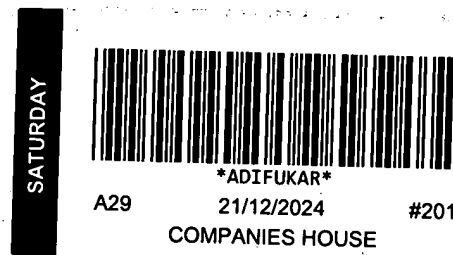


Registered number: 04078547

WAVEMAKER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



Registered office address:

Sea Containers
18 Upper Ground
London
SE1 9ET
United Kingdom

WAVEMAKER LIMITED

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WAVEMAKER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their Strategic Report on Wavemaker Limited (the 'Company') for the year ended 31 December 2023.

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 14.9% year-on-year, from £79,537,000 to £91,408,000. The Company made a profit for the year ended 31 December 2023 of £28,972,000, which will be transferred to reserves (2022: a profit of £21,928,000, 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 £675,000 in the current year to its preference shareholders (2022: £22,000).

Going concern and liquidity risk

The Directors have assessed the ongoing business activities and the potential impact that the volatility of 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 2023. The ongoing impact of the conflicts in Ukraine and Gaza have been considered.

As at 31 December 2023, the Company has net current assets of £164,356,000 and net assets of £151,596,000 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 2023

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 2023 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 the conflicts in Ukraine and Gaza, severe and sustained inflation, supply chain issues including around resilience 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 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 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 will 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 continuing 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.

Generative AI strategy

Clients will increasingly expect us to use generative AI-driven tools and technologies in our services and deliverables. If we fail to adopt generative AI at pace and evolve our commercial model, we may struggle to keep up with these demands, leading to decreased relevance and effectiveness of our services and deliverables for clients, and allow an opportunity for those AI vendors to contract directly with our clients.

Falling behind competitors leveraging the opportunities generative AI offers to gain a competitive advantage could result in lost market share, decreased revenue and reduced profitability. We may struggle to attract and retain talent, further hindering our ability to innovate and compete. Generated materials may infringe third-party IP resulting in legal costs and client reputation impact.

We have access to the Group's generative AI platform using market-leading technologies which is available to all staff in order to support our work and deliverables both internally and for clients, and the Group's established partnerships with leading generative AI platforms, technologies and companies.

We actively monitor the changing regulatory landscape and the introduction of new laws regulating AI to assess the impact on our business and work, and how they will impact how we service our clients.

We have a comprehensive due diligence process in place to review the third-party generative AI tools/platforms used in the business.

WAVEMAKER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial risk management and principal risks and uncertainties (continued)

Client loss

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.

We manage the risk of client loss by placing an emphasis on leading through AI, data and technology, accelerating growth through the power of creative transformation, building world class, market-leading brands and executing efficiently to drive financial returns through margin and cash.

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

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

Credit risk

We are subject to credit risk through the default of a client or other counterparty.

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

We evaluate and monitor clients' ongoing creditworthiness and, in some cases, require credit insurance or payments in advance.

We continue to work closely with our clients to ensure timely payment for services in line with contractual commitments and with vendors to maintain the settlement flow on media.

We have implemented increased management processes to manage working capital and review cash outflows and receipts.

Retention of talented staff

Our performance could be adversely affected if we do not react quickly enough to changes in our market; fail to attract, develop and retain key talent; 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.

We work across the business to embed collaboration and invest in training and development to retain and attract talented people. The Group's investment in co-located campus properties continues to increase the co-operation across Group companies and provides extremely attractive and motivating working environments.

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

WAVEMAKER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial risk management and principal risks and uncertainties (continued)

Cyber and information security

A cyber-attack may lead to harm or disruption to our operations, systems or services. This risk is also likely to increase as the prevalence and sophistication of generative AI means that there is potential for both human and AI-generated attacks. Such an attack may also affect suppliers and partners through the unauthorised access to or manipulation, corruption or destruction of data.

The imposition of sanctions and the associated geopolitical situation following the conflicts in Ukraine and Gaza have triggered an increase in cyber-attacks generally.

We are aligned with the Group IT control framework which mitigates the risk of cyber security and IT breaches by monitoring and logging our network and systems, as well as undertaking threat intelligence activities, vulnerability scanning, and penetration testing. Breach and attack simulation software provides continuous assessment.

We also continuously raise our people's security awareness through mandatory training and rolling phishing simulation and education programmes.

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 60-69 of the Annual report of WPP plc available at wpp.com/investors for more information.

Financial key performance indicators

	2023 £000	2022 £000	Change %
Billings	566,664	531,203	6.7%
Revenue	91,408	79,537	14.9%
Profit before tax	28,959	22,009	31.6%
Net assets	151,596	122,590	23.7%

Billings, revenue and profit have increased due to new client wins and increased business from existing clients, with net assets also increasing as a result.

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.

WAVEMAKER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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.

In doing this, section 172 requires the directors to have regard for, among other matters:

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationship with suppliers, customers and others.
- The impact of the Company's operations on the community and environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the Company.

Consequences of any long-term decisions

Our business philosophy is to create long term value for both clients and shareholders alike. We build our business and all our relationships with integrity and treat our clients' money like our own making sure all budgets maximise the best outputs to achieve the client's goals. We endeavor to attract and retain high calibre individuals who will grow with us over the long term and ensure employees think and act like owners in all their decisions. We also strive to attract and retain profitability as this will lead to growth in the long term.

Employees

We regularly survey our staff about their experiences at work and have extensive internal communications programmes and platforms to keep staff informed. Our All In survey helps us better support employees, hold ourselves accountable, and create a culture that is inclusive and empowering for all.

We are committed to diversity and inclusion and offering equal opportunities to all people in their recruitment, training and career development. We will select people based on qualification and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability.

Business relationship with suppliers, customers and others

We focus on the cultivation of strong relationships with major suppliers to ensure continuity of supply at competitive prices. It is our policy to agree terms of payment when orders for goods and services are placed and to adhere to these arrangements when making payments, provided the relevant goods and services have been supplied in accordance with the contract.

We comply with the Modern Slavery Act (MSA) and we fully support the principles of the MSA.

We engage with our clients on issues including strategy, changes taking place in our market and understanding the changes taking place in our clients' markets. We carry out client satisfaction surveys including on our ability to support their diversity, equity and inclusion, and sustainability goals.

WAVEMAKER LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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

Community and Environment

We consider our impact on the wider community and environment of our business activities. We adhere to the Sustainability policy which can be found at the website of the ultimate parent company at wpp.com. The policy includes objectives focusing on key impacts under our control and influence such as minimising the impact from energy use, transport, consumption of paper, water use and managing any sustainability risks in our supply chain.

We engage with clients on issues ranging from climate action to biodiversity and human rights during the development of their campaigns.

We encourage our people to volunteer their time and continue to run employee match funding appeals for disaster relief.


Business conduct

We have a number of key policies, including modern slavery, anti-bribery, corruption and data protection, all of which can be found on the website of the ultimate parent company at wpp.com. We have a zero-tolerance approach to corruption and bribery and policies are in place for areas such as ethical business relationships with customers, suppliers and employees, gift giving and receiving, charitable donations and competition laws. As such, employees are mandated to complete in depth anti bribery and corruption training.

Acting fairly as between members of the company

As a wholly owned subsidiary of WPP plc, our interests are aligned with those of our ultimate parent.

This report was approved by the board on 13 December 2024 and signed on its behalf.


S Patel

S Patel
Director

WAVEMAKER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report and the financial statements for the year ended 31 December 2023.

Results

The Company's results for the financial year are shown in the income statement on page 13.

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

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 37-39 of the Annual report of WPP plc available at 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 on pages 118-121.

WAVEMAKER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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 and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Matters covered in the Strategic Report

The following items have been included in the Strategic Report on pages 1 - 6:

- 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 2023**

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

Following a competitive audit contract tender, PricewaterhouseCoopers LLP (PwC) will be appointed as the Company's new independent auditor commencing with the audit of the Company's 2024 financial year. PwC's appointment received shareholder approval at Group level at the Group's 2024 AGM on 8th May 2024.

This report was approved by the board on 13 December 2024 and signed on its behalf.


S:\1Patel\Dec 13, 2024 11:45 GMT

S Patel
Director

WAVEMAKER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAVEMAKER LIMITED

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 December 2023 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;
- the related notes 1 to 24.

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

WAVEMAKER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAVEMAKER LIMITED

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and relevant tax legislation.
- 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.

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

WAVEMAKER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAVEMAKER LIMITED

- 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

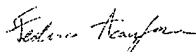
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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

13 December 2024

WAVEMAKER LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £000	2022 £000
Billings *		<u>566,664</u>	<u>531,203</u>
Revenue	4	91,408	79,537
Administrative expenses		<u>(61,555)</u>	<u>(57,901)</u>
Operating profit	5	29,853	21,636
Interest receivable and similar income	9	1,263	554
Interest payable and similar expenses	10	<u>(2,157)</u>	<u>(181)</u>
Profit before tax		28,959	22,009
Tax on profit	11	13	(81)
Profit for the financial year		<u>28,972</u>	<u>21,928</u>

The notes on pages 16 to 34 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 2023

	Notes	2023 £000	2022 £000
Non-current assets			
Tangible fixed assets	12	8,017	9,378
Trade and other receivables	13	1,459	1,446
		<u>9,476</u>	<u>10,824</u>
Current assets			
Trade and other receivables	13	359,713	338,481
Cash at bank and in hand	14	51,285	-
		<u>410,998</u>	<u>338,481</u>
Current liabilities			
Trade and other payables	15	(246,642)	(203,828)
		<u>164,356</u>	<u>134,653</u>
Net current assets			
		<u>173,832</u>	<u>145,477</u>
Total assets less current liabilities			
Non-current liabilities			
Trade and other payables	16	(22,236)	(22,732)
Other provisions	19	-	(155)
		<u>151,596</u>	<u>122,590</u>
Net assets			
		<u><u>151,596</u></u>	<u><u>122,590</u></u>
Capital and reserves			
Called up share capital	20	-	-
Other reserves		(20,139)	(20,139)
Profit and loss account		171,735	142,729
		<u>151,596</u>	<u>122,590</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2024.


Smtl Patel Dec 13, 2024 11:45 GMT

S Patel
Director

The notes on pages 16 to 34 form an integral part of these financial statements.

WAVEMAKER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2022	-	(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
At 31 December 2022	-	(20,139)	142,729	122,590
Profit and total comprehensive income for the year	-	-	28,972	28,972
Non-cash-settled share-based incentive plans	-	-	34	34
At 31 December 2023	-	(20,139)	171,735	151,596

WAVEMAKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 - 6.

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 2023

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. 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 volatility of 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 2023. The ongoing impact of the conflicts in Ukraine and Gaza have been considered.

As at 31 December 2023, the Company has net current assets of £164,356,000 and net assets of £151,596,000 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.

At each period end foreign currency monetary items are translated using the closing rate. Non-

WAVEMAKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.6 Foreign currency translation (continued)

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.

WAVEMAKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

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.

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 income

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

2.11 Finance costs

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.

WAVEMAKER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

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.

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

WAVEMAKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.14 Trade and other receivables (continued)

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.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Bank overdrafts are shown separately within current liabilities in the balance sheet.

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

WAVEMAKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.17 Leases (continued)

- 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.

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 an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.19 Preference shares

Preference shares, which include a coupon and are mandatorily redeemable by the issuer only on a specific date, are classified as liabilities.

WAVEMAKER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.20 Dividends

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

2.21 Share capital

Ordinary shares are classified as equity.

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. Revenue

The whole of the revenue 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:

	2023	2022
	£000	£000
Depreciation of owned tangible fixed assets	905	764
Depreciation of right-of-use tangible fixed assets	85	139
Loss on disposal of tangible fixed assets	721	238
Foreign exchange gains arising on trade	(145)	(160)
Foreign exchange losses/(gains) arising on preference shares	(608)	667

WAVEMAKER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Auditor's remuneration

	2023	2022
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	281	153

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

7. Employees

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

	2023	2022
	£000	£000
Wages and salaries	22,297	22,855
Social security costs	2,898	3,505
Inter-company time of staff	8,630	8,413
Cost of defined contribution scheme	1,692	1,697
Share-based payments	34	21
Severance and redundancy costs	363	336
Benefits and other employee costs	865	910
	36,779	37,737

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

	2023	2022
	No.	No.
Executive	25	25
Administration	326	337
	351	362

WAVEMAKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8. Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments	608	661
Company contributions to defined contribution pension schemes	21	19
	<u>629</u>	<u>680</u>

During the year retirement benefits were accruing to 2 Directors (2022 - 2 Directors) in respect of defined contribution pension schemes.

The highest paid Director received emoluments of £379,000 (2022 - £224,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £3,000 (2022 - £NIL).

9. Interest receivable and similar income

	2023 £000	2022 £000
Interest on loans to group undertakings	147	150
Bank interest receivable	1,116	404
	<u>1,263</u>	<u>554</u>

10. Interest payable and similar expenses

	2023 £000	2022 £000
Bank interest payable	77	-
Preference share dividends	675	22
Interest on lease liabilities	1	3
Interest on loans from group undertakings	1,404	156
	<u>2,157</u>	<u>181</u>

WAVEMAKER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Taxation

	2023	2022
	£000	£000
Current tax on profits for the year	-	-
Deferred tax charge for the year	454	486
Deferred tax adjustment for prior years	(467)	(405)
Taxation on profit	(13)	81

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023	2022
	£000	£000
Profit before tax	28,960	22,009
Profit multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	6,806	4,182
Effects of:		
Expenses not deductible for tax purposes	217	221
Adjustments to tax charge in respect of prior periods	(467)	(405)
Rate change on temporary differences	(17)	48
Origination and reversal on unrecognised temporary differences	202	(38)
Group relief	(6,754)	(3,927)
Total tax charge for the year	(13)	81

Factors that may affect future tax charges

The UK tax rate for the year ended 31 December 2023 is 23.5% as a result of the increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023. Deferred tax balances have been measured accordingly at 25%.

WAVEMAKER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Right of use buildings £000	Total £000
Cost or valuation					
At 1 January 2023	10,220	2,792	2,936	1,792	17,740
Additions	211	121	-	17	349
Disposals	(1,015)	-	-	-	(1,015)
At 31 December 2023	<u>9,416</u>	<u>2,913</u>	<u>2,936</u>	<u>1,809</u>	<u>17,074</u>
Depreciation					
At 1 January 2023	3,155	1,298	2,221	1,688	8,362
Charge for the year on owned assets	383	279	243	-	905
Charge for the year on right-of-use assets	-	-	-	85	85
Disposals	(295)	-	-	-	(295)
At 31 December 2023	<u>3,243</u>	<u>1,577</u>	<u>2,464</u>	<u>1,773</u>	<u>9,057</u>
Net book value					
At 31 December 2023	<u>6,173</u>	<u>1,336</u>	<u>472</u>	<u>36</u>	<u>8,017</u>
At 31 December 2022	<u>7,065</u>	<u>1,494</u>	<u>715</u>	<u>104</u>	<u>9,378</u>

WAVEMAKER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Trade and other receivables

	2023	2022
	£000	£000
Due after more than one year		
Deferred tax asset	1,459	1,446
	<u> </u>	<u> </u>
	2023	2022
	£000	£000
Due within one year		
Trade receivables	63,960	54,814
Amounts owed by group undertakings	278,346	261,700
Other receivables	491	521
Prepayments and accrued income	16,916	21,446
	<u> </u>	<u> </u>
	359,713	338,481
	<u> </u>	<u> </u>

The amounts owed by group undertakings are unsecured, interest free and repayable on demand. In the year ended 31 December 2022 there was an intercompany loan of a principal amount of £15 million which earned interest at 1% per annum: this loan was settled during the year ended 31 December 2023 and there is no interest bearing loan balance remaining at 31 December 2023.

14. Cash

	2023	2022
	£000	£000
Cash at bank and in hand	51,285	-
Less: bank overdrafts included in trade and other payables	(2)	-
	<u> </u>	<u> </u>

The Company participates in group banking arrangements with its ultimate parent company, 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. The Company, together with its ultimate parent company, WPP plc, and certain other subsidiary undertakings, is a party to the group's syndicated banking arrangements. The Company has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP plc.

WAVEMAKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Trade and other payables falling due within one year

	2023 £000	2022 £000
Bank overdraft	2	-
Trade payables	21,900	29,290
Amounts owed to group undertakings	121,627	56,797
Corporation tax	1	-
Other taxation and social security	5,811	9,514
Lease liabilities	23	52
Other creditors	7,064	6,524
Accruals	72,022	82,447
Deferred income	18,192	19,204
	<u>246,642</u>	<u>203,828</u>

Included within amounts owed by group undertakings is a balance of £5,701,330 (2022: £nil) relating to inter-group loans with a fellow group company in relation to the cash pooling arrangement. These accrued a range of variable interest rates with reference to SOFR, €STR and SONIA plus an additional 0.30% or 0.50% during the year. All other amounts owed by group undertakings are interest free.

All amounts owed by group undertakings are unsecured and repayable on demand.

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

	2023 £000	2022 £000
Lease liabilities	-	23
Cumulative redeemable preference shares (note 20)	22,236	22,709
	<u>22,236</u>	<u>22,732</u>

WAVEMAKER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Leases

Company as a lessee

The Company leases two buildings.

Lease liabilities are due as follows:

	2023	2022
	£000	£000
Not later than one year	23	52
Between one and two years	-	23
	<u>23</u>	<u>75</u>

18. Deferred taxation

	2023	2022
	£000	£000
Deferred tax asset		
At beginning of year	1,446	1,527
(Charged)/credited to profit or loss	13	(81)
At end of year	<u>1,459</u>	<u>1,446</u>

The deferred tax asset is made up as follows:

	2023	2022
	£000	£000
Unclaimed capital allowances	<u>1,459</u>	<u>1,446</u>

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 2023

19. Provisions

	Dilapidation £000
At 1 January 2023	155
Utilised in year	(155)
At 31 December 2023	<u><u>-</u></u>

The dilapidation provision relates to dilapidations costs for the leased buildings expected to be incurred at the end of the leases. In the year, the Manchester office was closed, and the remaining dilapidations provision was therefore released.

WAVEMAKER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20. Share capital

	2023 £	2022 £
Shares classified as equity		
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>
	2023 £	2022 £
Shares classified as debt		
Allotted, called up and fully paid		
25,649,335 (2022 - 25,649,335) Cumulative redeemable preference shares of €1.00 each	22,236,094	22,708,574
	<u>22,236,094</u>	<u>22,708,574</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

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21. 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 2023 was £8.41 (2022: £9.13).

No options in any of the restricted share schemes were granted to any employee of the Company during the year ended 31 December 2023 or the year ended 31 December 2022.

	2023	2022
	£000	£000
Share based compensation charge included in administrative expenses	34	21
	34	21

22. 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 £1,692,000 (2022: £1,697,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. There were £262,000 of outstanding contributions at the balance sheet date (2022: £231,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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23. 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.

24. Post balance sheet events

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