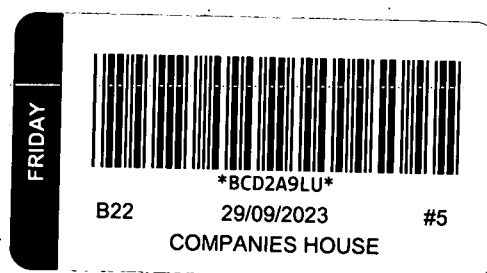


**Company Registration No. 02964394**

**AKQA Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2022**



**AKQA Limited**  
**Annual report and financial statements**

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**AKQA Limited**  
**Annual report and financial statements**

**Officers and professional advisers**

**Directors**

A Ahmed  
J Eggar

**Company secretary**

WPP Group (Nominees) Limited  
J Eggar

**Registered Office**

1 St John's Lane  
London  
EC1M 4BL

**Bankers**

Barclays Bank PLC  
Media Banking Centre  
27 Soho Square  
London  
W1D 3QR

**Solicitors**

Simkins LLP  
Lynton House  
7-12 Tavistock Square  
London WC1H 9LT

**Auditor**

Deloitte LLP  
2 New Street Square  
EC4A 3BZ

## **AKQA Limited**

### **Annual report and financial statements**

#### **Strategic report**

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

#### **Principal activity**

The Company's principal activity throughout the year was that of a full-service digital marketing, innovation and technology company.

#### **Principal risks and uncertainties**

The Company competes for clients in a highly competitive industry which may reduce market share and decrease profits. Client budgets may be affected by consumer spending in the UK and overseas, and by internalisation of work previously performed by agencies. The Company manages this risk by having a balanced portfolio of clients in a diverse range of industry sectors and by providing innovative, growth-oriented business solutions, focusing on the Company's core founding values of innovation, service, quality and thought.

The Company is also dependent on its employees. The Company recruits and seeks to retain the most talented people by supporting them to expand their skills and capabilities.

#### **Managing client risk**

We have always competed for clients in a highly competitive industry. The Company manages this risk by diversifying the number of Fortune 500 clients we serve, by diversifying the industry sectors we service, by innovating our value-added creative services, and by seeking to secure long-term client relationships.

#### **Business review**

AKQA Limited is a wholly owned subsidiary of AKQA Inc and is part of WPP plc "the Group", a publicly listed company. The Directors report £45,244,484 in turnover for the year to 31 December 2022 (2021: £67,558,346) and operating profit for the year of £2,377,424 (2021: £7,380,607). The level of turnover is impacted by the volume of production work delivered for our clients plus one large client project being completed in early 2022. Net assets have decreased to £9,149,805 (2021: £11,088,102) driven by a decrease in Debtors resulting from the decrease in trading activity during the year.

The Company is part of the Group's cash pooling arrangement whereby the cash and overdraft are swept to the header on a daily basis. Cash balances are reported within Debtors on the cover of the Balance Sheet. Further details can be found in the Group's annual report, which does not form part of this report. The financial statements of WPP plc are available at [www.wppinvestor.com](http://www.wppinvestor.com).

#### **Financial risk management objectives and policies**

The Company's principal financial assets are cash, and trade and other receivables, the carrying values of which represent the Company's maximum exposure to credit in relation to financial assets.

The Company's sales in Europe and the rest of the world are made in foreign currency and the company is therefore exposed to the movement of these currencies against the Pound exchange rate. Through WPP plc, the Company is able to take out contracts to manage this risk.

The Company does have overdraft arrangements and therefore is subject to interest rate risk exposure. The Company has not been overdrawn throughout the year.

The Company has no significant concentration of credit risk, with exposure spread over a large number of industry sectors and clients. Liquidity and cash flow risk are monitored by ensuring sufficient funds are available for ongoing operations through close controlling and management of the client receivables.

Group risks are discussed in the WPP plc annual report which does not form part of this report.

# **AKQA Limited**

## **Annual report and financial statements**

### **Strategic report (continued)**

#### **Future developments**

AKQA is working to maintain similar levels of activity in the forthcoming year and while the general economic trading conditions in the UK have been challenging, the pipeline of work from existing and new clients remains strong.

#### **Key Performance Indicators**

	2022	2021	Change %
Turnover	45,244,484	67,558,346	-33%
Profit for the financial year	1,770,393	7,559,285	-77%
Net Assets	9,149,805	11,088,102	-17%

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

#### **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 available at [wpp.com/investors](http://wpp.com/investors).

#### **Section 172 statement**

The Directors of the Company, as for all UK companies, must perform their duties in accordance with section 172 of the UK 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 the benefit of its members.

The Directors have carried out these duties and have made decisions and undertaken short and long term strategies to maintain its financial position and performance. The Directors continue to recognise the importance of the Company's partnership with all stakeholders, including employees, members, suppliers, customers and the community, as well as maintaining its high standards of business conduct and reputation. The company engages in constant conversation with clients and suppliers on improving delivery of services and relationships.

The Directors are of the opinion that the remaining details of how they meet their duty are in line with those reflected by the Directors of WPP Plc in their Annual report. For more information on how the Directors meet their duty please visit [wpp.com](http://wpp.com).

#### **Events after the balance sheet date**

A dividend of £4,000,000 has been declared for 2023.

#### **Results and dividends**

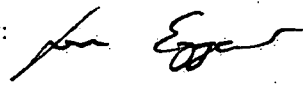
The results for the current and prior year are shown on page 11. A dividend of £6,000,000 was paid in the year ended 31 December 2022 (year to 31 December 2021: £20,000,000).

Approved by the Board of Directors and signed on its behalf by:

**J Eggar**

Director

29 September 2023



## **AKQA Limited**

### **Annual report and financial statements**

#### **Directors' report**

The Directors present its report and the audited financial statements of AKQA Limited for the year ended 31 December 2022.

Subsequent events have been disclosed in the notes to the financial statements and in the Strategic report.

#### **Going concern**

The Directors have assessed going concern for a period of 12 months from the date of signing of the accounts. After reviewing the Company's forecast, projections and possible changes in trading performance, the Directors have a reasonable expectation the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing these financial statements.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the financial position of the company; its cash flows, liquidity position; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

As at 31 December 2022, the Company had net current assets of £6,135,346 and net assets of £9,149,805. As discussed in the Strategic Report, the Company is in a cash-pooling arrangement with the Group whereby cash is swept to the header of the cash pool daily. Cash swept to the header on 31 December 2022 equalled £7,190,315 which forms part of the amount due from parent and group undertakings within note 12 to the financial statements and is recoverable on demand.

After reviewing the Company's forecast, projections and possible changes in trading performance, the Directors have a reasonable expectation the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing these financial statements.

The Directors believe that the principal risks and uncertainties affecting the going concern and liquidity risk for the Company are mitigated.

#### **Directors**

The Directors who served during the year and up to the date of signing this report were:

**A Ahmed**

**J Eggar**

#### **Financial risk management and future developments**

The financial risk management and future developments have been disclosed in the Strategic Report on page 2 and form part of this report by cross reference.

#### **Charitable donations**

The contributions made by the Company during the year for charitable purposes amounted to £17,780 (2021: £13,350).

**AKQA Limited**  
**Annual report and financial statements**

**Directors' report (continued)**

**Disabled employees**

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

**Employee consultation**

AKQA Limited 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 regular formal and informal meetings with Q&A sessions; digital social networks and a weekly employee e-newsletter.

**Dividends**

Details of dividends can be found in the Strategic Report and form part of this report by cross reference.

**Director's indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**Auditor**

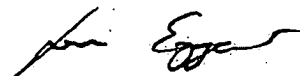
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware of; and
- the director has taken all the steps that he/she ought to have taken as directors in order to make himself/herself aware of any relevant audit information and to establish the Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:



**J Eggar**  
Director  
29 September 2023

## **AKQA Limited**

### **Annual report and financial statements**

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **AKQA Limited**

## **Annual report and financial statements**

### **Independent auditor's report to the members of AKQA Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of AKQA Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

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.

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

##### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **AKQA Limited**

### **Annual report and financial statements**

#### **Independent auditor's report to the members of AKQA Limited (continued)**

##### **Other information (continued)**

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

## **AKQA Limited**

### **Annual report and financial statements**

#### **Independent auditor's report to the members of AKQA Limited (continued)**

##### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included The UK Bribery Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in revenue recognition areas, in particular the percentage of revenue to recognise for open projects (projects not yet completed at year-end) pinpointed to cut-off assertion, and our specific procedures performed to address it included:

- Challenging management's percentage of completed used depending on the project type (T&M or Fixed project);
- Holding discussions with the relevant project managers;
- Considering the historical accuracy;
- Whether projects are appropriately classified as "Open" at year-end.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

##### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**AKQA Limited**  
**Annual report and financial statements**

**Independent auditor's report to the members of AKQA Limited (continued)**

**Matters on which we are required to report by exception**

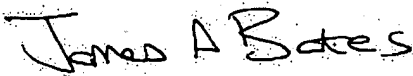
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Bates (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

**AKQA Limited**  
**Annual report and financial statements**

**Income statement**  
**For the Year ended 31 December 2022**

		2022	2021
	Notes	£	£
Turnover	3	45,244,484	67,558,346
Cost of sales		(28,092,257)	(49,876,291)
<b>Gross profit</b>		<b>17,152,227</b>	<b>17,682,055</b>
Administrative expenses		(14,774,803)	(10,301,448)
<b>Operating profit</b>		<b>2,377,424</b>	<b>7,380,607</b>
Interest (payable)/receivable and similar (expenses)/income		60,005	(126,516)
<b>Profit before taxation</b>	4	<b>2,437,429</b>	<b>7,254,091</b>
Tax credit/(charge) on profit	8	(667,036)	305,194
<b>Profit for the financial year</b>		<b>1,770,393</b>	<b>7,559,285</b>

Turnover and operating profit is derived from continuing operations in the UK.

There were no other recognised gains or losses during the period other than those set out in the profit and loss account above and hence no statement of comprehensive income has been presented.

Notes to the accounts are on pages 14-31 form an integral part of the financial statements.

**AKQA Limited**  
**Annual report and financial statements**

**Balance sheet**  
**As at 31 December 2022**

		2022	2021
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	9	1,236,170	1,128,438
Right-of-use assets	10	1,778,289	3,590,697
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	12	24,826,964	26,999,930
		<hr/>	<hr/>
		24,826,964	26,999,930
		<hr/>	<hr/>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(16,625,660)	(16,038,832)
Short-term lease liabilities	11	(2,065,958)	(2,535,951)
		<hr/>	<hr/>
<b>Net current assets</b>		6,135,346	8,425,147
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		9,149,805	13,144,282
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Long-term lease liabilities	11	-	(2,056,180)
		<hr/>	<hr/>
<b>Net assets</b>		9,149,805	11,088,102
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	16	100	100
Dividends		(26,000,000)	(20,000,000)
Profit and loss account		35,149,705	31,088,002
		<hr/>	<hr/>
<b>Total Equity</b>		9,149,805	11,088,102
		<hr/>	<hr/>

These financial statements, registered number 02964394, were approved by the Board of Directors and authorised for issue on 29 September 2023

Signed on behalf of the Board of Directors

J Eggar  
Director  
29 September 2023



**AKQA Limited**  
**Annual report and financial statements**

**Statement of changes in equity**  
**For the Year ended 31 December 2022**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2021</b>	100	22,236,722	22,236,822
Profit for the year	-	7,559,285	7,559,285
<b>Total comprehensive profit for the year</b>	-	7,559,285	7,559,285
Dividend	-	(20,000,000)	(20,000,000)
Capital contribution for equity-settled share based payments	-	1,291,995	1,291,995
<b>Balance at 31 December 2021</b>	<u>100</u>	<u>11,088,002</u>	<u>11,088,102</u>
Profit for the year	-	1,770,393	1,770,393
<b>Total comprehensive profit for the year</b>	-	1,770,393	1,770,393
Dividend	-	(6,000,000)	(6,000,000)
Capital contribution for equity-settled share based payments	15	2,291,310	2,291,310
Deferred tax on share-based payment transactions	-	-	-
<b>Balance at 31 December 2022</b>	<u>100</u>	<u>9,149,705</u>	<u>9,149,805</u>

Notes to the accounts are on pages 14-31 form an integral part of the financial statements.

# **AKQA Limited**

## **Annual report and financial statements**

### **Notes to the accounts**

#### **For the Year ended 31 December 2022**

#### **1 Accounting policies**

AKQA Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of the registered office is 1 St John's Lane, London, EC1M 4BL. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets, certain related party transactions, and certain disclosure requirements in respect of leases. Where relevant, equivalent disclosures have been given in the group accounts of WPP Jubilee Limited.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements under s 401 of the Companies Act 2006, because it is included in the group accounts of WPP plc. Details of the parent in whose consolidated financial statements the Company is included are shown in note 17 to the financial statements.

#### **Adoption of new and revised Standards**

#### **Amendments to IFRSs and the new Interpretation that are mandatorily effective**

No new accounting standards or IFRIC interpretations have had a material impact on the Company for the year ended 31 December 2022.



**AKQA Limited**  
**Annual report and financial statements**

**Notes to the accounts**  
**For the Year ended 31 December 2022**

**1 Accounting policies (continued)**

**Going concern**

The Directors have assessed going concern for a period of 12 months from the date of signing of the accounts. After reviewing the Company's forecast, projections and possible changes in trading performance, the Directors have a reasonable expectation the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing these financial statements.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the financial position of the company; its cash flows, liquidity position; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

As at 31 December 2022, the Company had net current assets of £6,135,346 and net assets of £9,149,805. As discussed in the Strategic Report, the Company is in a cash-pooling arrangement with the Group whereby cash is swept to the header of the cash pool daily. Cash swept to the header on 31 December 2022 equalled £7,190,315 which forms part of the amount due from parent and group undertakings within note 12 to the financial statements and is recoverable on demand.

The Directors believe that the principal risks and uncertainties affecting the going concern and liquidity risk for the Company are mitigated.

**Tangible fixed assets**

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements - in accordance with the lease term  
Fixtures and fittings - 33⅓% on cost  
Office equipment - 33⅓% on cost

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

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**1 Accounting policies (continued)**

**Impairment of tangible assets**

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## **AKQA Limited**

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##### **1 Accounting policies (continued)**

##### **Financial assets and liabilities**

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### **Impairment of financial assets**

The Group's financial assets (of which the vast majority are trade receivables) must be assessed for expected credit losses under IFRS 9. Expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows (determined by evaluating a range of possible outcomes) discounted at the financial asset's original effective interest rate. Given the short-term nature of the Group's trade receivables, we would not expect any material change in the provisions necessary and the effect of discounting will be immaterial. The Group's existing process of providing for specific clients/receivables should be sufficient, although the Group layers on an additional level of assessment centrally whereby top level provisions are held based on a further assessment of recoverability of aged receivables based on a rebuttable assumption of writing off:

100% of these asset classes aged over 1 year

50% of these asset classes aged between 180 days and 1 year

The above is adjusted to reflect balance specific information or explanations received from the relevant operating company where the balance may be deemed to be recoverable.

##### **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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**1 Accounting policies (continued)**

**Other financial liabilities**

Other financial liabilities, including trade and other payables, are initially recognised at fair value and subsequently at amortised cost.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

**Current tax and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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**1 Accounting policies (continued)**

**Turnover**

Sale of services

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

The Company's revenue recognition policy involves judgement, for instance, regarding the timing of recognition, particularly in relation to assessing progress on performance obligations where revenue is recognised over time.

**Pension costs**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Foreign currency**

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**Finance costs**

As explained below, where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

**Loans and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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**1 Accounting policies (continued)**

**Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Share-based payments**

Where the Company's parent Company has granted rights to its equity instruments to employees of the Company, such arrangements are accounted for as equity-settled share-based payment arrangements. In such instances a capital contribution is recognised to the extent that the Company is not recharged by its parent.

Where the Company grants to its employees rights to equity instruments of its parent, the Company accounts for such arrangements as cash-settled share-based payment arrangements.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

**2 Critical accounting judgements and key estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The judgements and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these judgements.

The judgements and underlying assumptions are reviewed on an ongoing basis.

The Company's revenue recognition policy involves judgement, for instance, regarding the timing of recognition, particularly in relation to assessing progress on performance obligations where revenue is recognised over time. Further details are set out in the accounting policy.

There are no key sources of estimation uncertainty.

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**3 Turnover**

Turnover represents amounts receivable for services, net of VAT and trade discounts. Both the turnover and operating result arise from the Company's principal continuing activity.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
Denmark	12,158	11,705
France	1,847,818	341,824
Germany	79,287	2,264,031
Ireland	-	85,825
Canada	-	35,283
Italy	569,730	440,401
Japan	908,642	7,569
Netherlands	5,487,287	4,792,423
Portugal	-	29,955
Sweden	2,189,113	1,196,362
Switzerland	303,260	-
UK	21,249,323	43,198,508
USA	2,477,747	3,040,846
China	240	-
Belgium	3,408,407	194,293
Spain	-	6,845
Samoa	226,948	562,097
UAE	532	-
Australia	33,325	-
Norway	2,184,045	-
Nigeria	-	215,729
India	4,127,900	11,133,517
Luxembourg	138,152	-
Brasil	570	1,133
	<u>45,244,484</u>	<u>67,558,346</u>

**4 Profit for the financial year before taxation**

	2022	2021
	£	£
Profit for the financial year before taxation is stated after		
Depreciation of tangible fixed assets:		
owned	768,003	1,157,525
Right of use asset depreciation	1,812,408	1,812,408
Staff costs (see note 7)	20,182,361	15,772,271
Foreign exchange (gain)/loss	(563,884)	(298,453)
	<u></u>	<u></u>

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**5 Auditor's remuneration**

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £187,467 (2021: £126,623).

Deloitte did not provide any non-audit services to the entity during the current year.

**6 Directors' emoluments**

The Directors are executives of the holding Company, AKQA Inc, and also Directors of AKQA Limited. The Directors received total remuneration of £2,137,737 from AKQA Limited during the year (2021: £1,407,924), but is not practicable to allocate this between their services as executives of AKQA Limited and their services as Directors of AKQA Inc. In addition, a Director is accruing benefits under the AKQA Limited pension scheme, which is a defined contribution scheme, in respect of their services to the group.

The emoluments of Directors borne by the Company are set out below. Only two Directors received such emoluments.

No Directors have exercised share options during the year. Further information of these schemes can be seen in note 15.

	2022	2021
	£	£
Emoluments	2,137,737	1,407,924
Pension costs	-	4,000

Of these the highest paid Director has been disclosed below.

	£	£
Emoluments	1,390,833	865,833



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**7 Staff costs**

	2022	2021
	£	£
Wages and salaries	16,672,626	12,978,535
Social security costs	2,341,346	1,790,040
Other pension costs	1,168,389	1,003,696
	<u>20,182,361</u>	<u>15,772,271</u>

The average monthly number of employees during the year (including directors) was as follows:

	No.	No.
Executive	7	7
Administrative	54	47
Other	167	121
	<u>228</u>	<u>175</u>

Following an expansion of HQ activities within the UK and a review of the global recharge programme, it was no longer appropriate to recharge HQ costs, primarily staff costs in nature, to AKQA, Inc. in the United States of America. These costs have been included within Administrative expenses in the Income statement. The impact of this is a net increase in Staff costs included within Administrative expenses incurred in 2022, by £2 million.

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**8 Tax on profit**

	2022	2021
	£	£
<b>Corporation tax:</b>		
Overseas tax suffered	870,127	862,332
Adjustments in respect of previous periods	37,843	10,617
	<u>907,970</u>	<u>872,949</u>
<b>Deferred tax:</b>		
Current year	257,328	(507,071)
Adjustments in respect of previous periods	(498,262)	(671,072)
	<u>(240,934)</u>	<u>(1,178,143)</u>
<b>Total tax on profit</b>	<u>667,036</u>	<u>(305,194)</u>

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.  
The charge for the year can be reconciled to the profit and loss account as follows:

	2022	2021
	£	£
<b>Profit before tax</b>	<u>2,437,429</u>	<u>7,254,091</u>
Tax at the UK corporation rate of 19% (2021: 19%)	463,111	1,378,277
Effects of		
Expenses not deductible for tax purposes	-	-
Items that are not deductible in determining taxable	111,100	198,285
Impact of rate change on Deferred Tax balances	-	(390,328)
Movement in short term timing differences	306,306	(173,124)
Prior year adjustments	(460,419)	(660,455)
Overseas tax	870,127	862,332
Group relief for nil consideration	(623,189)	(1,520,181)
<b>Tax (credit) / charge for the year</b>	<u>667,036</u>	<u>(305,194)</u>

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**8 Tax on profit (continued)**

The UK tax rate for the year ended 31 December 2022 is 19%. The increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023 was enacted at the balance sheet date and was reconfirmed in the UK Budget on 15 March 2023. Deferred tax balances have been measured accordingly at 25% (2021: 25%).

**Deferred Tax**

A deferred tax asset of £2,160,148 has been recognised in respect of capital allowances in excess of depreciation, DT on share plans and other timing differences as it is probable that there will be sufficient taxable profits against which the assets will reverse in the future.

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation	Short term timing differences	Share based payments	Total
	£	£	£	£
At 1 January 2021	592,493	16,853	131,726	741,072
Prior year adjustments	671,072	-	-	671,072
Charge/(credit) to profit or loss	3,778	9,630	493,663	507,071
At 1 January 2022	1,267,343	26,483	625,389	1,919,215
Prior year adjustments	498,262	-	-	498,262
Charge/(credit) to profit or loss	(331,162)	10,496	63,338	(257,328)
At 31 December 2022	<u>1,434,443</u>	<u>36,979</u>	<u>688,727</u>	<u>2,160,148</u>

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**9 Tangible fixed assets**

	Leasehold improvements	Fixtures and fittings	Office equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2022	4,987,120	1,548,927	6,122,094	12,658,141
Additions	442,624	1,650	431,461	875,735
At 31 December 2022	5,429,744	1,550,577	6,553,555	13,533,876
<b>Depreciation</b>				
At 1 January 2022	4,182,545	1,534,409	5,812,749	11,529,703
Reclassification				
Charge for the year	462,155	14,078	291,770	768,003
At 31 December 2022	4,644,700	1,548,487	6,104,519	12,297,706
<b>Net book value</b>				
At 31 December 2022	785,044	2,090	449,036	1,236,170
At 31 December 2021	804,575	14,518	309,345	1,128,438

**10 Right-of-use assets**

	Land and Buildings 2022	Land and Buildings 2021
	£	£
<b>Cost</b>		
At 1 January	9,027,912	9,027,912
Additions	-	-
At 31 December	9,027,912	9,027,912
<b>Depreciation of right-of-use assets</b>		
At 1 January	5,437,215	3,624,807
Charge for the year	1,812,408	1,812,408
At 31 December	7,249,623	5,437,215
<b>Net book value</b>		
At 31 December	1,778,289	3,590,697

The current lease for 1 St John's Lane, London EC1M 4BL expires on 24 December 2023. Management intends to renew the lease for the same premises with the landlords Save the Children.

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**11 Lease liabilities**

	2022	2021
	£	£
At 1 January 2022	4,592,131	6,234,436
Interest expense related to lease	78,757	137,733
Repayment of lease liabilities (including interest)	(2,604,930)	(1,780,038)
	<hr/>	<hr/>
At 31 December 2022	2,065,958	4,592,131

Finance leases are repayable as follows:

	2022	2021
	£	£
<b>Minimum lease payments</b>		
Within one year	2,083,948	3,125,922
In the second to fifth years inclusive	-	1,562,961
After five years	-	-
	<hr/>	<hr/>
	2,083,948	4,688,883
 Less: future finance charges	 <hr/>	 <hr/>
	17,990	96,752
 Present value of lease obligations	 <hr/>	 <hr/>
	2,065,958	4,592,131
 <b>Present value of minimum lease payments</b>		
Within one year	2,065,958	2,535,951
In the second to fifth years inclusive	-	2,056,180
After five years	-	-
	<hr/>	<hr/>
Present value of lease obligations	<hr/>	<hr/>
	2,065,958	4,592,131

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**11 Lease liabilities (continued)**

	2022	2021
	£	£
Current	2,065,958	2,535,951
Non-current	<u>-</u>	<u>2,056,180</u>
	2,065,958	4,592,131

The following table shows the breakdown of the lease expenses between amounts charged to operating (loss)/profit and amounts charged to finance costs:

	2022	2021
	£	£
<b>Continuing operation</b>		
Depreciation of right-of-use assets		
Land and building	(1,812,408)	(1,812,408)
Low-value lease expense	(24,074)	(24,270)
Sublease income	61,689	172,188
<b>Charged to operating profit</b>	(1,774,793)	(1,664,490)
Interest expense related to lease liabilities	<u>(78,757)</u>	<u>(137,733)</u>
<b>Charges to (loss)/profit before taxation for leases</b>	<u><b>(1,853,550)</b></u>	<u><b>(3,466,713)</b></u>

**12 Debtors**

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	6,826,442	8,446,789
Amount owed from group undertakings (interest free, repayable on demand)	13,840,602	13,905,662
Prepayments and accrued income	144,842	162,957
Other debtors	1,854,930	2,565,307
Amounts falling due after one year:		
Deferred Tax Asset	8	
	<u>2,160,148</u>	<u>1,919,215</u>
	<u><b>24,826,964</b></u>	<u><b>26,999,930</b></u>

The Company is in a cash-pooling arrangement with the Group whereby cash is swept to the header of the cash pool daily. Cash swept to the header on 31 December 2022 equalled £7,190,315 which forms part of the amount due from group undertakings and is recoverable on demand. This is an interest-bearing cash pooling arrangement.

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**13 Creditors: amounts falling due within one year**

	2022 £	2021 £
Trade creditors	914,997	826,972
Amount owed to group undertakings (interest free, repayable on demand)	6,290,376	3,885,295
Other creditors	242,790	175,003
Other taxes and social security	750,770	1,700,869
Deferred income	3,037,183	1,459,344
Accruals	5,389,544	7,991,349
	<u>16,625,660</u>	<u>16,038,832</u>

**14 Pensions**

The Company operates a defined contribution pension scheme, for the Directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The Company implemented a salary sacrifice scheme on 1 November 2010. The pension cost charge for the year amounted to £1,168,389 (year ended 31 December 2021: £1,003,696). The unpaid contributions outstanding at the period end, included within other creditors are £157,356 (year ended 31 December 2021: £139,380).

**15 Share based payments**

The Company charged £2,291,310 to the profit and loss account in the year ended 31 December 2022 in relation to equity-settled share-based payments (2021: £1,291,995).

**Restricted stock schemes**

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:

**Performance Share Awards (PSA)**

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

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**15 Share based payments (continued)**

**Leaders, Partners and High Potential Awards**

These are not tied to annual performance but are awarded to senior members of the organisation and selected high performers. Performance conditions include continued employment over a three-year vesting period.

**Grant details**

For restricted stock awards, the number of shares granted for the most significant schemes and the weighted average fair value of these grants was as follows:

	2022	2021
<b>Leaders, Partners and High Potential Awards</b>		
Number of shares granted	27,700	22,374
Weighted average fair value at grant date (£ per share)	8.73	11.16

**16 Called up share capital**

	2022	2021
	£	£
<b>Authorised:</b>		
100,000 ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
<b>Called up, allotted and fully paid:</b>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

The rights associated with all the shares are the same and has remained unchanged from prior year.



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**For the Year ended 31 December 2022**

**17 Parent company and controlling party**

The Directors regard AKQA Inc (360 Third Street, 5th Floor, San Francisco, CA 94107), a company incorporated in The United States of America, as the immediate parent company and WPP plc, a company incorporated in Jersey, as the ultimate parent company and the ultimate controlling party.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is WPP plc, incorporated in Jersey. The parent undertaking of the smallest such group is WPP Jubilee Limited, incorporated in England and Wales.

Copies of the financial statements of WPP plc are available at [www.wppinvestor.com](http://www.wppinvestor.com). Copies of the financial statements of WPP Jubilee Limited can be obtained from Sea Containers House, 18 Upper Ground, London, SE1 9GL, United Kingdom.

**18 Subsequent events**

A dividend of £4,000,000 has been declared on 22 June 2023.

**19 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.