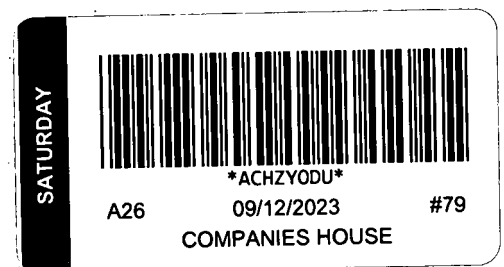


Registered number: 04078547

**WAVEMAKER LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**Registered office address:**

**Sea Containers**  
**18 Upper Ground**  
**London**  
**SE1 9ET**  
**United Kingdom**

---

**WAVEMAKER LIMITED**

---

**CONTENTS**

---

	Page(s)
<b>Strategic Report</b>	1 - 4
<b>Directors' Report</b>	5 - 7
<b>Independent Auditor's Report</b>	8 - 10
<b>Income Statement</b>	11
<b>Balance Sheet</b>	12
<b>Statement of Changes in Equity</b>	13
<b>Notes to the Financial Statements</b>	14 - 30

---

## WAVEMAKER LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

---

The Directors present their Strategic Report on Wavemaker Limited (the 'Company') for the year ended 31 December 2022.

#### Principal activities

The Company is a member of the WPP plc Group (the 'Group'). The Company's principal activity is the provision of media buying and planning services in the United Kingdom.

#### Future developments

The Directors do not envisage any major change to the nature of the business in the foreseeable future.

#### Business review

Revenue has increased by 0.1% year-on-year, from £79,466,000 to £79,537,000. The Company made a profit for the year ended 31 December 2022 of £21,928,000, which will be transferred to reserves (2021: a profit of £23,768,000, which was transferred to reserves).

The Directors are of the opinion that the current level of activity and performance is sustainable, due to the robust financial position and liquidity of the Company and will remain so for the foreseeable future. Further details are provided in the "Going concern and liquidity risk" section.

#### Dividends

The Company did not pay or declare any dividends in the current year or prior year to its ordinary shareholders. It has accrued a dividend of £22,000 in the current year to its preference shareholders (2021: £20,000).

#### Going concern and liquidity risk

The Directors have assessed the ongoing business activities and the potential impact that the conflict in Ukraine and general global economic conditions may have on the liquidity, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

In line with the Group approach, the Company's forecasts and projections take account of (i) reasonably possible declines in revenue less pass-through costs; and (ii) remote declines in revenue less pass-through costs for stress-testing purposes compared to 2022. The ongoing impact of the conflict in Ukraine has been considered.

As at 31 December 2022, the Company has net current assets of £134,653,000 and net assets of £122,590,000 and can therefore meet its short and long-term obligations as they fall due.

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 the financial statements. Additionally, the Company is a subsidiary of WPP plc and is supported by the overall WPP plc financing arrangements via the cash pooling arrangements.

The Directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

---

## WAVEMAKER LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### Financial risk management and 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 risks for the Company are shown below:

##### *Economic risk*

Adverse economic conditions, including those caused by growing geopolitical tension and conflicts, sustained inflation and increasing interest rates in key markets where we operate, supply chain issues affecting the distribution of our clients' products and/or disruption in credit markets pose a risk our clients may reduce, suspend or cancel spend with us or be unable to satisfy obligations.

In the past, clients have sometimes responded to weak economic and financial conditions by reducing or shifting their marketing budgets which are easier to reduce in the short term than their other operating expenses.

Our account management teams work proactively with our clients to understand the challenges they are facing, determine general trends in marketing spend and develop plans in advance to help us prepare, redeploy resources and manage costs accordingly.

##### *Pandemic*

The impact of a pandemic on our business would depend on numerous factors that we are not able to accurately predict, including the duration and scope of a pandemic, any existing or new variants, government actions to mitigate the effects of a pandemic and the intermediate and long-term impact of a pandemic on our clients' spending plans.

We are continuing to manage any risk by constantly monitoring our working capital position, supported by actions to maintain liquidity including cost reduction and cash conservation.

##### *Loss of clients*

We compete for clients in a highly-competitive industry which has been evolving and undergoing structural change.

Client net loss to competitors or as a consequence of client consolidation, insolvency or a reduction in marketing budgets due to a geopolitical change or shift in client spending would have an adverse effect on our business, revenues, results of operations, financial condition and prospects.

The Company manages the risk of client loss by placing an emphasis on providing faster, more agile and more effectively integrated solutions and continuously improving our creative capability and reputation of our business.

There is management focus on the importance of a positive and inclusive culture across our business to attract and retain talent and clients. There are regular updates to the management team on the status of client losses and upcoming pitches for new clients.

There is continuous engagement with our clients and suppliers through this period of uncertainty and reduction in economic activity.

##### *Currency risk*

The Company's activities expose it to the financial risks of changes in foreign exchange rates. Overall, the Company has minimal exposure to currency risks due to it mainly transacting in Pounds sterling. The Group's treasury function manages currency risk centrally.

---

## WAVEMAKER LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### Financial risk management and principal risks and uncertainties (continued)

##### *Credit risk*

The Company is subject to credit risk through the default of a client or other counterparty.

The Company commits to media and production purchases on behalf of some of our clients as agent depending on the client and market circumstances. If a client is unable to pay sums due, media and production companies may look at us to pay those amounts and there could be an adverse effect on our working capital and operating cash flow.

The Company evaluates and monitors clients' ongoing creditworthiness and, in some cases, requires credit insurance or payments in advance.

The Company continues to work with our clients during this period of economic uncertainty to ensure timely payment of services in line with contractual commitments and with vendors to maintain the settlement flow on media.

There are increased management processes to manage working capital and review cash outflows and receipts.

##### *Retention of talented staff*

The Company's performance could be adversely affected if we fail to attract, develop and retain key talent, or are unable to retain and incentivise key and diverse talent, or are unable to adapt to new ways of working by balancing home and office working.

The Company recruits and aims to retain the most talented people by supporting them to expand their skills and capabilities by working across the business to embed collaboration and investing in training and development.

The Group's investment in co-located campus properties is increasing the co-operation across Group companies and provides extremely attractive and motivating working environments.

The Company also focuses on the mental health of our people by providing access to wellbeing resources, the establishment of support networks, funded events, discussion forums and additional time off.

##### *Cyber and information security*

A cyber-attack could result in disruption to our business or compromise the security of data. The imposition of sanctions following the ongoing conflict in Ukraine has triggered an increase in cyber-attacks generally. An attack could have a legal, financial or reputational consequence for the Company.

The Company is aligned with Group IT controls which mitigate the risk of cyber security and IT breaches by adhering to strict information security protocol and by monitoring our network and systems. We are also raising our people's security awareness of the potential for phishing and other cyber-attacks during the period of remote working and the geopolitical situation through our training.

#### 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. Refer to pages 220-227 of the Annual report of WPP plc available at [wpp.com/investors](http://wpp.com/investors) for more information.

---

## WAVEMAKER LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### Financial key performance indicators

	2022 £'000	2021 £'000	Change %
Billings	531,203	694,050	(23.5)%
Revenue	79,537	79,466	0.1%
Profit before tax	22,009	23,391	(5.9)%
Net assets	122,590	100,641	21.8%

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.wpp.com/investors](http://www.wpp.com/investors).

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

The Directors of the Company, as those of all UK companies, must act 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 benefits 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 performance and position. 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.

Further details of the Company's engagement with external stakeholders is given in the Directors' report.

The Directors are of the opinion that the remaining details of how they meet their duty is in line with those reflected by the Directors of WPP plc in their Annual report. Refer to pages 109-111 of the Annual report of WPP plc available at [wpp.com/investors](http://wpp.com/investors) for more information on how the Group directors meet their duty.

This report was approved by the board on 30 November 2023 and signed on its behalf.



Shil Patel (Nov 30, 2023 10:10 GMT)

S Patel  
Director

---

## WAVEMAKER LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

---

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

#### Results

The Company's results for the financial year are shown in the income statement on page 11.

#### Directors and their interests

The Directors who served during the year and up to the date of signing of the financial statements, unless otherwise stated, were:

S Patel  
K McCarley (appointed 15 June 2022)  
P Hutchison (resigned 14 June 2022)

No Director had, during the year or at the end of the year, any material interest in any contract of significance to the Company's business.

#### Directors' indemnity

Each of the Directors benefit from a third party qualifying indemnity given by the Company in respect of liabilities incurred by the Director in the execution and discharge of their duties. The provision remains in force throughout the financial year and up until the date of this report.

#### Engagement with employees

The Company 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 formal and informal meetings, briefings and thorough group and company communications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. The employee share scheme has been running successfully since its inception. It is open to all employees who have at least two years' service for a company wholly-owned by WPP. The WPP stock options are granted annually with the number granted at WPP's discretion. After three years, employees can choose whether to keep their options or buy WPP stock at the fixed option price. Options may be exercised for up to 10 years from the grant date.

Our non-discrimination and anti-harassment policies are included in the Group Code of Conduct. Refer to pages 70-72 of the Annual report of WPP plc available at [wpp.com/investors](http://wpp.com/investors) for more information.

#### Engagement with suppliers, customers and others

The Company recognises the importance of its continued partnerships with its wider stakeholders, including suppliers and customers, in delivering its business strategy and sustainability goals. The Company aims to have an open and transparent relationship which is based on honesty and respect. The Company engages in constant conversation with clients and suppliers on improving delivery of services and relationships.

A detailed statement on the Group's external stakeholder engagement can be found in the Group's Annual report.

---

## WAVEMAKER LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### Disabled employees

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

#### Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' 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 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;
- 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.

#### Matters covered in the Strategic Report

The following items have been included in the Strategic Report on pages 1 - 4:

- principal activities;
- future developments;
- business review;
- dividends paid or declared;
- going concern and liquidity risk statement;
- environmental matters and streamlined energy and carbon reporting; and
- financial risk management and principal risks and uncertainties.

---

**WAVEMAKER LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a Director in order to be 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.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditor**

Under section 487(2) of the Companies Act 2006, Deloitte LLP, Statutory Auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 30 November 2023 and signed on its behalf.



Shil Patel (Nov 30, 2023 10:10 GMT)

S Patel  
Director

**Independent auditor's report to the members of  
Wavemaker Limited  
Company Registration No. 04078547**

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

**Opinion**

In our opinion the financial statements of Wavemaker Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> 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 23.

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.

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.

**Independent auditor's report to the members of  
Wavemaker Limited  
Company Registration No. 04078547**

**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 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 UK Companies Act, pension 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.

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.

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.

**Independent auditor's report to the members of  
Wavemaker Limited  
Company Registration No. 04078547**

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

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.

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

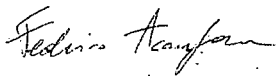
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Federico Acanfora, ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
30 November 2023

---

WAVEMAKER LIMITED

---

INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022

---

	Notes	2022 £'000	2021 £'000
Billings *		531,203	694,050
Revenue	4	79,537	79,466
Administrative expenses		(57,901)	(56,199)
<b>Operating profit</b>	5	<b>21,636</b>	23,267
Interest receivable and similar income	9	554	235
Interest payable and similar expenses	10	(181)	(111)
<b>Profit before tax</b>		<b>22,009</b>	23,391
Tax on profit	11	(81)	377
<b>Profit for the year</b>		<b>21,928</b>	23,768

The notes on pages 14 to 30 form part of these financial statements.

The Company has no other comprehensive income during either the current year or prior year and therefore no separate statement of comprehensive income has been prepared.

All results arise from continuing operations.

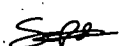
\* Billings is a management alternative performance measure and comprises the gross amounts billed to clients in respect of commission-based/fee-based income together with the total of other fees earned and recharge of third party costs.

**WAVEMAKER LIMITED**  
**REGISTERED NUMBER: 04078547**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
<b>Non-current assets</b>			
Tangible assets	12	9,378	9,196
Trade and other receivables	13	1,446	1,527
		<u>10,824</u>	<u>10,723</u>
<b>Current assets</b>			
Trade and other receivables	13	338,481	310,683
<b>Current liabilities</b>			
Trade and other payables	14	(203,828)	(198,672)
<b>Net current assets</b>		<u>134,653</u>	<u>112,011</u>
<b>Total assets less current liabilities</b>		<u>145,477</u>	<u>122,734</u>
<b>Non-current liabilities</b>			
Trade and other payables	15	(22,732)	(21,830)
Other provisions	18	(155)	(263)
<b>Net assets</b>		<u>122,590</u>	<u>100,641</u>
<b>Capital and reserves</b>			
Called up share capital	19	-	-
Other reserves		(20,139)	(20,139)
Profit and loss account		142,729	120,780
		<u>122,590</u>	<u>100,641</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2023.

  
 Shil Patel (Nov-30, 2023 10:10 GMT)

S Patel  
 Director

The notes on pages 14 to 30 form an integral part of these financial statements.

---

**WAVEMAKER LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

	Called up share capital £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
<b>At 1 January 2021</b>	-	(20,139)	96,951	76,812
Profit and total comprehensive income for the year	-	-	23,768	23,768
Non-cash-settled share-based incentive plans	-	-	61	61
<b>At 31 December 2021</b>	-	(20,139)	120,780	100,641
Profit and total comprehensive income for the year	-	-	21,928	21,928
Non-cash-settled share-based incentive plans	-	-	21	21
<b>At 31 December 2022</b>	-	(20,139)	142,729	122,590

---

## WAVEMAKER LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1. General information

The Company is a private company, limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The Company is registered in England and Wales. The address of the registered office is Sea Containers, 18 Upper Ground, London, SE1 9ET, United Kingdom.

The Company's principal business activities, future development and a review of its performance and position are set out in the Strategic report on pages 1 - 4.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

---

## WAVEMAKER LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

## 2. Accounting policies (continued)

### 2.3 Consolidation and ultimate parent company

The Company is a wholly owned subsidiary of its ultimate parent company, WPP plc, a company incorporated in Jersey, is the Company's ultimate parent undertaking and controlling party. The largest group of undertakings for which group financial statements are prepared and which include the results of the Company are the consolidated financial statements of WPP plc. The registered address of WPP plc is 22 Grenville Street, St Helier, Jersey, JE4 8PX. Copies of the consolidated financial statements can be obtained from [www.wpp.com/investors](http://www.wpp.com/investors). The smallest group of undertakings for which group financial statements are prepared and 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. The immediate parent undertaking is WPP Samson Limited.

### 2.4 Going concern

The Directors have assessed the ongoing business activities and the potential impact that the conflict in Ukraine and general global economic conditions may have on the liquidity, performance and financial position of the Company for at least the next 12 months from the date of signing the financial statements.

In line with the Group approach, the Company's forecasts and projections take account of (i) reasonably possible declines in revenue less pass-through costs; and (ii) remote declines in revenue less pass-through costs for stress-testing purposes compared to 2022. The ongoing impact of the conflict in Ukraine has been considered.

As at 31 December 2022, the Company has net current assets of £134,653,000 and net assets of £122,590,000 and can therefore meet its short and long-term obligations as they fall due.

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 the financial statements. Additionally, the Company is a subsidiary of WPP plc and is supported by the overall WPP plc financing arrangements via the cash pooling arrangements.

The Directors therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

### 2.5 Impact of new international reporting standards, amendments and interpretations

No new accounting standards or IFRIC interpretations have had a material impact on the Company's financial statements for the current year.

### 2.6 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentation currency is Pounds Sterling (£).

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

---

## WAVEMAKER LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

## 2. Accounting policies (continued)

### 2.6 Foreign currency translation (continued)

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### 2.7 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue comprises commissions and fees earned in respect of amounts billed. Pass-through costs comprise fees paid to suppliers when they are engaged to perform part or all of a specific project and are charged directly to clients, predominantly media and data collection costs. Costs to obtain a contract are typically expensed as incurred as the contracts are generally short-term in nature.

In most instances, promised services in a contract are not considered distinct or represent a series of services that are substantially the same with the same pattern of transfer to the customer and, as such, are accounted for as a single performance obligation. However, where there are contracts with services that are capable of being distinct, are distinct within the context of the contract, and are accounted for as separate performance obligations, revenue is allocated to each of the performance obligations based on relative standalone selling prices.

Revenue is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement and per the requirements of IFRS 15 Revenue from Contracts with Customers.

For our retainer arrangements, we have a stand ready obligation to perform services on an ongoing basis over the life of the contract. The scope of these arrangements are broad and generally are not reconcilable to another input or output criteria. In these instances, revenue is recognised using a time-based method resulting in straight-line revenue recognition. The amount of revenue recognised depends on whether we act as an agent or as a principal. Certain arrangements with our clients are such that our responsibility is to arrange for a third party to provide a specified good or service to the client. In these cases we are acting as an agent as we do not control the relevant good or service before it is transferred to the client. Costs incurred with suppliers (such as production costs and media suppliers) are excluded from revenue and recorded as work in progress until billed.

### 2.8 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

---

## WAVEMAKER LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 2. Accounting policies (continued)

##### 2.8 Pensions (continued)

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.9 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

##### 2.10 Interest receivable

Interest income is recognised in profit or loss using the effective interest method.

##### 2.11 Interest payable

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

##### 2.12 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against future taxable profits.

---

## WAVEMAKER LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 2. Accounting policies (continued)

##### 2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- Over the life of the lease
Fixtures and fittings	- 3 to 10 years
Computer equipment	- 3 years
Right-of-use buildings	- Over the life of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.14 Trade and other receivables

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Trade and other receivables are carried at original invoice amount less any provisions for doubtful debts.

Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade or other receivable is determined to be uncollectable it is written off, firstly against any provisions available and then to the income statement.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Subsequent recoveries of amounts previously provided for are credited to the income statement.

---

## WAVEMAKER LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 2. Accounting policies (continued)

##### 2.15 Cash and cash equivalents

The Company is a participant in the Group's 'zero balancing' pooling arrangements with a fellow Group company acting as the cash pool leader of these cash pools within the UK. The Company can transact as normal on its bank accounts and any overall external cash and/or overdraft balances will be held and reported by the cash pool leader. All related amounts owing to/from the cash pool leader are short-term in nature and reported as amounts due to/from group undertakings under current assets or current liabilities as applicable.

##### 2.16 Trade and other payables

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### 2.17 Leases

###### The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Trade and other payables' in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

---

## WAVEMAKER LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 2. Accounting policies (continued)

##### 2.17 Leases (continued)

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in 'Tangible Fixed Assets' in the balance sheet.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

##### 2.18 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that outflow of resources will be required to settle the 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 these cash flows.

##### 2.19 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### 2.20 Share capital

Ordinary shares are classified as equity.

---

**WAVEMAKER LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**3. Judgements in applying accounting policies 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 only 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 opinion of the Directors there are no critical judgements or accounting estimates that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

**4. Turnover**

The whole of the turnover is attributable to the provision of media buying and planning services in the United Kingdom in the current and prior year.

**5. Operating profit**

The operating profit is stated after charging/(crediting):

	2022 £'000	2021 £'000
Depreciation of owned tangible fixed assets	764	800
Depreciation of right-of-use tangible fixed assets	139	326
Loss on disposal of tangible fixed assets	238	-
Foreign exchange (gains)/losses arising on trade	(160)	54
Foreign exchange losses/(gains) on preference shares	667	(1,003)
	<u>667</u>	<u>(1,003)</u>

**6. Auditor's remuneration**

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	153	124
	<u>153</u>	<u>124</u>

There were no non-audit services provided by the Company's auditor in the current or prior year.

---

**WAVEMAKER LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**7. Employees**

Staff costs, including Directors' remuneration, were as follows:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Wages and salaries	<b>31,268</b>	30,324
Social security costs	<b>3,505</b>	3,106
Cost of defined contribution pension scheme	<b>1,697</b>	1,573
Share-based payments	<b>21</b>	61
Severance and redundancy costs	<b>336</b>	133
Benefits and other employee costs	<b>910</b>	538
	<b>37,737</b>	35,735

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2022</b>	2021
	<b>Number</b>	Number
Executive	<b>25</b>	28
Administration	<b>337</b>	402
	<b>362</b>	430

**8. Directors' remuneration**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Directors' emoluments	<b>661</b>	517
Company contributions to defined contribution pension schemes	<b>19</b>	13
	<b>680</b>	530

During the year retirement benefits were accruing to two Directors (2021 - one Director) in respect of defined contribution pension schemes.

The highest paid Director received emoluments of £224,000 (2021 - £355,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £nil (2021 - £nil).

---

**WAVEMAKER LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

---

**9. Interest receivable and similar income**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Interest on loans to group undertakings	150	151
Bank interest receivable	404	84
	<u>554</u>	<u>235</u>

**10. Interest payable and similar expenses**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Preference share dividends	22	20
Interest on lease liabilities	3	3
Interest on loans from group undertakings	156	88
	<u>181</u>	<u>111</u>

**11. Taxation**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Current tax on profits for the year	-	-
Deferred tax charge for the year	486	(53)
Deferred tax adjustment for prior years	(405)	(324)
<b>Taxation on profit</b>	<u>81</u>	<u>(377)</u>

---

WAVEMAKER LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

---

11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit before tax	22,009	23,391
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	4,182	4,444
<b>Effects of:</b>		
Expenses not deductible for tax purposes	221	236
Adjustments to tax charge in respect of prior periods	(405)	(324)
Rate change on temporary differences	48	(303)
Other	(38)	12
Group relief	(3,927)	(4,442)
<b>Total tax charge for the year</b>	<b>81</b>	<b>(377)</b>

**Factors that may affect future tax charges**

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%).

**WAVEMAKER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**12. Tangible fixed assets**

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Right of use buildings £'000	Total £'000
<b>Cost or valuation</b>					
At 1 January 2022	10,411	2,323	2,201	1,966	16,901
Additions	-	763	735	-	1,498
Disposals	(191)	(294)	-	(174)	(659)
At 31 December 2022	<u>10,220</u>	<u>2,792</u>	<u>2,936</u>	<u>1,792</u>	<u>17,740</u>
<b>Depreciation</b>					
At 1 January 2022	2,815	1,200	2,141	1,549	7,705
Charge for the year on owned assets	446	238	80	-	764
Charge for the year on right- of-use assets	-	-	-	139	139
Disposals	(106)	(140)	-	-	(246)
At 31 December 2022	<u>3,155</u>	<u>1,298</u>	<u>2,221</u>	<u>1,688</u>	<u>8,362</u>
<b>Net book value</b>					
At 31 December 2022	<u><u>7,065</u></u>	<u><u>1,494</u></u>	<u><u>715</u></u>	<u><u>104</u></u>	<u><u>9,378</u></u>
At 31 December 2021	<u><u>7,596</u></u>	<u><u>1,123</u></u>	<u><u>60</u></u>	<u><u>417</u></u>	<u><u>9,196</u></u>

---

WAVEMAKER LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

---

13. Trade and other receivables

	2022 £'000	2021 £'000
<b>Due after more than one year</b>		
Deferred tax asset	1,446	1,527
	<hr/>	<hr/>
	2022 £'000	2021 £'000
<b>Due within one year</b>		
Trade receivables	54,814	72,038
Amounts owed by group undertakings	261,700	207,685
Other receivables	521	362
Prepayments and accrued income	21,446	30,598
	<hr/>	<hr/>
	338,481	310,683
	<hr/>	<hr/>

The amounts owed by group undertakings are unsecured, interest free and repayable on demand except for an intercompany loan of a principal amount of £15 million which earns interest at 1% per annum.

14. Trade and other payables falling due within one year

	2022 £'000	2021 £'000
Trade payables	29,290	38,102
Amounts owed to group undertakings	56,797	26,381
Other taxation and social security	9,514	11,481
Lease liabilities	52	237
Other creditors	6,524	6,977
Accruals and deferred income	101,651	115,494
	<hr/>	<hr/>
	203,828	198,672
	<hr/>	<hr/>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**WAVEMAKER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. Trade and other payables falling due after more than one year**

	2022 £'000	2021 £'000
Lease liabilities	23	263
Cumulative redeemable preference shares (note 19)	22,709	21,567
	22,732	21,830

**16. Leases**

**Company as a lessee**

The Company leases two buildings.

Lease liabilities are due as follows:

	2022 £'000	2021 £'000
Not later than one year	52	237
Between one and two years	23	263
	75	500

**17. Deferred taxation**

	2022 £'000	2021 £'000
<b>Deferred tax asset</b>		
At beginning of year	1,527	1,150
(Charged)/credited to profit or loss	(81)	377
<b>At end of year</b>	1,446	1,527

The deferred tax asset is made up as follows:

	2022 £'000	2021 £'000
Unclaimed capital allowances	1,446	1,527

A deferred tax asset has been recognised in respect of capital allowances in excess of depreciation as it is probable that there will be sufficient taxable profits, including group relief, against which the assets will reverse in the future.

---

WAVEMAKER LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

---

18. Provisions

	Dilapidation £'000
At 1 January 2022	263
Utilised in year	(108)
<b>At 31 December 2022</b>	<b>155</b>

The dilapidation provision relates to dilapidations costs for the leased buildings expected to be incurred at the end of the leases.

19. Share capital

	2022 £	2021 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1 (2021 - 1) Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>
	2022 £	2021 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
25,649,335 (2021 - 25,649,335) Cumulative redeemable preference shares of €1.00 each	22,708,574	21,566,749
	<u>22,708,574</u>	<u>21,566,749</u>

The cumulative redeemable preference shares carry an entitlement to a dividend at the EURIBOR interest rates plus 50 basis points of the total value of the issued preference shares, payable in arrears annually.

The cumulative redeemable preference shares may be redeemed at the subscription issue price at any time at the option of the holder, and, in any event, will be redeemed at the share issue price on 31 December 2102.

Holders of the cumulative redeemable preference shares have the right on a winding-up to receive, in priority to any other classes of shares, the sum of the cumulative redeemable preference shares at issue price, in preference of the ordinary shareholders and the deferred shareholders.

The cumulative redeemable preference shares are presented as a liability as they are redeemable at the option of the holder.

The cumulative redeemable preference shareholders are entitled to receive notice of, but not vote at, general meetings.

**WAVEMAKER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**20. Share based payments**

**WPP Share Option Plan**

The WPP Share option plan grants options to employees who have worked at a Company owned by WPP plc for at least two years which are not subject to performance conditions or on a discretionary basis subject to the satisfaction of performance conditions.

Share options have a life of ten years, including the vesting period. The terms of share options with performance conditions are such that, if after nine years and eight months, the performance conditions have not been met, then the share option will vest automatically. Share options are satisfied out of newly issued shares in WPP plc.

**Restricted share scheme**

Certain employees participate in restricted share schemes, which are in most cases satisfied by the delivery of shares from one of the WPP plc ESOP Trusts. The most significant schemes are:

*Leaders, Partners and High Potential Group*

This scheme provides annual grants of restricted shares for key executives. Performance conditions include continued employment over a three-year vesting period.

*Special Share Awards / STIP Bonus Awards*

From time to time, one-off awards are made to individuals in the form of restricted stock. Performance conditions include continued employment over the vesting period. As these are one-off awards, the vesting period will differ for each award granted.

The average share price of WPP plc for the year ended 31 December 2022 was £9.13 (2021: £9.64).

	<b>Weighted average exercise price (£) 2022</b>	<b>Number 2022</b>	<b>Weighted average exercise price (£) 2021</b>	<b>Number 2021</b>
<b>Options granted</b>				
Leaders, Partners and High Potential Group		-	11.16	1,017
Special Share Awards		-	9.74	1,285
			<b>2022 £'000</b>	<b>2021 £'000</b>
Share based compensation charge included in administrative expenses			<b>21</b>	<b>61</b>

---

WAVEMAKER LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

---

**21. Pension commitments**

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to the income statement of £1,697,000 (2021: £1,573,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. There were £231,000 of outstanding contributions at the balance sheet date (2021: £nil).

**22. 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 certain information around remuneration of key management personnel.

**23. Post balance sheet events**

There have been no significant events affecting the Company since the year end.