

WPP CP Finance plc

Annual report and financial statements

For the year ended 31 December 2016

Registered number: 05785385



WPP CP Finance plc

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WPP CP Finance plc

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and independent auditor's report for the year ended 31 December 2016. This directors' report has been prepared in accordance with the provisions under s.415 of the Companies Act 2006 applicable to companies entitled to the small companies' exemption. The directors have taken advantage of the small companies' exemption from preparing a strategic report.

Principal activities and business review

The Company acts as a financing company. The directors do not expect any changes in the Company's activities in the foreseeable future.

Consolidated financial statements are not presented as the Company takes advantage of the exemption afforded by s400 of the Companies Act 2006.

Principal risks and uncertainties

The Group has considered the principal risks and uncertainties affecting the Group as at 31 December 2016 and up to the date of this report. These are described in detail in the annual report of WPP plc which does not form part of this report.

Going concern

As at 31 December 2016 the liabilities of the company exceed its total assets by \$407,000 (2015: total liabilities exceed total assets by \$354,000). The company is a subsidiary of WPP plc and is therefore subject to the overall WPP Group financing arrangements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies note in the financial statements.

Results and dividends

The audited financial statements for the year ended 31 December 2016 are set out on pages 7 to 14. The Company made a loss after tax for the year of \$53,000 (2015: profit \$2,000).

No ordinary dividends were paid during the year (2015: \$nil).

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were \$1,000 (2015: \$1,000). These were borne by WPP 2005 Limited, a fellow group company.

Directors

The directors, who served throughout the year except as noted, were as follows:

C. Sweetland	(resigned 1 st July 2016)
S. Winters	(appointed 6 th July 2016)
C. Van der Welle	
M. Read	

WPP CP Finance plc

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 expressed their willingness to continue in office and appropriate arrangements are being made for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



S Winters
Director

23 June 2017

27 Farm Street
London
W1J 5RJ

WPP CP Finance plc

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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. 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

WPP CP Finance plc

We have audited the financial statements of WPP CP Finance PLC for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

Independent auditor's report to the members of

WPP CP Finance plc (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report, or from the requirement to prepare a Strategic Report; or
- we have not received all the information and explanations we require for our audit.



Francesca Yearsley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

23 June 2017

WPP CP Finance plc

Profit and loss account

For the year ended 31 December 2016

	Notes	2016 \$'000	2015 \$'000
Administrative expenses		(110)	(11)
Operating loss		(110)	(11)
Interest payable and similar charges	3	(5)	(6)
Foreign exchange gain, net	4	62	19
(Loss)/profit before taxation		(53)	2
Tax on (loss)/profit	7	-	-
(Loss)/profit for the financial year		(53)	2

All results are from continuing operations.

There are no recognised gains or losses in either year, other than those shown above, and accordingly no statement of comprehensive income has been prepared.

WPP CP Finance plc

Balance sheet

As at 31 December 2016

	Notes	2016 \$'000	2015 \$'000
Current assets			
Cash at bank and in hand		56	56
		<u>56</u>	<u>56</u>
Creditors: amounts falling due within one year	8	(463)	(410)
Net current liabilities		<u>(407)</u>	<u>(354)</u>
Net liabilities		<u>(407)</u>	<u>(354)</u>
Capital and reserves			
Called-up share capital	9	197	197
Profit and loss account	10	(604)	(551)
Total shareholders' deficit		<u>(407)</u>	<u>(354)</u>

The financial statements of WPP CP Finance plc (registered number 05785385) were approved by the board of directors and authorised for issue on 23 June 2017. They were signed on its behalf by:



S Winters
Director

WPP CP Finance plc

Statement of changes in equity For the year ended 31 December 2016

	Called-up Share Capital \$'000	Profit and loss account \$'000	Total \$'000
As at 1 January 2015	197	(553)	(356)
Profit for the year	-	2	2
Total comprehensive income for the year	-	2	2
As at 31 December 2015	197	(551)	(354)
Loss for the year	-	(53)	(53)
Total comprehensive loss for the year	-	(53)	(53)
As at 31 December 2016	197	(604)	(407)

WPP CP Finance plc

Notes to the financial statements **For the year ended 31 December 2016**

1. Accounting policies

The principal accounting policies are summarised below.

Basis of accounting

WPP CP Finance plc is a private company limited by shares, incorporated in the England and Wales, under the Companies Act. The address of the registered office is 27 Farm Street, London, W1J 5RJ. The nature of the Company's operations and its principal activities are set out in the business review on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below. These financial statements are presented in US Dollars because that is the currency of the primary economic environment in which the company operated.

These financial statements are separate financial statements. Details of the parent in whose consolidated financial statements the Company is included are shown in note 12 to the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to: capital management, presentation of a cash-flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group financial statements of WPP plc. The group accounts of WPP plc are available to the public and can be obtained as set out in note 12.

Adoption of new and revised Standards

There are no new and revised standards and interpretations that are effective for the first time this financial year which have had a material impact on the Company.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reporting in the balance sheet when there is an enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

WPP CP Finance plc

Notes to the financial statements (continued)

For the year ended 31 December 2016

1. Accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 2.

As at 31 December 2016 the liabilities of the company exceed its total assets by \$407,000 (2015: total liabilities exceed total assets by \$354,000). The company is a subsidiary of WPP plc and is therefore subject to the overall WPP Group financing arrangements.

In addition to available cash balances, the Company meets its day-to-day working capital requirements through participating in group banking arrangements with its ultimate parent, WPP plc, and has access to a group cash management facility.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Taxation

Current 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.

Foreign currency

The financial statements are presented in US dollars. The purpose of this entity is a financing company, which has been created within the WPP Group to issue US dollar denominated debt. Therefore the directors have determined that the US dollar is the functional currency and the designated presentational currency for this Company's financial statements.

Foreign currency transactions arising from operating activities are translated from local currency to US dollars at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are translated at the year-end exchange rate. Foreign currency gains or losses are credited or charged to the profit and loss account as they arise.

2. Critical accounting judgements and key sources of estimation uncertainty

Given the nature of transactions within this financing company there are no critical accounting judgements or key sources of estimation uncertainty within these financial statements.

3. Interest payable and similar charges

	2016 \$'000	2015 \$'000
Bank loans and overdrafts	5	6

WPP CP Finance plc

Notes to the financial statements (continued)

For the year ended 31 December 2016

4. (Loss)/profit before taxation

(Loss)/profit before taxation is stated after charging/(crediting):

	2016 \$'000	2015 \$'000
Net foreign exchange gains	62	19

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were \$1,000 (2015: \$1,000). These were borne by WPP 2005 Limited, a fellow group company.

6. Staff costs

The directors received no remuneration during the year (2015: \$nil) for services to the Company. The Company had no employees during either the current or preceding year.

7. Tax on (loss)/profit

The tax (credit)/charge comprises:

	2016 \$'000	2015 \$'000
Current tax		
UK corporation tax at the rate of 20% (2015: 20.25%)	(11)	-
Adjustment in respect of group relief for nil consideration	11	-
Total tax on profit/(loss)	-	-

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

	2016 \$'000	2015 \$'000
(Loss)/profit before tax	(53)	2
Tax on (loss)/profit at UK corporation tax rate of 20% (2015: 20.25%)	(11)	-
Effects of:		
Adjustment in respect of group relief for nil consideration	11	-
Total tax charge/credit for year	-	-

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Notes to the financial statements (continued) For the year ended 31 December 2016

7. Tax on profit/(loss) (continued)

The main rate of corporation tax was 20% with effect from 1 April 2015. The rate of 20% was substantively enacted at the balance sheet date.

Further reductions to the main rate of corporation tax were announced in the Finance (No. 2) Act 2015, reducing the rate to 19% from 1 April 2017 and 18% from 1 April 2020. A reduction in the UK corporation tax rate from 18% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016 as part of Finance Act 2016.

8. Creditors: amounts falling due within one year

	2016 \$'000	2015 \$'000
Bank overdrafts	463	392
Payments due to vendors	-	19
	<u>463</u>	<u>410</u>

9. Called up share capital

	2016 \$'000	2015 \$'000
Allotted, called up and fully paid:		
100,000 (2015: 100,000) ordinary shares of £1 each	197	197
	<u>197</u>	<u>197</u>

The preferred ordinary shares do not carry voting rights, but rank *pari passu* with the ordinary shares with regard to rights on a return of capital on liquidation or otherwise, and any right to participate in the profits of the Company.

10. Profit and loss account

	\$'000
Balance at 1 January 2015	(553)
Profit for the year	<u>2</u>
Balance at 1 January 2016	(551)
Profit for the year	<u>(53)</u>
Balance at 31 December 2016	<u>(604)</u>

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Notes to the financial statements (continued)

For the year ended 31 December 2016

11. Financial commitments

The Company participates in group banking arrangements with its ultimate parent, WPP plc, and has access to a group cash management facility. The Company guarantees the facility to the extent of its cash deposited in the UK with its clearing bank.

12. Controlling party

In the opinion of the directors, the Company's immediate parent company is WPP LN Limited, a company incorporated in England and Wales. 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. The parent undertaking of the smallest such group is WPP Jubilee Limited, a company incorporated in England and Wales. Copies of the group financial statements of WPP plc are available at www.wppinvestor.com. Copies of the financial statements of WPP Jubilee Limited can be obtained from 27 Farn Street, London, W1J 5RJ, UK.

13. Subsequent events

On 30 March 2017 the Company obtained a Revolving Credit Facility of \$2.5 billion due July 2021. There have been no drawn downs by the Company in 2017 as at 23 June 2017.

On 30 March 2017 the Company became an issuer of a commercial paper program using its Revolving Credit Facility as a backstop. There have been no borrowings by the Company in 2017 as at 23 June 2017.