169</b>	<b>-1.484</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-1.169	-1.484
		<b>-1.169</b>	<b>-1.484</b>

## Balance Sheet 31 December

### Assets

Note	2017 TDKK	2016 TDKK
Other fixtures and fittings, tools and equipment	44	224
Leasehold improvements	0	21
<b>Property, plant and equipment</b>	<b>44</b>	<b>245</b>
Deposits	7	294
<b>Fixed asset investments</b>	<b>7</b>	<b>294</b>
<b>Fixed assets</b>	<b>51</b>	<b>539</b>
Trade receivables	268	650
Contract work in progress	149	92
Receivables from group enterprises	6.915	7.860
Deferred tax asset	66	53
Corporation tax	312	398
Prepayments	15	315
<b>Receivables</b>	<b>7.725</b>	<b>9.368</b>
<b>Currents assets</b>	<b>7.725</b>	<b>9.368</b>
<b>Assets</b>	<b>7.776</b>	<b>9.907</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2017 TDKK	2016 TDKK
Share capital		501	501
Retained earnings		6.285	7.454
<b>Equity</b>	3	<b>6.786</b>	<b>7.955</b>
Trade payables		42	410
Contract work in progress, liabilities		334	560
Payables to group enterprises		59	33
Other payables		555	949
<b>Short-term debt</b>		<b>990</b>	<b>1.952</b>
<b>Debt</b>		<b>990</b>	<b>1.952</b>
<b>Liabilities and equity</b>		<b>7.776</b>	<b>9.907</b>
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## Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	501	7.454	7.955
Net profit/loss for the year	<u>0</u>	<u>-1.169</u>	<u>-1.169</u>
<b>Equity at 31 December</b>	<b><u>501</u></b>	<b><u>6.285</u></b>	<b><u>6.786</u></b>

## Notes to the Financial Statements

	<u>2017</u> TDKK	<u>2016</u> TDKK
<b>1 Staff expenses</b>		
Wages and salaries	3.288	4.707
Pensions	402	486
Other social security expenses	34	49
	<u>3.724</u>	<u>5.242</u>
Settlement with former CEO	0	-1.360
	<u>3.724</u>	<u>3.882</u>
<b>Average number of employees</b>	<u>5</u>	<u>8</u>
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	-312	-398
Deferred tax for the year	-13	-17
Adjustment of tax concerning previous years	15	0
	<u>-310</u>	<u>-415</u>
<b>3 Equity</b>		
The share capital consists of 5,010 shares of a nominal value of TDKK 100. No shares carry any special rights.		
There have been no changes in the share capital during the last 5 years.		

# Notes to the Financial Statements

	<u>2017</u> TDKK	<u>2016</u> TDKK
<b>4 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Commitments under rental agreements or leases until expiry	0	527

#### Other contingent liabilities

The Company participates in a Danish joint taxation arrangement in which WPP Holding Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

## 5 Related parties

Name and registered office of the Parent preparing consolidated financial statements for the smallest and largest group:

<u>Name</u>	<u>Place of registered office</u>
WPP plc.	27 Farm Street, W1J 5RJ London, England

The Group Annual Report of WPP Plc. may be obtained at the following address: [www.wppinvestor.com](http://www.wppinvestor.com)

# Notes to the Financial Statements

## 6 Accounting Policies

The Annual Report of Burson-Marsteller A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in TDKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue is recognised in the income statement as work is performed. Revenue is recognised net of VAT, duties and sales discount.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the sales value of the work performed.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

#### Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise cost regarding projects used to achieve revenue for the year.

#### Other external expenses

Other external expenses include project related costs, expenses for premises, stationery and office supplies, marketing cost and services provided by group related companies etc. This item also includes write-downs of receivables recognised in current assets.

#### Staff expenses

Staff expenses comprise salaries and wages as well as social security contributions, pension contributions, etc. for the entity staff.

#### Amortisation, depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment is calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.



# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Financial income and expenses

Financial income comprises interest income, including interest income on receivables from group enterprises and net gains on transactions in foreign currencies.

Financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net losses on transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish companies within the WPP Group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance Sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Cash pool

The Company is participating in a cash pool with other Danish WPP companies. Deposits in the cash pool are included in receivables from group enterprises. Drawings from the cash pool are included in payables with group enterprises.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Contract work in progress

Contract work in progress is measured at the sales value of the work carried out at the balance sheet date.

The sales value is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Each contract in progress is recognised in the balance sheet under receivables or liabilities, depending on whether the net value, calculated as the selling price less on accounts billings, is positive or negative.

Costs of securing contracts are recognised in the income statement as incurred.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

Debts are measured at amortised cost, substantially corresponding to nominal value.