Company Registration No. 06243081

Man vs Machine Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

Man vs Machine Limited

Report and financial statements 2022

Contents

Man vs Machine Limited

Report and financial statements 2022

Officers and professional advisers

Directors

MJ Alderson
J Geraghty
T Lightoller
TJ Swift

Company secretary

WPP Group (Nominees) Limited

Registered office

Sea Containers
18 Upper Ground
London SE1 9GL
United Kingdom

Banker

HSBC Bank PLC
8 Canada Square
London E14 5HQ
United Kingdom

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Man vs Machine Limited

Strategic report (continued)

The Directors present their annual report and the audited financial statements of Man vs Machine Limited (the 'Company') for the year ended 31 December 2022. The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

The company's principal activities are the provision of digital motion graphics solutions to clients primarily in the UK and the US.

As shown on the company's profit and loss account on page 11, business performance was up against the last year, with revenue of £11.1m for the year (year ended 31 December 2021: £7.8m), the increase was due to the higher demand in digital solutions by companies emerging from the lockdown. Gross profit was £8.8m for the year (year ended 31 December 2021: £6.8m).

The balance sheet on page 12 of the financial statements shows that the company's financial position at the end of the year, in net current assets, has improved by almost 25% comparing to the previous year.

Key performance indicators

The company's key measurement of the effectiveness of its operations is operating profit margin in line with the strategy set at the WPP Group level. The company achieved an operating profit margin of 49.3% (year ended 31 December 2021: 45.2%) resulting from improved prices as a result of increased demand.

The WPP group manages its operations on a network basis. For this reason, the company's directors believe that further key performance indicators of the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Landor & Fitch network of WPP plc, which includes the company, is discussed in the WPP plc Annual Report which does not form part of the Report.

Principal risks and uncertainties

The Directors of the Company have considered the principal risks and uncertainties affecting the Company as at 31 December 2022 and up to date of this report. The principal risk(s) for the Company are shown below:

Retention of talented staff

The company competes for clients in a highly competitive industry which may reduce market share and decrease profits, and the company is highly dependent on its employees. The company recruits and seeks to retain the most talented people in the industry in order to maintain competitive advantage.

Credit risk

The company's principal financial assets are cash, 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 credit risk is primarily attributable to its trade receivables. The majority of the company's trade receivables are due from large multinational companies where the risk of default is considered low. The amounts are presented in the balance sheet net of any allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment.

Currency risk

The company's sales are often made in foreign currencies and the company is therefore exposed to the movement of these currencies against the pound sterling exchange rate. WPP plc, the ultimate parent company, helps to manage this risk at group level.

The company, in common with others, is exposed to risks arising from general changes in the economic environment to the extent that it affects its clients propensity to commission projects from the company. The directors manage the risk by ensuring that the company continues to provide high quality service and actively seeks to attract new business.

Covid-19 Pandemic

The coronavirus pandemic has not significantly impacted the business, revenues, results of operations, financial condition and prospects, due to the digital nature of the business.

The Directors will continue to monitor, review and take the appropriate steps to respond to the impact of the Covid-19 pandemic on the Company, as well as recognise and address the other current and emerging risks and uncertainties we face as a business.

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

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

The Directors of all UK companies must act in accordance with a general set of duties. These duties are detailed out in section 172 of the UK Companies Act 2006. The Directors believe that they have acted in a way that has promoted the success of the Company for the benefit of its members as a whole:

a) **The likely consequences of any decision in the long term:**
The Company's business strategy is focused on achieving success for the Company in the long-term. In setting this strategy, the Directors take into account the impact of relevant factors and stakeholder interests on the Company's performance.

b) **The interests of the company's employees**:
The interests of the Company's employees are ensured by several management actions, namely: sustainability initiatives, constant training, employee surveys to assess and act on engagement and satisfaction levels, diversity and inclusion initiatives.

c) **The need to foster the company's business relationships with suppliers, customers and others:**
Management's actions were focused in delivering the best services to the clients through a close relationship to understand their business needs, using constant innovation as support for services' quality and cost efficiency. This is also safeguarded by the Company's supply chain through rigorous due diligences with equal focus on ability to deliver and business conduct.

d) **The impact of the company's operations on the community and the environment:**
As mentioned above, the Company and WPP Group recognise the importance of their environmental responsibilities. Several initiatives were detailed in the SECR section of the 2022 Annual report. Refer to pages 68-77. Additionally, the Company and its employees support several charities via fund raising and awareness actions or pro-bono work.

e) **The desirability of the company maintaining a reputation for high standards of business conduct:**
As part of WPP Group, the Company follows the Group's high standards of business conduct in all its actions. All employees are regularly trained on two main WPP tools: How to behave and Right to speak helpline. The Company follows WPP business conduct code which is regularly reviewed by the WPP Board in all its actions.

f) **The need to act fairly as between members of the company:**
Based on the overall market condition, the Directors consider which course of action best enables delivery of the Company's strategy, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members.

Additional information on the engagement with key stakeholders is detailed in the Director's report as well as on the WPP Group 2021 Annual report, pages 107-111. This can be obtained on the WPP Group website (www.wpp.com).

Man vs Machine Limited

Strategic report (continued)

Future developments

The Directors are not aware, at the date of this report, of any major changes in the Company's activities for the coming year ahead.

Events after the balance sheet date

There have been no significant events requiring disclosure since the balance sheet date.

Approval

Approved by the Board of Directors on 08 August 2023 and signed on its behalf by:

DocuSigned by:
Tim Swift
0664609C58C3427...

TJ Swift
Director

Sea Containers
18 Upper Ground
London SE1 9GL

Man vs Machine Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2022.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

Going concern

The Directors have assessed the ongoing business activities and the potential impact that the Covid-19 pandemic, the conflict in Ukraine and the forecasts of the global inflation on the liquidity, performance and financial position of the Company for at least 12 months from the date of signing of the financial statements.

Due to the nature of the business of the company and the services that it offers there is limited impact on the company or its customer base and demand remains strong. The financial forecasts, budgets, cash flows and liquidity assessments have been re-assessed on a prudent basis and have considered the impact of a range of potential changes to trading performance.

The Company remains in a positive cash, net current asset and net asset position as at the date of this report and is expected to continue to be cash flow generative for the foreseeable future.

The Company meets its day to day working capital requirements through working capital management and if required participating in group banking arrangements with its ultimate parent, WPP plc through access to a group cash management facility.

In determining if the business is a going concern, the Directors have considered the Company's financial forecasts, budgets, cash flows, liquidity, contingent liabilities and pension funding. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing. Accordingly, they continue to adopt the going concern as a basis in preparing the financial statements.

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Results and dividends

The profit for the year was £4.3m (year ended 31 December 2021: £3.0m). Dividends of £3.2m were paid during the financial year (year ended 31 December 2021: dividends paid £2.3m). No dividends have been declared since the balance sheet date.

Directors

The directors, who served throughout the year except as noted and up to date of this report, were as follows:

MJ Alderson
J Geraghty
T Lightoller
TJ Swift

Man vs Machine Limited

Directors' report (continued)

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is 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 made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors on 08 August 2023 and signed on its behalf by:

DocuSigned by:
Tim Swift
0664609C58C3427...

TJ Swift
Director

Sea Containers
18 Upper Ground
London SE1 9GL

Man vs Machine Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report including 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 parent company 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 the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Man vs Machine Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Man vs Machine 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 Statement of profit or loss and other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

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.

Independent auditor's report to the members of Man vs Machine Limited (continued)

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.

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. 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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework 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 the UK Companies Act, tax laws and pensions legislation; and

Independent auditor's report to the members of Man vs Machine Limited (continued)

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

- 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 and UK employment laws.

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 related to revenue recognition on projects open at the year end. These contracts are accounted for on a stage of completion basis and therefore there is judgement involved in estimating the costs to complete which could lead to errors in cut-off between periods. The procedures performed to address this risk included:

- assessing the accuracy of managements estimates of costs to complete against the company's work plans and inquired with those relevant project managers;

- evaluating whether the contracts were properly included in management's calculation of revenue recognized over time based on the terms and conditions of each contract and confirmed contract values by verifying the values against signed agreements and any contract amendments; and

- recalculating deferred and accrued income balances based on the contract terms, costs incurred to date and remaining cost estimates to conclude on the appropriateness of the revenue recognized 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 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.

Independent auditor's report to the members of Man vs Machine 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.

DocuSigned by:

67961B2D8947451...

Jon Young, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

08 August 2023 | 15:27:18 BST

Man vs Machine Limited

Profit and loss account
For the year ended 31 December 2022

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Revenue	2	11,076,546	7,755,436
Cost of sales		(2,299,133)	(917,589)
Gross profit		8,777,413	6,837,847
Administrative expenses		(4,449,347)	(3,747,398)
Operating profit		4,328,066	3,090,449
Income from shares in group undertakings	11	659,148	412,073
Interest payable and similar expenses	3	(1,231)	(1,943)
Interest receivable and similar income	3	126,343	-
Profit before taxation	4	5,112,326	3,500,579
Tax on profit	8	(799,453)	(496,617)
Profit for the financial period		4,312,873	3,003,962

All results are from continuing operations.

The company had not recognised gains or losses other than those reflected in the profit and loss account in either period. Consequently, no separate statement of other comprehensive income is presented.

The accompanying notes form an integral part of this profit and loss account.

Man vs Machine Limited

Balance sheet
As at 31 December 2022

	Notes	31 December 2022 £	31 December 2021 £
Fixed assets			
Property, Plant & Equipment	10	214,691	219,980
		214,691	219,980
Current assets			
Trade and other receivables	12	6,643,436	4,153,478
Deferred tax assets	14	-	5,787
Cash and cash equivalents		5,227	5,167
		6,648,663	4,164,532
Creditors: Amounts falling due within one year	13	(3,192,949)	(1,791,979)
Net current assets		3,455,714	2,372,553
Total assets less current liabilities		3,670,405	2,592,533
Net assets		3,670,405	2,592,533
Capital and reserves			
Called-up share capital	15	75	75
Profit and loss account		3,670,330	2,592,458
Shareholders' funds		3,670,405	2,592,533

The financial statements of Man vs Machine Limited (registered number 06243081) were approved by the board of directors and authorised for issue on 08 August 2023.

They were signed on its behalf by:

DocuSigned by:
Tom Lightoller
D5F8058ED2AA435...
T Lightoller
Director

08 August 2023 | 11:47:24 BST

Man vs Machine Limited

Statement of changes in equity
For the year ended 31 December 2022

	Called-up share capital (Note 15) £	Profit and loss account £	Total £
Balance at 1 January 2021	75	1,934,496	1,934,571
Profit for the period and total comprehensive income for the year	-	3,003,961	3,003,961
Dividends paid during the year (note 9)	-	(2,346,000)	(2,346,000)
Balance at 1 January 2022	75	2,592,457	2,592,532
Profit for the year and total comprehensive income for the year	-	4,312,873	4,312,873
Dividends paid during the year (note 9)	-	(3,235,000)	(3,235,000)
Balance at 31 December 2022	75	3,670,330	3,670,405

Notes to the financial statements
For the year ended 31 December 2022

1. Accounting policies

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

Basis of accounting

Man vs Machine Limited is a private company limited by shares and is registered in England and Wales. It is incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the business review on pages 2 to 3.

These financial statements are presented in pound sterling, which is the Company's functional currency.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis and in accordance with applicable United Kingdom law and accounting standards.

The company has taken exemption from the requirement to prepare group accounts under s400 of the Companies Act 2006. Accordingly these financial statements present information about this company as an individual undertaking and not as a group. The smallest group of undertakings for which group financial statements are prepared and the which include the results of the Company are the consolidated financial statements of WPP Jubilee Limited, registered in the England and Wales. The registered address of WPP Jubilee Limited is Sea Containers House, 18 Upper Ground, London, SE1 9GL, United Kingdom. These financial statements are separate financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts of WPP plc to other wholly owned subsidiaries. The group accounts of WPP plc are available to the public and can be obtained as set out in note 19.

The particular accounting policies adopted which have been applied consistently throughout both periods are described below.

Impact of initial application of amendments to IFRS Standards and Interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework

Implementation Phase 2 of IBOR reform which impacts IFRS 9, IAS 39, IFRS 7, IFRS 16, IFRS 4

1. **Accounting policies (continued)**

Going concern

The financial statements have been prepared using the going concern basis of accounting.

The Directors have assessed the ongoing business activities and the potential impact that the Covid-19 pandemic, the conflict in Ukraine and the forecasts of the global inflation on the liquidity, performance and financial position of the Company for at least 12 months from the date of signing of the financial statements.

Due to the nature of the business of the company and the services that it offers there is limited impact on the company or its customer base and demand remains strong. The financial forecasts, budgets, cash flows and liquidity assessments have been re-assessed on a prudent basis and have considered the impact of a range of potential changes to trading performance.

The Company remains in a positive cash, net current asset and net asset position as at the date of this report and is expected to continue to be cash flow generative for the foreseeable future.

The Company meets its day to day working capital requirements through working capital management and if required participating in group banking arrangements with its ultimate parent, WPP plc through access to a group cash management facility.

In determining if the business is a going concern, the Directors have considered the Company's financial forecasts, budgets, cash flows, liquidity, contingent liabilities and pension funding. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date of signing. Accordingly, they continue to adopt the going concern as a basis in preparing the financial statements.

Property, Plant & Equipment

Property, Plant & Equipment are stated at cost less accumulated depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and building	- straightline over length of lease
Leasehold improvements	- 25% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33.33% on cost

Impairment of property, plant & equipment

At each balance sheet date, the Company reviews the carrying amounts of its property, plant & equipment 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal 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.

1. Accounting policies (continued)

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. 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.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

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 income statement 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.

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.

Revenue

Revenue is stated net of VAT and trade discounts.

Revenue from the supply of motion graphics 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, it is aligned with the principal activities and the IFRS 15. Where a contract has only been partially completed at the balance sheet date revenue represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Contract Libilities and included as part of Creditors due within one year.

1. Accounting policies (continued)

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.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In the current year there were no significant accounting estimates.

The judgement is required in determining the stage of completion of open jobs at the year end. Management use both inputs (time sheets and materials) and output (performance obligations) to determine the stage of completion. The stage of completion are reviewed on a regular basis by the commercial team, to ensure it accurate and complete. In addition management also review stage of completion monthly to ensure they are satisfied with revenue recognised.

2. Revenue

An analysis of the Company's revenue is as follows:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Continuing operations		
Rendering of services	11,076,546	7,755,436
This is the total revenue as defined in IFRS 15.	11,076,546	7,755,436

All revenue relates to one class of business, being the provision of motion graphic services.

An analysis of the Company's revenue by geographical market is set out below.

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Revenue		
UK	4,080,461	2,405,498
Rest of world	6,996,085	5,349,938
Total	11,076,546	7,755,436

3. Interest

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Interest payable and similar expenses		
Interest payable	(1,232)	(1,943)
	(1,232)	(1,943)

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Interest receivable and similar income		
Bank interest receivable	126,343	-
	126,343	-

Man vs Machine Limited

Notes to the financial statements
For the year ended 31 December 2022

4. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Net foreign exchange gains/(losses)	2,658	(3,639)
Depreciation of tangible fixed assets	65,032	35,748
Right-of-use assets depreciation	73,191	73,191
Staff costs (see note 6)	2,010,868	1,517,812

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £23,384 (year ended 31 December 2021: £21,854).

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed. The consolidated financial statements of the parent company disclose such fees on a consolidated basis, it is because it is a medium sized company.

6. Staff costs

The average monthly number of employees (including executive directors) was:

	Year ended 31 December 2022 No.	Year ended 31 December 2021 No.
Design	26	18
Administration	6	5
	32	23

Their aggregate remuneration (including executive directors) comprised:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Wages and salaries	1,688,939	1,276,163
Social security costs	259,755	194,407
Defined contribution pension	62,175	47,242
	2,010,868	1,517,812

Man vs Machine Limited

Notes to the financial statements
For the year ended 31 December 2022

7. Directors' remuneration and transactions

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Directors' remuneration		
Emoluments	115,800	115,800
Company contributions to money purchase schemes	4,000	4,000
	119,800	119,800

	Year ended 31 December 2022 No.	Year ended 31 December 2021 No.
The number of directors who:		
Are members of a money purchase pension scheme	1	1

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Remuneration of the highest paid director:		
Emoluments	115,800	115,800
Company contributions to money purchase schemes	4,000	4,000
	119,800	119,800

Directors' transactions

Details of transactions with directors during the year are disclosed in note 18.

Man vs Machine Limited

Notes to the financial statements
For the year ended 31 December 2022

8. Tax on profit

The tax charge comprises:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Current tax		
UK corporation tax	849,000	577,000
Adjustment in respect of previous period	(79,000)	(83,000)
Total current tax	770,000	494,000
Deferred tax		
Origination and reversal of temporary differences	1,369	6,278
Adjustment in respect of previous period	28,084	(3,661)
Total deferred tax (see note 14)	29,453	2,617
Total tax on profit	799,453	496,617

Tax on profit

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Profit before tax	5,112,326	3,500,579
UK corporation tax rate at 19% (31 December 2021: 19%)	971,342	665,110
Effects of:		
Expenses not deductible for tax purposes	12,062	4,878
Depreciation in excess of capital allowances	(6,883)	6,792
Non taxable dividends received	(125,238)	(78,294)
Prior year adjustment	(51,829)	(101,870)
Total tax charge for period	799,453	496,617

The UK tax rate for the year ended 31 December 2022 is 19%. In the UK Budget on 3 March 2021, the Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. The change was enacted at the balance sheet date and deferred tax balances have been remeasured accordingly at 25% (2021: 19%).

Man vs Machine Limited

Notes to the financial statements
For the year ended 31 December 2022

9. Dividends on equity shares

Amounts recognised as distributions to equity holders in the year:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Final dividend paid for the year ended 31 December 2021 of £156.40 per "A" ordinary share of £0.005 each	-	2,346,000
Final dividend paid for the year ended 31 December 2022 of £215.67 per "A" ordinary share of £0.005 each	3,235,000	-
	3,235,000	2,346,000

10. Property, Plant & Equipment

	Right of use assets	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	356,759	195,400	27,886	275,604	855,649
Additions	-	9,855	2,316	120,762	132,933
At 31 December 2022	356,759	205,255	30,202	396,366	988,582
Depreciation					
At 1 January 2022	226,511	181,320	25,146	202,692	635,669
Charge for the year	73,191	12,992	1,004	51,035	138,222
At 31 December 2022	299,702	194,312	26,150	253,727	773,891
Net book value					
At 31 December 2022	57,057	10,943	4,052	142,639	214,691
At 31 December 2021	130,248	14,080	2,740	72,912	219,980

11. Investments in subsidiaries

The parent Company has investments in the following subsidiary undertakings.

Subsidiary undertakings	Registered office	Principal activity	Holding	%
ManvsMachine, Inc.	100 Park Avenue, 4th floor, New York 10017, NY, USA	Motion graphics solutions	1,000 common shares of £1.00 each	100

On 12 April 2016 the company established a subsidiary and as at 31 December 2022 it has a 100 per cent interest in ManvsMachine, Inc., a corporation established under and pursuant to the laws of the State of Delaware, USA. Funding for this investment was provided by another group company and not recharged to the company.

Company received a dividend of £659k (year ended 31 December 2021: £412k) from the subsidiary during the year.

Man vs Machine Limited

Notes to the financial statements
For the year ended 31 December 2022

12. Trade and other receivables: Amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Trade debtors	1,055,798	953,890
Amounts receivable from other group undertakings	5,398,223	2,871,068
VAT	-	70,091
Prepayments and accrued income	187,090	258,529
Other debtors	2,325	-
	6,643,436	4,153,578

Amounts receivable from other group undertakings (unsecured) are interest bearing and repayable on demand, all parties are members of the same group.

13. Creditors: Amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Trade creditors	8,452	83,240
Amounts payable to other group undertakings	882,379	618,568
Corporation tax	849,000	-
Other taxation and social security	193,594	103,860
Accruals and deferred income	1,171,058	855,479
Deferred tax liability	23,667	-
VAT	7,220	-
Lease liability short-term (Note 17)	57,579	130,832
	3,192,949	1,791,979

Amounts payable to subsidiary undertakings (unsecured) are interest free and repayable on demand, all parties are members of the same group.

14. Deferred tax

Deferred tax is provided as follows:

	Origination and reversal of temporary differences £	Total £
At 1 January 2021	8,404	8,404
Debit to profit or loss	(2,617)	(2,617)
At 1 January 2022	5,787	5,787
Debit to profit or loss	(29,454)	(29,454)
At 31 December 2022	(23,667)	(23,667)

15. Called-up share capital

	31 December 2022 £	31 December 2021 £
Authorised	75	75
Allotted, called-up and fully-paid		
15,000 "A" ordinary shares of £0.005 each	75	75

Each share carries full dividend rights and full distribution rights

16. Lease liability

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 December 2022 Land and buildings £	31 December 2021 Land and buildings £
Company		
- within one year	57,579	74,060
- between two and five years	-	57,582
	57,579	131,642

Finance lease payments represent rentals payable by the company for its office premises. The landlord, Tomorrow & Co UK Limited, is classified as a related party.

Man vs Machine Limited

Notes to the financial statements
For the year ended 31 December 2022

17. Leases

The company leases land and buildings. Information about leases for which the Company is a lessee is presented below

Right-of-use assets

	Right of use assets £	Total £
2022		
Balance at 1 January	130,248	130,248
Recognised per IFRS 16	-	-
Depreciation charge for the year	(73,191)	(73,191)
Balance at 31 December 2022	57,057	57,057

Lease liabilities

	2022 £
Maturity analysis – contractual undiscounted cash flows	
- Less than one year	57,579
- One to five years	-
Total undiscounted lease liabilities at 31 December 2022	57,579

Lease liabilities included in the statement of financial position	£
- Current	57,057
- Non-current	-

18. Related party transactions

On 25 May 2015 directors TJ Swift and MJ Alderson established a new company, Tomorrow & Co UK Limited, as sole shareholders and directors. As disclosed in note 16, the company entered into an operating lease under Tomorrow & Co UK Limited on 12 October 2020. Rental payments of £74,060 were made to Tomorrow & Co UK Limited during the year (year ended 31 December 2021: £74,060).

19. Controlling party

The directors regard WPP Group (UK) Limited, a company registered in England and Wales, 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, which includes the company and for which group accounts are prepared, is WPP plc, a company incorporated in Jersey and with its registered office at Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES. The parent undertaking of the smallest such group is WPP Jubilee Limited, a company incorporated in England & Wales and with its registered office at Sea Containers House, 18 Upper Ground, London, United Kingdom, SE1 9GL. Copies of the group financial statements of WPP plc are available at www.wppinvestor.com. Copies of the group financial statements of WPP Jubilee Limited are available from its registered office.

20. Subsequent events

There are not subsequent events to disclose as at the date of signing.