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# ***WPP Holding Denmark A/S***

Strandboulevarden 122, 5., DK-2100 Copenhagen Ø

## **Annual Report for 1 January - 31 December 2019**

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CVR No 56 87 36 19

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
29/5 2020

Martin Hviid Saxtorph  
Chairman of the General  
Meeting

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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 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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, 29 May 2020

## **Executive Board**

Martin Hviid Saxtorph  
CEO

## **Board of Directors**

Jonas von Barnekow Benzon  
Hemmingsen  
Chairman

Jan William Werner

Martin Hviid Saxtorph

# 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 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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.

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.

## Independent Auditor's Report

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, 29 May 2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 96 35 56*

Kim Takata Mücke  
State Authorised Public Accountant  
mne10944

Brian Schmit Jensen  
State Authorised Public Accountant  
mne40050

## Company Information

### **The Company**

WPP Holding Denmark A/S  
Strandboulevarden 122, 5.  
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 Benzons Hemmingsen, Chairman  
Jan William Werner  
Martin Hviid Saxtorph

### **Executive Board**

Martin Hviid Saxtorph

### **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 2019 shows a profit of TDKK 18,684, and at 31 December 2019 the balance sheet of the Company shows equity of TDKK 45,996.

Profit for the year is considered satisfactory.

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

## **Corporate responsibility**

WPP Holding Denmark A/S is the administration company for all WPP plc's Danish activities including all Danish tax agreements and obligations. WPP's activities in Denmark have more than 1,200 employees and WPP Holding Denmark A/S was in the latest public tax year among the top 100 tax paying companies in Denmark which makes WPP a significant contributor to the Danish society.

## **Outlook**

The Company expects a result for 2020 at the same level as for 2019.

## **Subsequent events**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report, however, the development during the last couple of months of the spread of COVID-19 and shutdown of most parts of the society can potentially have a negative impact on the Company in 2020. At present, the financial effect cannot be stated due to uncertainty related to the duration and extent of the Corona crisis.



## Income Statement 1 January - 31 December

	Note	2019 TDKK	2018 TDKK
Income from investments in subsidiaries		19.674	4.846
Income from investments in associates		794	794
Other operating income		8.912	8.960
Other external expenses		-10.263	-9.296
<b>Gross profit/loss</b>		<b>19.117</b>	<b>5.304</b>
Staff expenses	1	-557	-701
<b>Profit/loss before financial income and expenses</b>		<b>18.560</b>	<b>4.603</b>
Other financial income	2	511	364
Other financial expenses	3	-883	-679
<b>Profit/loss before tax</b>		<b>18.188</b>	<b>4.288</b>
Tax on profit/loss for the year	4	496	460
<b>Net profit/loss for the year</b>		<b>18.684</b>	<b>4.748</b>

## Distribution of profit

### Proposed distribution of profit

Reserve for net revaluation under the equity method	17.733	4.846
Retained earnings	951	-98
	<b>18.684</b>	<b>4.748</b>

# Balance Sheet 31 December

## Assets

	Note	2019 TDKK	2018 TDKK
Investments in subsidiaries	5	84.372	66.639
Investments in associates	6	79.425	79.425
<b>Fixed asset investments</b>		<b>163.797</b>	<b>146.064</b>
<b>Fixed assets</b>		<b>163.797</b>	<b>146.064</b>
Receivables from group enterprises		14.005	15.036
Other receivables		191	188
Corporation tax		583	282
Prepayments		86	0
<b>Receivables</b>		<b>14.865</b>	<b>15.506</b>
<b>Cash at bank and in hand</b>		<b>188.733</b>	<b>284.759</b>
<b>Currents assets</b>		<b>203.598</b>	<b>300.265</b>
<b>Assets</b>		<b>367.395</b>	<b>446.329</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2019 TDKK	2018 TDKK
Share capital		986	986
Reserve for net revaluation under the equity method		46.083	28.350
Retained earnings		-1.073	-2.024
<b>Equity</b>	<b>7</b>	<b>45.996</b>	<b>27.312</b>
Trade payables		117	13
Payables to group enterprises		320.319	417.844
Other payables		963	1.160
<b>Short-term debt</b>		<b>321.399</b>	<b>419.017</b>
<b>Debt</b>		<b>321.399</b>	<b>419.017</b>
<b>Liabilities and equity</b>		<b>367.395</b>	<b>446.329</b>
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## Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	986	28.350	-2.024	27.312
Net profit/loss for the year	0	17.733	951	18.684
<b>Equity at 31 December</b>	<b>986</b>	<b>46.083</b>	<b>-1.073</b>	<b>45.996</b>

# Notes to the Financial Statements

	2019 TDKK	2018 TDKK
<b>1 Staff expenses</b>		
Wages and salaries	493	645
Pensions	59	53
Other social security expenses	5	3
	<b>557</b>	<b>701</b>
<b>Average number of employees</b>	<b>1</b>	<b>1</b>
<b>2 Other financial income</b>		
Interest received from group enterprises	38	82
Other financial income	473	253
Exchange adjustments	0	29
	<b>511</b>	<b>364</b>
<b>3 Other financial expenses</b>		
Interest paid to group enterprises	613	418
Other financial expenses	232	261
Exchange adjustments	38	0
	<b>883</b>	<b>679</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	-493	-282
Adjustment of tax concerning previous years	-3	-178
	<b>-496</b>	<b>-460</b>

# Notes to the Financial Statements

	2019 TDKK	2018 TDKK
<b>5 Investments in subsidiaries</b>		
Cost at 1 January	38.289	38.289
Cost at 31 December	38.289	38.289
Value adjustments at 1 January	28.350	25.759
Share of profit/loss for the year	19.674	4.846
Dividend	-1.941	-2.255
Value adjustments at 31 December	46.083	28.350
<b>Carrying amount at 31 December</b>	<b>84.372</b>	<b>66.639</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Ogilvy Danmark A/S	Copenhagen	A/S	100%
Mindshare A/S	Copenhagen	A/S	100%
Wavemaker 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

	2019 TDKK	2018 TDKK
<b>6 Investments in associates</b>		
Cost at 1 January	79.425	79.425
<b>Carrying amount at 31 December</b>	<b>79.425</b>	<b>79.425</b>

Investments in associates are specified as follows:

Name	Place of registered office	Ownership
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.

## 7 Equity

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

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

## 8 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

## 9 Related parties

### Transactions

The Company renders administrative services and financing to and from group enterprises. Transactions with related parties are conducted on market terms.

### 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 Jubilee Limited (smallest group)	18 Upper Ground, SE1 9GL, London, England
WPP Plc. (largest group)	Hilgrove Street, St Helier, JE1 1ES, Jersey, England

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



# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of WPP Holding Denmark A/S for 2019 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 2019 are presented in TDKK.

### 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

## 10 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

## 10 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.