
WPP Holding Denmark A/S

c/o AdPeople A/S, Per Henrik Lings Allé 4, 7., DK-
2100 Copenhagen Ø

Annual Report for 1 January - 31 December 2017

CVR No 56 87 36 19

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 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 WPP Holding Denmark 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, 31 May 2018

Executive Board

Anders Hviid Schack
CEO

Board of Directors

Jonas von Barnekow Benzon
Hemmingsen
Chairman

Pia Tandrup

Torben Snowman

Anders Hviid Schack

Independent Auditor's Report

To the Shareholder of WPP Holding Denmark A/S

Opinion

We have audited the Financial Statements of WPP Holding Denmark 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, 31 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

WPP Holding Denmark A/S
c/o AdPeople A/S
Per Henrik Lings Allé 4, 7.
DK-2100 Copenhagen Ø

CVR No: 56 87 36 19

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Board of Directors

Jonas von Barnekow Benzon Hemmingsen, Chairman
Pia Tandrup
Torben Snowman
Anders Hviid Schack

Executive Board

Anders Hviid Schack

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S

Management's Review

Key activities

The Company's primary activity consists of investments in subsidiaries and one associate.

In addition, the Company renders administrative services to group enterprises.

Furthermore, the Company is the administration company for the Danish WPP joint taxation.

The Company participates in and is the administrative company for the Danish WPP cash pool scheme.

Development in the year

The income statement of the Company for 2017 shows a profit of DKK 6,765,122, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 22,564,342.

The Company has sufficient cash flow as well as an opportunity to obtain further liquidity from group companies.

In 2017 the Company has liquidated the subsidiary J. Walter Thompson Copenhagen A/S as a solvent liquidation.

Outlook

The Company expects a continued profit for 2018.

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

	Note	2017 DKK	2016 DKK
Income from investments in subsidiaries		6.600.107	7.658.560
Income from investments in associates		794.200	794.000
Other operating income		16.010.560	17.527.903
Other external expenses		-15.831.824	-18.228.334
Gross profit/loss		7.573.043	7.752.129
Staff expenses		-775.766	-897.315
Profit/loss before financial income and expenses		6.797.277	6.854.814
Other financial income	1	124.867	401.135
Other financial expenses	2	-334.121	-199.803
Profit/loss before tax		6.588.023	7.056.146
Tax on profit/loss for the year	3	177.099	428.368
Net profit/loss for the year		6.765.122	7.484.514

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	25.759.371	0
Retained earnings	-18.994.249	7.484.514
	6.765.122	7.484.514

Balance Sheet 31 December

Assets

	Note	2017 DKK	2016 DKK
Investments in subsidiaries	4	64.048.653	58.008.433
Investments in associates	5	79.425.000	79.425.000
Fixed asset investments		143.473.653	137.433.433
Fixed assets		143.473.653	137.433.433
Receivables from group enterprises		47.496.031	22.513.491
Other receivables		138.822	0
Corporation tax		469.141	307.212
Prepayments		0	32.188
Receivables		48.103.994	22.852.891
Cash at bank and in hand		221.590.949	163.297.081
Currents assets		269.694.943	186.149.972
Assets		413.168.596	323.583.405

Balance Sheet 31 December

Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		986.000	986.000
Reserve for net revaluation under the equity method		25.759.371	0
Retained earnings		-4.181.029	14.813.220
Equity	6	22.564.342	15.799.220
Trade payables		518.472	642.267
Payables to group enterprises		385.915.631	306.627.285
Corporation tax		3.793.884	0
Other payables		376.267	514.633
Short-term debt		390.604.254	307.784.185
Debt		390.604.254	307.784.185
Liabilities and equity		413.168.596	323.583.405
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Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	986.000	0	14.813.220	15.799.220
Net profit/loss for the year	0	25.759.371	-18.994.249	6.765.122
Equity at 31 December	986.000	25.759.371	-4.181.029	22.564.342

Notes to the Financial Statements

	2017 DKK	2016 DKK
1 Other financial income		
Interest received from group enterprises	124.805	121.428
Other financial income	62	18.949
Exchange adjustments	0	260.758
	124.867	401.135
2 Other financial expenses		
Other financial expenses	193.262	199.760
Exchange adjustments, expenses	140.859	43
	334.121	199.803
3 Tax on profit/loss for the year		
Current tax for the year	-177.099	-307.212
Adjustment of tax concerning previous years	0	-121.156
	-177.099	-428.368

Notes to the Financial Statements

	2017 DKK	2016 DKK
4 Investments in subsidiaries		
Cost at 1 January	212.375.972	208.575.972
Additions for the year	1.326.666	3.800.000
Disposals for the year	-175.413.356	0
Cost at 31 December	38.289.282	212.375.972
Value adjustments at 1 January	-154.871.800	-155.528.610
Disposals for the year	175.413.356	0
Share of profit/loss for the year	7.717.690	7.658.560
Dividend	-3.226.939	-7.001.750
Depreciation of goodwill	-521.183	0
Other adjustments	1.248.247	0
Value adjustments at 31 December	25.759.371	-154.871.800
Equity investments with negative net asset value amortised over receivables	0	504.261
Carrying amount at 31 December	64.048.653	58.008.433

Other adjustments at 31 December 2017 primarily relate to a group contribution to the subsidiary J. Walter Thompson Copenhagen A/S.

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Corporate form	Equity interest
Ogilvy Danmark A/S	Copenhagen	A/S	100%
Mindshare A/S	Copenhagen	A/S	100%
Halo Agency A/S	Copenhagen	A/S	100%
GroupM Denmark A/S	Copenhagen	A/S	100%
Intelligence Group ApS	Copenhagen	ApS	75%

Notes to the Financial Statements

	2017 DKK	2016 DKK
5 Investments in associates		
Cost at 1 January	79.425.000	79.425.000
Carrying amount at 31 December	79.425.000	79.425.000

Investments in associates are specified as follows:

Name	Place of registered office	Equity interest
Hill & Knowlton Limited	London	80%

The Company owns 80% of the share capital of Hill & Knowlton Limited, London. Since the shares represent only 2% of the total voting rights, the Company is not considered a subsidiary but is only regarded as an associate. The investment is valued at cost.

In the event of liquidation of the associate, preference shares take precedence over other shares with the limitation that the amount to be obtained for the shares is not to exceed the face value of the shares and the unpaid accumulated dividend.

6 Equity

The share capital consists of 986 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company participates in a Danish joint taxation arrangement with the Company serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Notes to the Financial Statements

8 Related parties

Transactions

The Company renders administrative services and financing to and from group enterprises.

Consolidated Financial Statements

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

Name	Place of registered office
WPP Plc.	27 Farm Street, W1J 5RJ, London, England

The Group Annual Report of WPP Plc. may be obtained at the following address: www.wpp.com

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of WPP Holding Denmark 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 DKK.

Consolidated financial statements

With reference to section 112(1) of the Danish Financial Statements Act and to the consolidated financial statements of WPP plc., the Company has not prepared consolidated financial statements.

Recognition and measurement

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Notes to the Financial Statements

9 Accounting Policies (continued)

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.

Income Statement

Other external expenses

Other external expenses comprise expenses for administration and IT services.

Staff expenses

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

Other operating income

Other operating income comprises fee from group companies for administrative and IT services rendered to Danish WPP companies.

Income from investments in subsidiaries and associates

Income from investments in associates comprises dividends etc received from the individual associates in the financial year.

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

Notes to the Financial Statements

9 Accounting Policies (continued)

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the other WPP entities in Denmark. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

WPP Holding Denmark A/S is the administration company in Denmark.

Balance Sheet

Investments in subsidiaries and associates

Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Investments in subsidiaries are recognised and measured under the equity method.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Cash pool

The Company is part of a cash pool scheme with other Danish WPP companies. Consequently, a considerable portion of the Company's bank deposits and debt is included in receivables from and payables to group enterprises, respectively.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

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.