UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report _________

For the transition period from _________ to _________

Commission file number 001-38303

WPP plc

(Exact Name of Registrant as specified in its charter)

Jersey

(Jurisdiction of incorporation or organization)

Sea Containers, 18 Upper Ground
London, United Kingdom, SE1 9GL

(Address of principal executive offices)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol (s)	Name of each exchange on which registered
Ordinary Shares of 10p each	WPP	London Stock Exchange
American Depositary Shares, each representing five Ordinary Shares (ADSs)	WPP	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.
Not applicable

(Title of Class)

Not applicable

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

At December 31, 2022, the number of outstanding ordinary shares was 1,070,937,343 which included at such date 65,971,470 ordinary shares represented by 13,194,294 ADSs.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Emerging Growth Company	☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐	International Financial Reporting Standards as issued by the International Accounting Standards Board ☒	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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Forward-Looking Statements

In connection with the provisions of the U.S. Private Securities Litigation Reform Act of 1995 (the 'Reform Act'), the Company may include forward-looking statements (as defined in the Reform Act) in oral or written public statements issued by or on behalf of the Company. These forward-looking statements may include, among other things, plans, objectives, beliefs, intentions, strategies, projections and anticipated future economic performance based on assumptions and the like that are subject to risks and uncertainties. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as 'aim', 'anticipate', 'believe', 'estimate', 'expect', 'forecast', 'guidance', 'intend', 'may', 'will', 'should', 'potential', 'possible', 'predict', 'project', 'plan', 'target', and other words and similar references to future periods but are not the exclusive means of identifying such statements. As such, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company. Actual results or outcomes may differ materially from those discussed or implied in the forward-looking statements. Therefore, you should not rely on such forward-looking statements, which speak only as of the date they are made, as a prediction of actual results or otherwise. Important factors which may cause actual results to differ include but are not limited to: the impact of epidemics or pandemics including restrictions on businesses, social activities and travel; the unanticipated loss of a material client or key personnel; delays or reductions in client advertising budgets; shifts in industry rates of compensation; regulatory compliance costs or litigation; changes in competitive factors in the industries in which we operate and demand for our products and services; changes in client advertising, marketing and corporate communications requirements; our inability to realise the future anticipated benefits of acquisitions; failure to realise our assumptions regarding goodwill and indefinite lived intangible assets; natural disasters or acts of terrorism; the Company's ability to attract new clients; the economic and geopolitical impact of the Russian invasion of Ukraine; the risk of global economic downturn; slower growth, increasing interest rates and high and sustained inflation; supply chain issues affecting the distribution of our clients' products; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; the Company's exposure to changes in the values of other major currencies (because a substantial portion of its revenues are derived and costs incurred outside of the UK); and the overall level of economic activity in the Company's major markets (which varies depending on, among other things, regional, national and international political and economic conditions and government regulations in the world's advertising markets). In addition, you should consider the risks described in Item 3D, captioned "Risk Factors," which could also cause actual results to differ from forward-looking information. In light of these and other uncertainties, the forward-looking statements included in this document should not be regarded as a representation by the Company that the Company's plans and objectives will be achieved. Neither the Company, nor any of its directors, officers or employees, provides any representation, assurance or guarantee that the occurrence of any events anticipated, expressed or implied in any forward-looking statements will actually occur. The Company undertakes no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

Unless otherwise specified, content on websites is not incorporated by reference and does not form a part of this Annual Report on Form 20-F.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Overview

WPP plc and its subsidiaries (WPP) is a leading worldwide creative transformation organisation offering national and multinational clients a comprehensive range of communications, experience, commerce and technology services across digital and traditional platforms. At 31 December 2022, the Group, excluding associates, had 115,473 employees. For the year ended 31 December 2022, the Group had revenue of £14,428.7 million and operating profit of £1,358.2 million.

Unless the context otherwise requires, the terms “Company”, “Group” and “Registrant” as used herein shall also mean WPP.

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The Company is subject to a variety of possible risks that could adversely impact its revenues, results of operations, reputation or financial condition. Some of these risks relate to the industries in which the Company operates while others are more specific to the Company. The table below sets out principal risks the Company has identified that could adversely affect it. See also the discussion of Forward-Looking Statements preceding Item 1 of this Annual Report on Form 20-F.

Principal risk	Potential impact
Economic Risk	
Adverse economic conditions, including those caused by the pandemic, the conflict in Ukraine, severe and sustained inflation in key markets where we operate, supply chain issues affecting the distribution of our clients' products and/or disruption in credit markets, pose a risk our clients may reduce, suspend or cancel spend with us or be unable to satisfy obligations.	Economic conditions, including inflation and increasing interest rates, among others, have a direct impact on our business, results of operations and financial position. 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.
Geopolitical Risk	
Growing geopolitical tension and conflicts continue to have a destabilising effect in our markets and across geographical regions. This rise in geopolitical activity continues to have an adverse effect upon the economic outlook, the general erosion of trust and an increasing trend of national ideology and regional convergence over global cooperation and integration. Such factors and economic conditions may be reflected in our clients’ confidence in making longer-term investments and commitments in marketing spend.	Actual or threatened geopolitical tension and conflicts lead to greater uncertainty, economic instability and a general lack of confidence for many of our clients who are inclined to scale back, delay or cancel their marketing plans and budgets.

Principal risk	Potential impact
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.	A pandemic and any new variants and the measures to contain its spread may have an adverse effect on our business, revenues, results of operations and financial condition and prospects.
Strategic Plan	
The failure to successfully complete the strategic plan updated in December 2020 to simplify our structure, continue to introduce market-leading products and services, identify cost savings and successfully integrate acquisitions, may have a material adverse effect on the Group's market share and its business revenues, results of operations, financial condition or prospects.	A failure or delay in implementing or realising the benefits from the transformation plan and/or returning the business to sustained growth may have a material adverse effect on our market share and our business, revenues, results of operations, financial condition or prospects.
IT Transformation	
We are undertaking a series of IT transformation programmes to support the Group's strategic plan. The programme has been devised so that it prioritises the most critical changes necessary to support the overall strategic plan whilst maintaining the operational performance and security of core systems. The Group is reliant on third parties for the performance of a significant portion of our worldwide information technology and operations functions. A failure to provide these functions could have an adverse effect on our business.	Any failure or delay in implementing the IT transformation programmes may have a material adverse effect upon the overall strategic plan and the realisation of key targeted benefits and savings. Disruption and unavailability of critical system availability may lead to disruption in our operations and client service delivery.
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 a material adverse effect on our market share, business, revenues, results of operations, financial condition and prospects.	The competitive landscape in our industry is constantly evolving and the role of more traditional services and operators in our sector who have not successfully diversified is being challenged. Competitors include multinational advertising and marketing communication groups, marketing services companies, database marketing information and measurement and professional services and consultants and consulting internet companies. Client contracts can generally be terminated on 90 days' notice or are on an assignment basis and clients put their business up for competitive review from time to time. The ability to attract new clients and to retain or increase the amount of work from existing clients may be impacted if we fail to react quickly enough to changes in the market and to evolve our structure, and by loss of reputation, and may be limited by clients' policies on conflicts of interest.
Client Concentration	
We receive a significant portion of our revenues from a limited number of large clients and the net loss of one or more of these clients could have a material adverse effect on our prospects, business, financial condition and results of operations.	A relatively small number of clients contribute a significant percentage of our consolidated revenues. Our ten largest clients accounted for 16% of revenues in the year ended 31 December 2022. Clients can reduce their marketing spend, terminate contracts or cancel projects on short notice. The loss of one or more of our largest clients, if not replaced by new accounts or an increase in business from existing clients, would adversely affect our financial condition.

Principal risk	Potential impact
Reputation	
Increased reputational risk associated with working on client briefs perceived to be environmentally detrimental and/or misrepresenting environmental claims.	As consumer consciousness around climate change rises, our sector is seeing increased scrutiny of its role in driving consumption. Our clients seek expert partners who can give recommendations that take into account stakeholder concerns around climate change. Additionally, WPP serves some clients whose business models are under increased scrutiny, for example energy companies or associated industry groups. This creates both a reputational and related financial risk for WPP if we are not rigorous in our content standards as we grow our sustainability-related services.
People, culture and succession	
Our performance could be adversely affected if we do not react quickly enough to changes in our market and fail to attract, develop and retain key creative, commercial, technology and management talent, or are unable to retain and incentivise key and diverse talent, or are unable to adapt to new ways of working by balancing home and office working.	We are highly dependent on the talent, creative abilities and technical skills of our people as well as their relationships with clients. We are vulnerable to the loss of people to competitors (traditional and emerging) and clients, leading to disruption to the business.
Cyber and information security	
The Group has in the past and may in the future experience a cyber attack that leads to harm or disruption to our operations, systems or services. Such an attack may also affect suppliers and partners through the unauthorised access, manipulation, corruption or the destruction of data.	We may be subject to investigative or enforcement action or legal claims or incur fines, damages or costs and client loss if we fail to adequately protect data. A system breakdown or intrusion could have a material adverse effect on our business, revenues, results of operations, financial condition or prospects and have an impact on long-term reputation and lead to client loss. The imposition of sanctions following the ongoing conflict in Ukraine has triggered an increase in cyber attacks generally.
Credit risk	
We are subject to credit risk through the default of a client or other counterparty. Challenging economic conditions, heightened geopolitical issues, shocks to consumer confidence, disruption in credit markets and challenges in the supply chain disrupting our client operations can lead to a worsening of the financial strength and outlook for our clients who may reduce, suspend or cancel spend with us, request extended payment terms beyond 60 days or be unable to satisfy obligations.	We are generally paid in arrears for our services. Invoices are typically payable within 30 to 60 days. 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.

Principal risk	Potential impact
Internal controls	
Our performance could be adversely impacted if we failed to ensure adequate internal control procedures are in place. We have previously identified material weaknesses in our internal control over financial reporting. If we failed to properly remediate these material weaknesses or new material weaknesses are identified, they could adversely affect our results of operations, investor confidence in the Group and the market price of our ADSs and ordinary shares.	Failure to ensure that our businesses have robust control environments, or that the services we provide and trading activities within the Group are compliant with client obligations, could adversely impact client relationships and business volumes and revenues. As previously disclosed, for the year ended 31 December 2020, we identified certain material weaknesses in our internal control over financial reporting. During 2021, we finished implementing previously reported plans to remediate such material weaknesses and concluded that as at 31 December 2021, such material weaknesses had been remediated. We have also concluded that our internal control over financial reporting is again effective as of 31 December 2022, as disclosed in Item 15. If the remedial measures were ultimately insufficient to address the material weaknesses, or if additional material weaknesses in internal control are discovered or occur in the future, our ability to accurately record, process and report financial information and, consequently, our ability to prepare financial statements within required time periods, could be adversely affected. In addition, the Group may be unable to maintain compliance with the federal securities laws and NYSE listing requirements regarding the timely filing of periodic reports. Any of the foregoing could cause investors to lose confidence in the reliability of our financial reporting, which could have a negative effect on the trading price of the Group's ADSs and ordinary shares.
Data Privacy	
We are subject to strict data protection and privacy legislation in the jurisdictions in which we operate and rely extensively on information technology systems. We store, transmit and rely on critical and sensitive data such as strategic plans, personally identifiable information and trade secrets: – Security of this type of data is exposed to escalating external threats that are increasing in sophistication, as well as internal data breaches – Data transfers between our global operating companies, clients or vendors may be interrupted due to changes in law (for example, EU adequacy decisions, CJEU Schrems II decision)	We may be subject to investigative or enforcement action or legal claims or incur fines, damages, or costs and client loss if we fail to adequately protect data or observe privacy legislation in every instance: – The Group has in the past and may in the future experience a system breakdown or intrusion that could have a material adverse effect on our business, revenues, results of operations, financial condition or prospects – Restrictions or limitations on international data transfers could have an adverse effect on our business and operations
Taxation	
We may be subject to regulations restricting our activities or effecting changes in taxation.	Changes in local or international tax rules, for example as a consequence of the financial support programmes implemented by governments during the Covid-19 pandemic, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, and changes arising from the application of existing rules, or challenges by tax or competition authorities, may expose us to significant additional tax liabilities or impact the carrying value of our deferred tax assets, which would affect the future tax charge.
Regulatory	
We are subject to strict anti-corruption, anti-bribery and anti-trust legislation and enforcement in the countries in which we operate.	We operate in a number of markets where the corruption risk has been identified as high by groups such as Transparency International. Failure to comply or to create a culture opposed to corruption or failing to instil business practices that prevent corruption has previously and could expose us to civil and criminal sanctions.
Sanctions	
We are subject to the laws of the United States, the EU, the UK and other jurisdictions that impose sanctions and regulate the supply of services to certain countries. The Russian invasion of Ukraine has caused the adoption of comprehensive sanctions by, among others, the EU, the United States and the UK, which restrict a wide range of trade and financial dealings with Russia and Russian persons.	Failure to comply with these laws could expose us to civil and criminal penalties including fines and the imposition of economic sanctions against us and reputational damage and withdrawal of banking facilities which could materially impact our results.
Civil liabilities or judgements against the Company or its directors or officers based on United States federal or state securities laws may not be enforceable in the United States or in England and Wales or in Jersey.	The Company is a public limited company incorporated under the laws of Jersey. Some of the Company's directors and officers reside outside of the United States. In addition, a substantial portion of the directly owned assets of the Company are located outside of the United States. As a result, it may be difficult or impossible for investors to effect service of process within the United States against the Company or its directors and officers or to enforce against them any of the judgements, including those obtained in original actions or in actions to enforce judgements of the United States courts, predicated upon the civil liability provisions of the federal or state securities laws of the United States.

Principal risk	Potential impact
Environment Regulation & Reporting	
The Group could be subject to increased costs to comply with the potential future changes in environmental law and regulations.	We could be subject to increased costs to comply with potential future changes in environmental laws and regulations and increasing carbon offset pricing to meet our net zero commitments. Carbon emission accounting for marketing and media is in its infancy and methodologies continue to evolve. This is particularly the case for emissions associated with digital media.
Emerging risks	
The Group's operations could be disrupted by an increased frequency of extreme weather and climate-related natural disasters.	This includes storms, flooding, wildfires and water and heat stress which can damage our buildings, jeopardise the safety and wellbeing of our people and significantly disrupt our operations.
A failure to manage the complexity in carbon emission accounting for marketing and media or to consider scope 3 emissions in new technology and business model innovation across the supply chain could have an adverse effect on our business and reputation.	Increased investment required in building renovation, electrification and supplier engagement to meet targets, including developing internal ESG capacity and capabilities. Offset prices would likely rise, increasing the overall expenditure to meet our net zero commitments.

ITEM 4. INFORMATION ON THE COMPANY

WPP is a leading worldwide creative transformation company offering national and multinational clients a comprehensive range of communications, experience, commerce and technology services. The Company provides these services through a number of established global, multinational and national operating companies that are organised into three reportable segments. The largest reportable segment is Global Integrated Agencies, which accounted for approximately 84% of the Company's revenues in 2022. The remaining 16% of our revenues were derived from the reportable segments of Public Relations and Specialist Agencies. The Company currently employs approximately 115,000 people in more than 100 countries.

The Company's ordinary shares are admitted to the Official List of the UK Listing Authority and trade on the London Stock Exchange and American Depositary Shares (which are evidenced by American Depositary Receipts (ADRs) or held in book-entry form) representing deposited ordinary shares are listed on the New York Stock Exchange (NYSE). At 31 December 2022 the Company had a market capitalisation of approximately £8.784 billion.

The Company's executive office is located at Sea Containers, 18 Upper Ground, London, United Kingdom, SE1 9GL, Tel: +44 (0)20 7282 4600 and its registered office is located at 13 Castle Street, St Helier, Jersey, JE1 1ES.

A. History and Development of the Company

WPP plc was incorporated in Jersey on 25 October 2012 under the name WPP 2012 plc.

On 2 January 2013, under a scheme of arrangement between WPP 2012 Limited (formerly known as WPP plc), (Old WPP), the former holding company of the Group, and its share owners pursuant to Article 125 of the Companies (Jersey) Law 1991, and as sanctioned by the Royal Court of Jersey (the Jersey Court), a Jersey incorporated and United Kingdom tax resident company, WPP 2012 plc became the new parent company of the WPP Group and adopted the name WPP plc. Under the scheme of arrangement, all the issued shares in Old WPP were cancelled and the same number of new shares were issued to WPP plc in consideration for the allotment to share owners of one share in WPP plc for each share in Old WPP held on the record date, 31 December 2012. Citibank, N.A., depositary for the ADSs representing Old WPP shares, cancelled Old WPP ADSs held in book-entry uncertificated form in the direct registration system maintained by it and issued ADSs representing shares of WPP plc in book entry uncertificated form in the direct registration system maintained by it to the holders. Holders of certificated ADSs, or ADRs, of Old WPP were entitled to receive ADSs of WPP plc upon surrender of the Old WPP ADSs, or ADRs, to the Depositary. Each Old WPP ADS represented five shares of Old WPP and each WPP plc ADS represents five shares of WPP plc.

Pursuant to Rule 12g-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), WPP plc succeeded to Old WPP's registration and periodic reporting obligations under the Exchange Act.

Old WPP was incorporated in Jersey on 12 September 2008 and became the holding company of the WPP Group on 19 November 2008 when the company now known as WPP 2008 Limited, the prior holding company of the WPP Group which was incorporated in England and Wales, completed a reorganisation of its capital and corporate structure. WPP 2008 Limited had become the holding company of the Group on 25 October 2005 when the company now known as WPP 2005 Limited, the original holding company of the WPP Group, completed a reorganisation of its capital and corporate structure. WPP 2005 Limited was incorporated and registered in England and Wales in 1971 and is a private limited company under the Companies Act 1985, and until 1985 operated as a manufacturer and distributor of wire and plastic products. In 1985, new investors acquired a significant interest in WPP and changed the strategic direction of the Company from being a wire and plastic products manufacturer and distributor to being a multinational communications services organisation. Since then, the Company has grown both organically and by the acquisition of companies, most significantly the acquisitions of J. Walter Thompson Group, Inc. (now known as Wunderman Thompson LLC) in 1987, The Ogilvy Group, Inc. (now known as The Ogilvy Group LLC) in 1989, Young & Rubicam Inc. (now known as Young & Rubicam LLC) in 2000, Tempus Group plc (Tempus) in 2001, Cordiant Communications Group plc (Cordiant) in 2003, Grey Global Group, LLC (Grey) in 2005, 24/7 Real Media Inc (now known as Xaxis LLC) in 2007, Taylor Nelson Sofres plc (TNS) in 2008, AKQA Holdings, Inc. (AKQA) in 2012, IBOPE Participações Ltda (IBOPE) in 2015, Triad Digital Media, LLC and the merger of most of the Group's Australian and New Zealand assets with STW Communications Group Limited in Australia (re-named WPP AUNZ Limited) in 2016. During 2018, the Company focused on simplifying its organisation with the completion of the merger of VML and Y&R to create VMLY&R as well as the merger of Burson-Marsteller and Cohn & Wolfe to create Burson Cohn & Wolfe (BCW). The merger of Wunderman and J. Walter Thompson to create Wunderman Thompson began at the end of 2018 and was finalized in 2019. In December 2019, the Company sold 60% of the Kantar group to Bain Capital Private Equity. In May 2021, WPP completed the acquisition of the remaining shares in WPP AUNZ Limited (WPP AUNZ) by way of a scheme of arrangement. During 2021, AKQA and Grey were combined to form the AKQA Group, Geometry moved into VMLY&R to create VMLY&R Commerce and the specialist agency GTB became part of VMLY&R. In December 2021, the Company announced the completion of the merger of Finsbury Glover Hering and Sard Verbinnen & Co., with the combined entity being rebranded as FGS Global in 2022. In April 2022, it was announced that Essence and Mediacom would merge to form EssenceMediacom and in July 2022, the Company announced the merger of Design Bridge and Superunion to create Design Bridge and Partners.

The Company paid £282.7 million and £449.5 million in 2022 and 2021, respectively, and received £17.5 million in 2020 related to acquisitions and disposals, including proceeds on disposal of investments and subsidiaries, payments in respect of earnout payments resulting from acquisitions in prior years and net of cash and cash equivalents disposed. For the same periods, cash spent on purchases of property, plant and equipment and other intangible assets was £223.3 million, £293.1 million and £272.7 million, respectively, and cash spent on share repurchases and buybacks was £862.7 million, £818.5 million and £290.2 million, respectively.

The Company is subject to the informational requirements of the Exchange Act. In accordance with these requirements, the Company files reports and other information with the United States Securities and Exchange Commission. You may read and copy any materials filed with the SEC at http://www.sec.gov that contains reports, proxy statements and other information regarding registrants that file electronically with the SEC. The Company's Form 20-F is also available on the Company's website, http://www.wpp.com.

B. Business Overview

Introduction

Certain Non-GAAP measures included in this business overview and in the operating and financial review and prospects have been derived from amounts calculated in accordance with IFRS but are not themselves IFRS measures. They should not be viewed in isolation as alternatives to the equivalent IFRS measure, rather they should be read in conjunction with the equivalent IFRS measure. These include constant currency, like-for-like, headline operating profit, headline PBIT (Profit Before Interest and Taxation), headline PBT (Profit Before Taxation), billings and estimated net new business/billings, adjusted free cash flow, adjusted net debt and average adjusted net debt, share of profit before interest and taxation of associates, share of adjusting items of associates, share of interest and non-controlling interests of associates, and share of taxation of associates which we define, explain the use of and reconcile to the nearest IFRS measure on pages 22 to 25.

Management believes that these measures are both useful and necessary to present herein because they are used by management for internal performance analyses; the presentation of these measures facilitates comparability with other companies, although management's measures may not be calculated in the same way as similarly titled measures reported by other companies; and these measures are useful in connection with discussions with the investment community.

In the calculation of headline profit measures, judgement is required by management in determining which revenues and costs are considered to be significant, non-recurring or volatile items that are to be excluded.

The exclusion of certain adjusting items may result in headline profit measures being materially higher or lower than reported profit measures, for example when significant impairments or restructuring charges are excluded but the related benefits are included, headline profit measures will be higher. Headline measures should not be considered in isolation as they provide additional information to aid the understanding of the Group's financial performance.

The Company is a leading worldwide creative transformation organisation offering national and multinational clients a comprehensive range of communications, experience, commerce and technology services.

Global Integrated Agencies

Our creative services include advertising, marketing and brand strategies and campaigns across all media. We are increasing our share in targeted fast-growth areas including digital communications, healthcare, ecommerce, experience, marketing technology and production. Our media offer includes the full range of media planning and buying services, delivered primarily through GroupM, the world's leading media investment company, and its agencies. Targeted growth segments are digital media (search, social and programmatic), new business models such as GroupM Nexus, and data and technology. In 2022, WPP's integrated agency networks included Ogilvy, VMLY&R, Wunderman Thompson, AKQA, GroupM, and Hogarth.

Public Relations

Our PR firms help clients communicate with their stakeholders, from consumers and investors to governments and NGOs. Purpose, reputation, sustainability and digital and social media are key growth areas. Our public affairs companies include Burson Cohn & Wolfe (BCW), FGS Global (formed from the combination of Finsbury Glover Hering & Sard Verbinnen & Co), and Hill+Knowlton Strategies.

Specialist Agencies

Our specialist agencies provide services by region or type. Brand experience and identity and specialist, targeted services are the principal growth segments. In 2022, they included the brand consultancies Landor & Fitch, Superunion, Design Bridge, and the specialist healthcare media business CMI.

During 2022, we have reallocated a number of businesses between Global Integrated Agencies and Specialist Agencies. Prior year figures have been re-presented to reflect the reallocation.

The following tables show, for the last three fiscal years, reported revenue and revenue less pass-through costs attributable to each reportable segment in which the Company operates.

Revenue[1]	**2022**		**2021**		**2020**	
	£m	**% of total**	**£m**	**% of total**	**£m**	**% of total**
Global Integrated Agencies	12,191.0	84.5	10,890.5	85.1	10,329.0	86.1
Public Relations	1,228.3	8.5	959.0	7.5	892.9	7.4
Specialist Agencies	1,009.4	7.0	951.6	7.4	780.9	6.5
Total	14,428.7	100.0	12,801.1	100.0	12,002.8	100.0

1 Intersegment sales have not been separately disclosed as they are not material.

Revenue less pass-through costs[1]	**2022**		**2021**		**2020**	
	£m	**% of total**	**£m**	**% of total**	**£m**	**% of total**
Global Integrated Agencies	9,742.8	82.6	8,683.1	83.5	8,247.8	84.5
Public Relations	1,157.0	9.8	909.7	8.7	854.4	8.7
Specialist Agencies	899.5	7.6	804.4	7.8	659.8	6.8

1 Revenue less pass-through costs is revenue less media and other pass-through costs. Pass-through costs comprise fees paid to external suppliers when they are engaged to perform part or all of a specific project and are charged directly to clients, predominantly media costs. See note 3 to the consolidated financial statements for more details of the pass-through costs.

The following tables show, for the last three fiscal years, reported revenue and revenue less pass-through costs attributable to each geographic area in which the Company operates and demonstrates the Company's regional diversity.

Revenue[1]	**2022**		**2021**		**2020**	
	£m	**% of total**	**£m**	**% of total**	**£m**	**% of total**
North America[2]	5,549.5	38.5	4,494.2	35.1	4,464.9	37.3
United Kingdom	2,003.8	13.9	1,866.9	14.6	1,637.0	13.6
Western Continental Europe	2,876.2	19.9	2,786.3	21.8	2,441.6	20.3
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	3,999.2	27.7	3,653.7	28.5	3,459.3	28.8
Total	14,428.7	100.0	12,801.1	100.0	12,002.8	100.0

1 Intersegment sales have not been separately disclosed as they are not material.
2 North America includes the United States with revenue of £5,230.9 million (2021: £4,220.8 million, 2020: £4,216.1 million).

Revenue less pass-through costs[1]	**2022**		**2021**		**2020**	
	£m	**% of total**	**£m**	**% of total**	**£m**	**% of total**
North America[2]	4,688.1	39.7	3,849.2	37.0	3,743.4	38.4
United Kingdom	1,537.2	13.0	1,414.3	13.6	1,233.8	12.6
Western Continental Europe	2,318.5	19.6	2,225.4	21.4	2,019.4	20.7
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	3,255.5	27.7	2,908.3	28.0	2,765.4	28.3

1 Revenue less pass-through costs is revenue less media and other pass-through costs. Pass-through costs comprise fees paid to external suppliers where they are engaged to perform part or all of a specific project and are charged directly to clients, predominantly media costs. See note 3 to the consolidated financial statements for more details of the pass-through costs.
2 North America includes the United States with revenue less pass-through costs of £4,402.0 million (2021: £3,597.4 million, 2020: £3,524.8 million).

WPP Head Office

The core functions of WPP, with the principal executive office in London, are to develop the strategy of the Company, coordinate the provision of services to cross-Company clients, perform a range of cross-Company functions in areas such as new business, talent recruitment and development, training, IT, finance, audit, legal and compliance, mergers & acquisitions (M&A), property, sustainability, investor relations and communications, promote best practice in areas such as our agencies' approach to diversity and inclusion, drive operating efficiencies and monitor the financial performance of WPP's operating companies.

Our Strategic Approach

We continue to enhance WPP's proposition by investing in talented people and leveraging our industry-leading global media platform, technological capabilities and strategic global partnerships.

- Creativity. An ongoing commitment to creativity, WPP's most important competitive advantage.
- Data & Technology. Harnessing our capabilities in data and technology and our unique partnerships with leading technology firms.
- People & Culture. Investing in our people, culture and values to ensure WPP is the natural home for the best and brightest talent.

Central to our strategy is our goal of reducing complexity and delivering a simpler structure for the benefit of our clients, across our companies and within our individual markets.

- Clients. We are a client-centric organisation in order to deliver the best of WPP.
- Companies. We now have fewer, more integrated companies equipped to adapt to a changing market.
- Countries. We integrate at a country level to serve clients locally, leverage local scale and attract talent.

Sustainability

Our sustainability strategy sets out how we use the power of creativity to build better futures for our people, planet, clients and communities. It supports all elements of our corporate strategy. Our sustainability commitments are not just the right thing to do, they add meaning for our people, who want to work for a company that shares their values, and our clients, who look to us to help them find and scale solutions to achieve their own goals and deliver positive impact.

Our sustainability strategy is aligned to our corporate strategy:

- Vision & Offer.

  Sustainability at the heart of our offer for clients: A growing number of clients are embracing inclusion, diversity and sustainability and looking to articulate the purpose and impact of their brands. They look for partners who share their sustainability values and aspirations. Our commitment to responsible and sustainable business practices helps us to broaden and deepen these partnerships, and to meet the growing expectations and sustainability requirements in client procurement processes.

- Creativity.

  Social investment: Our pro bono work can make a significant difference to charities and non-governmental organisations (NGOs), enabling our partners to raise awareness and funds, recruit members, and achieve campaign objectives. Pro bono work benefits our business too, providing rewarding creative opportunities for our people that often result in award-winning campaigns that raise the profile of our agencies.

  Diverse, equitable and inclusive teams: Diversity and difference power creativity. We foster an inclusive culture across WPP: one that is equitable and respectful of diverse thoughts and individual expression. We want all of our people to feel valued and able to fulfil their potential, regardless of background, lived experience, sex, gender, race and ethnicity, thinking style, sexual orientation, age, religion, disability, family status and so much more.

- Data & Technology.

  Data ethics and privacy: Data – including consumer data – can play an essential role in our work for clients. Data security and privacy are increasingly high-profile topics for regulators, consumers and our clients. We have a responsibility to look after this data carefully, to collect data only when needed and with consent where required, and to store and transfer data securely.

- Simpler Structure.

  Campuses: Our work to simplify our structure and consolidate our office space is driving a positive impact on our energy use and carbon footprint. We continue to move employees into campuses, closing multiple smaller sites and replacing them with fewer, larger, more efficient buildings that offer modern, world-class workspaces. By 2025, we expect 85,000 of our people will work in at least 65 net zero campuses powered by renewable electricity.

- People & Culture.

  Shared values across our business and supply chain: Strong employment policies, investment in skills and inclusive working practices help us recruit, motivate and develop the talented people we need to serve our clients in all disciplines across our locations. Selecting suppliers and partners who adopt standards consistent with our own can reduce costs, improve efficiency and protect our reputation.

People

- In 2022, we invested £31.3 million in learning and development opportunities for our people.
- We continue to focus on driving greater gender balance throughout the company. Over half (54%) of our senior managers are women (2021: 52%). In 2022, the proportion of women in executive leadership roles slightly increased to 40% (2021: 39%), and within this we increased the proportion on the Executive Committee to 40%, compared with 35% in the previous year. In 2022 we were named an industry leader in the Bloomberg Gender-Equality Index for the fourth consecutive year.

Planet

- During 2021, we set near-term science-based targets, validated by the Science Based Targets initiative, to reduce our absolute Scope 1 and 2 greenhouse gas emissions by at least 84% by 2025 and reduce Scope 3 greenhouse gas emissions by at least 50% by 2030, both from a 2019 base year. We also committed to reach net zero across our own operations (Scope 1 and 2) by 2025, and across our supply chain (scope 3) by 2030. These targets include emissions from media buying (more than half of our total footprint) – an industry first.
- WPP is a member of RE100 and has committed to sourcing 100% of its electricity from renewable sources by 2025. In 2022, we purchased 83% of our electricity from renewable sources (2021: 74%).
- Our scope 1 and 2 carbon emissions per full-time equivalent employee for 2022 were 0.22 tonnes of CO_2e. This represents a 32% reduction from 2021 of 0.32 tonnes of CO_2e/head.
- The first step to limiting emissions must always be to reduce the total footprint of any product or service as far as possible. Our environment policy, introduced in 2022, sets out how we manage the cost and quality of the carbon credits we buy to offset emissions we cannot avoid.

Clients

- As the creative transformation company, we want to help our clients and society find and scale solutions through work that is creative, credible and actionable.
- WPP is a founding member of #ChangeTheBrief Alliance, which scales an initiative that originated at Mindshare and aims to harness the creative power of our industry to promote more sustainable choices and behaviours.

Communities

- In June 2020, we committed to invest $30 million over three years in internal and external initiatives to advance racial equity. Since then, we have committed $16.2 million to inclusion programmes, excluding amounts invested in 2022.
- To support those affected by events in Ukraine, we formed a partnership with UNHCR, including a staff match-funding appeal that raised $1.34 million, and ran similar campaigns for those impacted by floods in Pakistan and the earthquakes in Turkey and Syria.
- Our total social contribution in 2022 was £35.5 million (2021: £41.0 million). This includes pro bono work for NGOs and charities; negotiating free media space on behalf of pro bono clients; and cash donations to charities.
- Our pro bono work was worth £9.6 million (2021: £7.6 million) in 2022 for clients including UN Women. We also made cash donations to charities of £5.2 million (2021: £4.8 million). This resulted in a total social investment of £14.8 million (2021: £12.4 million).
- WPP media agencies negotiated free media space worth £20.8 million on behalf of pro bono clients.

Clients

The Group works with 307 of the Fortune Global 500, all 30 of the Dow Jones 30, and 60 of the FTSE 100.

The Company's 10 largest clients accounted for 16% of the Company's revenues in the year ended 31 December 2022. No client of the Company represented more than 5% of the Company's aggregate revenues in 2022. The Group's companies have maintained long-standing relationships with many of their clients, with an average length of relationship for the top 10 clients of approximately 50 years.

Government Regulation

From time to time, governments, government agencies and industry self-regulatory bodies in the United States, European Union, United Kingdom and other countries in which the Company operates have adopted statutes, regulations, and rulings that directly or indirectly affect the form, content, and scheduling of advertising, public relations and public affairs, and market research, or otherwise limit the scope of the activities of the Company and its clients. Some of the foregoing relate to privacy and data protection and general considerations such as truthfulness, substantiation and interpretation of claims made, comparative advertising, relative responsibilities of clients and advertising, public relations and public affairs firms, and registration of public relations and public affairs firms' representation of foreign governments.

There has been a trend towards expansion of specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements with respect to advertising for certain products, such as over-the-counter drugs and pharmaceuticals, tobacco products, food and certain alcoholic beverages, and to certain groups, such as children and energy companies as well as a focus on greenwashing. Though the Company does not expect any existing or proposed regulations to have a material adverse impact on the Company's business, the Company is unable to estimate the effect on its future operations of the application of existing statutes or regulations or the extent or nature of future regulatory action.

IT

The WPP Risk Subcommittee is responsible for reviewing and monitoring the Group's data ethics, privacy and security risk as well as its approach to regulatory and legal compliance in relation to these.

Our Group Chief Privacy Officer leads our work on privacy, supported by our Global Data Protection Officer. Together, they provide practical guidance and support to our agencies, promote best practices and ensure that privacy risks are well understood.

The WPP Data Privacy and Security Charter sets out core principles for responsible data management through our Data Code of Conduct, our technology, privacy and social media policies, and our security standards (based on ISO 27001).

Safer Data training, which includes content on data protection, security and privacy, must be completed by all new and current

employees, as well as consultants. Throughout the year, agency and subject matter specific training is provided across the Group and in 2022 included a focus on new data privacy regulations such as the California Privacy Rights Act.

Our privacy teams have established direct relationships with their client counterparts to ensure alignment and engagement.

Choreograph, our data company, epitomises our data philosophy: that clients should own their own data to minimise risk, meet consumer privacy expectations and future-proof their businesses.

Through our active engagement in industry bodies including the Advertising Association in the UK and the 4As and Network Advertising Initiative in the United States, we are able to monitor and influence the changing regulatory landscape.

Our annual Data Health Checker provides us with insight into how data is used, stored and transferred and helps to identify any parts of the business that need further support on data practices. In 2022, the average risk score was 1.6 out of five (2021: 1.6), where five is the maximum score possible and indicates maximum risk.

C. Organizational Structure

The Company's business comprises the provision of creative transformation services on a national, multinational and global basis. It operates in more than 100 countries. For a list of the Company's subsidiary undertakings and their country of incorporation see Exhibit 8.1 to this Form 20-F.

D. Property, Plant and Equipment

The majority of the Company's properties are leased, although certain properties which are used mainly for office space are owned. Owned properties are in Latin America (principally in Argentina, Brazil, Chile, Mexico, Peru and Puerto Rico), Asia (India) and in Europe (Spain and UK). Principal leased properties, which include office space at the following locations:

Location	Use	Approximate square footage
3 World Trade Center, New York, NY	GroupM, Mindshare, Wavemaker, EssenceMediacom, Xaxis, Kinetic, WPP, Wunderman Thompson, AKQA, Finance+, WPP-IT, Spec Comm	690,000
636 Eleventh Avenue, New York, NY	Hogarth, MJM (89% vacant held for disposition)	564,000
399 Heng Feng Road, Zhabei, Shanghai	GroupM, Ogilvy, Wunderman Thompson, Hill+Knowlton Strategies, GTB, VMLY&R, VMC, Burson Cohn & Wolfe, Hogarth, Peclers	438,000
Volklinger Strasse, Dusseldorf	GroupM, Essence, Mindshare, Wavemaker, Thjnk, Scholz & Friends, VMLY&R, Hill+Knowlton Strategies, Grey, Wunderman Thompson, Ogilvy, Hogarth, Kinetic, GCI	407,000
971 Mofarrej Avenue, Sao Paulo	Ogilvy, Wunderman Thompson, VMLY&R, VMLY&R Commerce, Grey, AKQA, David, Mirum, GTB, Fbiz, Blinks Essence, Jussi, Corebiz, Enext, Try, PmWeb, Foster, Mutato, Burson Cohn & Wolfe, Maquina Cohn & Wolfe, Superunion, Hill+Knowlton Strategies, JeffreyGroup, Hogarth, WPP (Estimated Occupancy 2025).	383,518
Calle de Ríos Rosas, 26, Madrid	WPP, Finance+, Hogarth, Superunion + Lambie Nairn, Burson Cohn & Wolfe, GroupM (including: Mindshare, Mediacom, NEO, Wavemaker), Hill+Knowlton Strategies, Ogilvy, Axicom, Wunderman Thompson, The Cocktail, VMLY&R, Grey, David	382,399
The Orb at Sahar, Andheri East, Mumbai	GroupM, Wavemaker, Mindshare, Mediacom, Kinetic, Ogilvy, Grey, Wunderman Thompson, Hill+Knowlton Strategies, Landor & Fitch, VMLY&R, Genesis Burson Cohn & Wolfe, WPP	371,882
200 Fifth Avenue, New York, NY	Grey, Ogilvy, Burson Cohn & Wolfe, Landor & Fitch, GCI Health, SJR, Superunion	343,044
3 Columbus Circle, New York, NY	VMLY&R (including VML, GTB, Hudson Rouge), Hill+Knowlton Strategies, WT Health, CMI, BSG	340,432
Tower B, DLF Cyber Park, Gurugram	GroupM, Wavemaker, Mindshare, Mediacom, Ogilvy, Wunderman Thompson, Hogarth, Grey, GTB, AKQA, ADK, WPP	307,764
145-149 rue Anatole France, Levallois-Perret, Paris	Axicom, Burson Cohn & Wolfe, GroupM, Ogilvy, Peclers, Poster Conseil, Wunderman Thompson, VMLY&R, WPP (Estimated Occupancy 2023)	300,000
1 Southwark Bridge Road, London	GroupM, EssenceMediacom, Wunderman Thompson (Forecast Occupation 2024)	287,405
Via Lodovico il Moro/ Via Giuglio Richard 3, Milan	GroupM, Mindshare, Wavemaker, EssenceMediacom, MediaClub, T&P, Kinetic, WPP, Wunderman Thompson, AKQA, Grey, Fast, WPP-IT, Hogarth, Ogilvy, VMLY&R, Landor, Hill+Knowlton Strategies, Burson Cohn & Wolfe, Axicom, AQUEST	282,525
333 North Green Street, Chicago, IL	GroupM, Ogilvy, Wunderman Thompson, Hill+Knowlton Strategies, GTB, VMLY&R, Burson Cohn & Wolfe, Hogarth, Landor & Fitch, Design Bridge, WBA	270,835
125 Queens Quay, Toronto	GroupM, Wunderman Thompson, Ogilvy, Grey, VMLY&R, Hill+Knowlton Strategies, Burson Cohn & Wolfe, Hogarth, Landor & Fitch, SJR, Spafax, Buchanan	259,071
Jinbao & Huali Building, Beijing	Ogilvy, Wunderman Thompson, Grey, Superunion, Landor & Fitch, Hill+Knowlton Strategies	230,000
Sea Containers House, Upper Ground, London SE1	WPP, Landor & Fitch, Hogarth, Ogilvy, Ogilvy Health, VMLY&R, VMLY&R Commerce, Wavemaker, GroupM	229,608
Bubenska 1, Prague	EssenceMediacom, GroupM, Mindshare, Ogilvy, VMLY&R, WPP, Wavemaker, Wunderman Thompson	206,218

The Company considers its properties, owned or leased, to be in good condition and generally suitable and adequate for the purposes for which they are used. At 31 December 2022, the fixed asset value (cost less depreciation) representing land, freehold buildings and leasehold buildings as reflected in the Company's consolidated financial statements was £777.0 million.

In 2022 we added five new campuses: Brussels, Dusseldorf, Santiago, Tokyo and Toronto. In January 2023 we opened a new campus in Guangzhou, China, taking the total to 37, accommodating around half our people. We plan to open additional campuses including Atlanta, Paris and Manchester later in 2023. Under our simplification strategy, we expect to open more campuses, reaching at least 65, and accommodating more than 85,000 by 2025. Consolidating into fewer, larger buildings provides an opportunity to reduce our space requirements by about 15-20% on average.

See note 13 to the consolidated financial statements for a schedule by years of lease payments as at 31 December 2022.

ITEM 4A.UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5.OPERATING AND FINANCIAL REVIEW AND PROSPECTS

As introduced on page 7, certain Non-GAAP measures are included in the operating and financial review and prospects.

A. Operating Results

Overview

The following discussion is based on the Company's audited consolidated financial statements beginning on page F-1 of this report. The Group's consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB.

WPP is a creative transformation company with a service offering that allows us to meet the present and future needs of our clients. Our business model is client-centric, and we leverage resources and skills across our internal structures to provide the best possible service. The Company offers services in three reportable segments:

- Global Integrated Agencies
- Public Relations
- Specialist Agencies

In 2022, approximately 84% of the Company's consolidated revenues were derived from Global Integrated Agencies, with the remaining 16% of its revenues being derived from the remaining two segments.

Investing in communications, customer experience, commerce, data and technology remained a priority for our clients in 2022. As a result, it was a year of strong demand for our services and strong growth for WPP and our agencies – despite global economic turbulence and uncertainty.

Some might see this growth as counterintuitive given the economic situation. However, the marketing world is fast-changing and increasingly complex, with new platforms like TikTok emerging, and existing platforms like Netflix taking advertising for the first time. Clients need modern, trusted partners such as WPP to help them navigate this new landscape. Leading companies turn to us not just for support in building their brands and selling their products but also in understanding and leveraging their data, harnessing the potential of new technologies like AI, and transforming their businesses for the future.

The reshaping of our Company over the last four years means we now provide every service required for success in contemporary marketing, fully integrated and at a global scale.

Our future-facing offer demonstrated its power as we won new assignments with a range of major brands from Audible, Danone and SC Johnson to Nationwide and Verizon. We grew relationships with existing clients and our unprecedented global partnership with The Coca-Cola Company continued to expand.

The share price decreased by 27% in 2022 as compared to 2021, closing at 820.2 pence at year end. Since then it has increased to 939.6 pence, up 15%, at 16 March 2023. Dividends in respect of 2022 are 39.4 pence, an increase from 31.2 pence in respect of 2021.

2022 compared with 2021

Revenue

Revenue was up 12.7% at £14.429 billion in 2022 compared to £12.801 billion in 2021. Revenue on a constant currency basis was up 7.0% compared with last year. Net changes from acquisitions and disposals had a positive impact of 0.3% on growth. Like-for-like revenue growth for 2022, excluding the impact of currency, acquisitions and disposals, and other adjustments as further described on page 22, was 6.7%.

We continued to win new clients and assignments, with $5.9 billion of net new business in 2022. Key wins included Audible, Danone, Migros, SC Johnson, Nationwide and Verizon. We continued to retain key clients in a competitive market, including leading companies such as Sony Playstation, Tesco, Mars Wrigley and MasterKong. However, we operate in a competitive market, resulting in some account losses including PepsiCo and L'Oréal's US media account. Following our success in the pitch for The Coca-Cola Company account in 2021, this global partnership of unprecedented scale has been onboarded at pace, with expectations for further growth in 2023.

Costs of services, general and administrative costs

Costs of services increased by 12.2% in 2022 to £11,890.1 million from £10,597.5 million in 2021.

General and administrative costs increased by 21.1% in 2022 to £1,180.4 million from £974.6 million in 2021, principally in relation to an increase in restructuring and transformation costs and impairment charges.

Staff costs increased by 13.9% in 2022 to £8,165.8 million from £7,166.7 million in 2021. Staff costs, excluding incentives (short- and long-term incentives and cost of share-based incentives), increased by 17.8%. Incentive payments were £424 million compared to £592 million in 2021.

The average number of people in the Group in 2022 was 114,129 compared to 104,808 in 2021. The total number of people at 31 December 2022 was 115,473 compared to 109,382 at 31 December 2021.

The Group incurred a net loss from adjusting items of £341 million in 2022. This comprises the Group's share of adjusting items from associates (£134 million), restructuring and transformation costs (£219 million) and other net gains from adjusting items (£12 million). Restructuring and transformation costs mainly comprise severance and property-related costs arising from the continuing structural review of parts of the Group's operations, investments in IT and ERP systems as part of our transformation programme. This compares with a net loss from adjusting items in 2021 of £270 million.

Operating profit

Operating profit was £1.358 billion in 2022 compared to £1.229 billion in 2021. Headline operating profit was up 16.6% to £1.742 billion in 2022 compared to £1.494 billion in 2021, and up 10% on a like-for-like basis compared to 2021. The significant growth in profitability year-on-year reflects revenue growth and the progress on our transformation programme.

Profit before interest and tax

Profit before interest and tax was £1.298 billion in 2022, compared to £1.253 billion in 2021. Headline PBIT for 2022 was up 14.9% to £1.816 billion from £1.580 billion for 2021.

Finance and investment income, finance costs and revaluation and retranslation of financial instruments

Net finance costs, defined as finance and investment income less finance costs (excluding the revaluation and retranslation of financial instruments), were £214.0 million compared with £214.2 million in 2021, a decrease of £0.2 million year-on-year. Revaluation and retranslation of financial instruments resulted in a profit of £76.0 million in 2022, an increase of £163.8 million from a loss of £87.8 million in 2021 primarily driven by revaluation gains/losses from investments held at fair value through profit or loss, revaluation gains/losses from put options over non-controlling interests and gains/losses from revaluation of payments due to vendors (earnout agreements). See note 6 to the consolidated financial statements for more details of the revaluation and retranslation of financial instruments.

Profit before taxation

Profit before tax was £1.160 billion in 2022, compared to £0.951 billion in 2021. Headline PBT was up 17.3% to £1.602 billion in 2022 from £1.365 billion in 2021.

Taxation

Tax charges were £384.4 million in 2022 and £230.1 million in 2021. The Group's effective tax rate on profit before tax was 33.1% in 2022 against 24.2% in 2021.

The difference in the rate in 2022 was principally due to one-off tax credits in 2021, for example the impact of the UK tax rate change, and a decrease in the share of results of associates, as the tax charge on associate income is reflected within the reported results of associates and not through the Group's tax charge. Given the Group's geographic mix of profits and the changing international tax environment, the effective tax rate is expected to continue to increase over the next few years.

Profit for the year

Profit after tax was £0.775 billion, compared to £0.721 billion in 2021. Profits attributable to shareholders was £0.683 billion, compared to £0.638 billion in 2021.

Diluted earnings per share was 61.2p, compared to diluted earnings per share of 52.5p in the prior period.

Segment performance

Performance of the Group's businesses is reviewed by management based on headline operating profit. A table showing these amounts by reportable segment and geographical area for each of the three years ended 31 December 2022, 2021 and 2020 is presented in note 2 to the consolidated financial statements. To supplement the reportable segment information presented in note 2 to the consolidated financial statements, the following tables give details of revenue change and revenue less pass-through costs change by geographical area and reportable segment on a reported and like-for-like basis. Headline operating profit and headline operating profit margin by reportable segment are also provided below.

Reportable Segments

During 2022, we have reallocated a number of businesses between Global Integrated Agencies and Specialist Agencies. Prior year figures have been re-presented to reflect the reallocation.

Revenue Analysis

	Reported revenue change %+/(-)		Like-for-like revenue change %+/(-)	
	2022	2021	2022	2021
Global Integrated Agencies	11.9	5.4	6.9	12.6
Public Relations	28.1	7.4	9.4	12.6
Specialist Agencies	6.1	21.9	1.9	22.5
Total Group	12.7	6.7	6.7	13.3

Revenue less pass-through costs analysis

	Revenue less pass-through costs[1] change %+/(-)		Like-for-like revenue less pass-through costs[1] change %+/(-)	
	2022	2021	2022	2021
Global Integrated Agencies	12.2	5.3	6.9	11.3
Public Relations	27.1	6.5	8.2	11.5
Specialist Agencies	11.9	21.9	5.6	21.8

[1] Revenue less pass-through costs is revenue less media and other pass-through costs. Pass-through costs comprise fees paid to external suppliers where they are engaged to perform part or all of a specific project and are charged directly to clients. See note 3 to the consolidated financial statements for more details of the pass-through costs.

Headline operating profit analysis	2022		2021		2020	
	£m	Headline operating profit margin[1] %	£m	Headline operating profit margin[1] %	£m	Headline operating profit margin[1] %
Global Integrated Agencies	1,432.4	14.7	1,221.8	14.1	1,070.3	13.0
Public Relations	190.8	16.5	143.1	15.7	141.3	16.5
Specialist Agencies	118.6	13.2	128.6	16.0	48.9	7.4
Total Group	1,741.8		1,493.5		1,260.5	

[1] Headline operating profit margin is calculated as headline operating profit as a percentage of revenue less pass-through costs

Global Integrated Agencies like-for-like revenue less pass-through costs was up 6.9%. GroupM was the strongest performer and other integrated agencies all recorded broadly similar levels of growth. Headline operating profit was up £210.6 million to £1,432.4 million for the year ended 31 December 2022 from £1,221.8 million for the year ended 31 December 2021.

Public Relations like-for-like revenue less pass-through costs was up 8.2%. All agencies continued to grow well, with Hill+Knowlton Strategies growing strongly. During the period we launched FGS Global, the new name and branding for the merger of Finsbury Glover Hering and Sard Verbinnen. Headline operating profit was up £47.7 million to £190.8 million for the year ended 31 December 2022 from £143.1 million for the year ended 31 December 2021.

Specialist Agencies like-for-like revenue less pass-through costs was up 5.6%. Headline operating profit was down £10.0 million to £118.6 million for the year ended 31 December 2022 from £128.6 million for the year ended 31 December 2021.

Geographical area

Revenue Analysis

	Reported revenue change %+/(-)		Like-for-like revenue change %+/(-)	
	2022	**2021**	**2022**	**2021**
North America	23.5	0.7	7.8	9.4
United Kingdom	7.3	14.0	6.3	15.0
Western Continental Europe	3.2	14.1	4.8	19.2
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	9.5	5.6	7.0	13.3
Total Group	12.7	6.7	6.7	13.3

Revenue less pass-through costs analysis

	Revenue less pass-through costs[1] change %+/(-)		Like-for-like revenue less pass-through costs[1] change %+/(-)	
	2022	**2021**	**2022**	**2021**
North America	21.8	2.8	6.6	9.7
United Kingdom	8.7	14.6	7.6	15.0
Western Continental Europe	4.2	10.2	5.5	14.5
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	11.9	5.2	8.0	12.3

[1] Revenue less pass-through costs is revenue less media and other pass-through costs. Pass-through costs comprise fees paid to external suppliers where they are engaged to perform part or all of a specific project and are charged directly to clients. See note 3 to the consolidated financial statements for more details of the pass-through costs.

North America like-for-like revenue less pass-through costs was up 6.6%. The United States continued to grow at a high rate, led by Ogilvy, Hogarth and GroupM.

United Kingdom like-for-like revenue less pass-through costs was up 7.6%. GroupM and Ogilvy were the strongest performers.

Western Continental Europe like-for-like revenue less pass-through costs was up 5.5%. Spain performed strongly with France experiencing a decline reflecting the full-year impact of client losses in 2021.

Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe like-for-like revenue less pass-through costs was up 8.0%. In Latin America growth benefited from a strong performance in Brazil and strong growth in Argentina, while Asia Pacific continued to be negatively impacted by Covid-related restrictions in China.

2021 compared with 2020

For a discussion of the year ended 31 December 2021 compared to the year ended 31 December 2020, please refer to "Item 5. Operating and Financial Review and Prospects" in our Annual Report on Form 20-F for the year ended 31 December 2021.

B. Liquidity and Capital Resources

General—The primary sources of funds for the Group's short-term and long-term cash requirements are cash generated from operations and funds available under its credit facilities. The primary uses of cash funds in recent years have been for debt service and repayment, capital expenditures, acquisitions, share repurchases and cancellations and dividends. For a breakdown of the Company's sources and uses of cash and for the Company's liquidity risk management see the "Consolidated Cash Flow Statement" and notes 10, 11 and 25, which are included as part of the Company's consolidated financial statements in Item 18 of this Annual Report on Form 20-F.

We delivered strong growth in 2022, reflecting the priority placed by our clients on investing in communications, customer experience, commerce, data and technology. We believe we are in a strong financial position with broad-based revenue across a wide geographic footprint and diverse client portfolio, covering all business sectors, providing resilient revenue streams, and a predominantly variable cost structure, which protects profitability during a downturn. We have an attractive margin with scope to improve through our transformation programme, and low ratio of adjusted net debt to EBITDA and over £4 billion of liquidity. As at 31 December 2022 we had cash and cash equivalents of £2.0 billion comprised of £2.5 billion of cash and short-term deposits and £0.5 billion of bank overdrafts. Total liquidity, including undrawn credit facilities, was £4.1 billion.

Funds returned to shareholders in 2022 totaled £1,228 million, including dividends and share buybacks. In 2022, 88.8 million shares, or 8.3% of the issued share capital, were purchased at a cost of £863 million. We expect a further £50 million of share buybacks during 2023.

The Group's liquidity is affected primarily by the working capital flows associated with its media buying activities on behalf of clients. The working capital movements relate primarily to the Group's billings. Billings comprise the gross amounts billed to clients in respect of commission-based/fee-based income together with the total of other fees earned. In 2022, billings were £53.0 billion, or 3.7 times the revenue of the Group. The inflows and outflows associated with media buying activity therefore represent significant cash flow within each month of the year and are forecast and re-forecast on a regular basis throughout the year by the Group's treasury staff so as to ensure that there is continuing coverage of peak requirements through committed borrowing facilities from the Group's bankers and other sources.

The Group typically experiences an outflow of working capital in the first half of the financial year and an inflow in the second half. This is primarily due to the seasonal nature of working capital flows associated with its media buying activities on behalf of clients.

Liquidity risk management—The Group manages liquidity risk by ensuring continuity and flexibility of funding even in difficult market conditions. Undrawn committed borrowing facilities are maintained in excess of peak net-borrowing levels and debt maturities are closely monitored. Targets for average debt less cash position are set on an annual basis and, to assist in meeting this, working capital targets are set for all the Group's major operations. See additional discussion on liquidity risk in note 25 to the consolidated financial statements.

Debt

The Company's borrowings consist of bonds and revolving credit facilities; details on the Company's borrowings are provided in note 10 to the consolidated financial statements.

The Group has a five-year Revolving Credit Facility of $2.5 billion due March 2026 (extended from March 2025 in February 2021). Borrowings under the Revolving Credit Facility are governed by certain financial covenants based on the results and financial position of the Group, including requirements that (i) the interest coverage ratio for each financial period equal or exceed 5.0 to 1 and (ii) the ratio of borrowed funds to earnings before interest, taxes, depreciation and amortisation at 30 June and 31 December in each year shall not exceed 3.5 to 1, both covenants are defined in the relevant agreement. The Group is in compliance with both covenants. The Group had available undrawn committed credit facilities of £2.1 billion ($2.5 billion) (2021: £1.8 billion ($2.5 billion)) at 31 December 2022.

In May 2020, we issued bonds of €750 million and £250 million due in May 2027 and May 2032, respectively. Our bond portfolio at 31 December 2022 had an average maturity of 6.4 years. In July 2021 we repaid the $500 million 3.625% September 2022 bond. A €250 million Eurobond at 3-month EURIBOR +0.45% matured in March 2022. The Company did not issue any bonds in 2022.

Hedging of financial instruments—The Group's policy on interest rate and foreign exchange rate management sets out the instruments and methods available to hedge interest and currency risk exposures and the control procedures in place to ensure effectiveness. The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Cash flow and balance sheet

Net cash inflow from operating activities decreased to £701 million in 2022 from £2.029 billion in 2021. Operating profit was £1.358 billion, depreciation and amortisation £513 million, non-cash share-based incentive charges £122 million, working capital and provisions outflow £847 million, earnout payments £71 million, net interest paid £121 million, tax paid £391 million, lease liabilities (including interest) paid £402 million, capital expenditure £223 million and other net cash inflows £115 million. Adjusted free cash flow was, therefore, an inflow of £53 million.

Adjusted free cash flow inflow was enhanced by £51 million disposal proceeds (of which £38 million was disposals of investments and subsidiaries net of cash disposed and £13 million was disposal of property, plant and equipment) and reduced by £274 million in net initial acquisition payments, £365 million in dividend payments and £863 million of share repurchases and buybacks, which resulted in a cash outflow of £1.4 billion compared to a cash outflow of £0.3 billion in 2021.

The main driver of the cash flow performance year-on-year was the £328 million adverse movement in trade working capital lapping positive movement in the prior year, driven by year-end mix and timing factors. The £519 million adverse movement in other receivables, payables and provisions was driven by a reduction in staff incentives payable, prepayments and year-end mix and timing factors associated with VAT, growth in the dividend and the increase in the share buyback.

As at 31 December 2022 we had cash and cash equivalents of £2.0 billion and total liquidity, including undrawn credit facilities, of £4.1 billion. Debt financing was £5.0 billion at 31 December 2022, compared to £4.8 billion at 31 December 2021, an increase of £0.2 billion. Average adjusted net debt in 2022 was £2.9 billion, compared to £1.6 billion in the prior period, at 2022 exchange rates. On 31 December 2022, adjusted net debt was £2.5 billion, against £0.9 billion on 31 December 2021, an increase of £1.4 billion at 2022 exchange rates. The higher adjusted net debt figure mainly reflects the £1,172 million returned to shareholders in 2022 comprising £807 million of share buybacks completed and £365 million of dividends paid.

The Company has several material contractual obligations at 31 December 2022. The following table summarises the Company's estimated contractual obligations at 31 December 2022, and the effect such obligations are expected to have on its liquidity and cash flows in the future periods. Certain obligations presented below held by one subsidiary of the Company may be guaranteed by another subsidiary in the ordinary course of business.

		Payments due in					
£m	**Total**	**2023**	**2024**	**2025**	**2026**	**2027**	**Beyond 2027**
Debt financing under the Revolving Credit Facility and in relation to unsecured loan notes[1]							
Eurobonds	2,965.9	664.0	—	442.7	664.0	664.0	531.2
Sterling bonds	650.0	—	—	—	—	—	650.0
US$ bonds	879.4	—	620.7	—	—	—	258.7
Subtotal	4,495.3	664.0	620.7	442.7	664.0	664.0	1,439.9
Interest payable	968.7	127.6	103.6	81.5	76.3	55.9	523.8
Total	5,464.0	791.6	724.3	524.2	740.3	719.9	1,963.7
Lease liabilities[2]	2,825.4	379.1	337.7	293.0	252.3	234.8	1,328.5
Capital commitments[3]	128.2	94.0	32.8	1.4	—	—	—
Investment commitments[3]	3.2	3.2	—	—	—	—	—
Financial derivatives	54.9	61.5	5.4	(12.0)	—	—	—
Estimated obligations under acquisition earnouts and put option agreements	502.2	80.8	24.7	104.2	127.8	97.2	67.5
Total contractual obligations	8,977.9	1,410.2	1,124.9	910.8	1,120.4	1,051.9	3,359.7

1 In addition to debt financing under the Revolving Credit Facility and in relation to unsecured loan notes, the Company had short-term overdrafts at 31 December 2022 of £505.7 million. The Group's adjusted net debt at 31 December 2022 was £2,479.3 million and is analysed above.

2 In addition to the lease liabilities, the total committed future cash flow for leases not yet commenced at 31 December 2022 is £440.0 million. In 2022, variable lease expenses were £57.3 million which primarily include real estate taxes and insurance costs.

3 Capital and investment commitments include commitments contracted, but not provided for in respect of property, plant and equipment and in respect of interests in associates and other investments, respectively.

The Company has a large number of defined benefit plans. Contributions to funded plans are determined in line with local conditions and practices. Contributions in respect of unfunded plans are paid as they fall due. The total contributions (for funded plans) and benefit payments (for unfunded plans) paid for 2022 amounted to £24.0 million. Employer contributions and benefit payments in 2023 are expected to be approximately £20 million. Projections for years after 2023 are subject to a number of factors, including future asset performance and changes in assumptions which mean the Company is unable to make sufficiently reliable estimates of future contributions.

Further to the above, the Company has short-term commitments to purchase media and other short-term and long-term contractual commitments such as software and IT infrastructure service contracts as part of its day-to-day operations. In the ordinary course of business we incur costs in respect of these commitments, as disclosed in note 3 of the consolidated financial statements along with other costs expensed as incurred over the course of the year.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating Results on pages 14 to 17 and Risk Factors on pages 2 to 6. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and the notes to the financial statements include: the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Company's forecasts and projections, taking account of (i) reasonably possible declines in revenue less pass-through costs and (ii) remote declines in revenue less pass-through costs for stress-testing purposes compared to 2022, considering the Group's bank covenant and liquidity headroom taking into account the suspension of share buybacks, dividends and acquisitions, and cost mitigation actions which are and which could be implemented, show that the Company and the Group would be able to operate with appropriate liquidity and within its banking covenants and be able to meet its liabilities as they fall due. The ongoing impact of the Russian invasion of Ukraine has been considered. The Company modelled a range of revenue less pass-through cost declines up to 28% compared with the year ended 31 December 2022. The Directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This section is included in the 2022 WPP Annual Report posted on the Company's website at http://www.wpp.com/investors pursuant to UK requirements and is provided in this Form 20-F as supplemental information and is not incorporated herein by reference.

Summarised financial information about Guarantors and Issuers of Guaranteed Securities

As at 31 December 2022, WPP Finance 2010 had in issue $93 million ($28 million was repaid in 2018 and $179 million was repaid in 2019 from the $300 million initially issued) of 5.125% bonds due September 2042 with WPP plc as parent guarantor and WPP Air 1, WPP 2008 Limited, WPP 2005 Limited, WPP 2012 Limited and WPP Jubilee Limited as subsidiary guarantors.

In the event that WPP Finance 2010 fails to pay the holders of the securities, thereby requiring WPP plc, WPP Air 1, WPP 2008 Limited, WPP 2005 Limited, WPP 2012 Limited or WPP Jubilee Limited to make payment pursuant to the terms of their full and unconditional, and joint and several guarantee of those securities, there is no impediment to WPP plc, WPP Air 1, WPP 2008 Limited, WPP 2005 Limited, WPP 2012 Limited or WPP Jubilee Limited obtaining reimbursement for any such payments from WPP Finance 2010.

For the year ended 31 December 2022, £m

	WPP Finance 2010 (issuer), WPP plc and Subsidiary Guarantors
Revenue	—
Costs of services	—
Gross profit	—
Administrative income/(expenses) due from/to non-guarantors	187.6
Finance and investment income from non-guarantors	46.4
Finance costs to non-guarantors	(574.2)
Loss for the year	(976.6)

	WPP Finance 2010 (issuer), WPP plc and Subsidiary Guarantors
Due from Non-Guarantors-long term	1,803.7
Non-current assets	1,991.7
Due from Non-Guarantors-short term	1,795.4
Current assets	2,383.0
Due to Non-Guarantors-short term	(26,723.2)
Current Liabilities	(26,860.3)
Due to Non-Guarantors-long term	(1,357.0)
Non-current liabilities	(2,330.5)

As at 31 December 2022, WPP Finance 2010 had in issue $750 million of 3.750% bonds due September 2024 and $220 million ($50 million was repaid in 2018 and $230 million was repaid in 2019 from the $500 million initially issued) of 5.625% bonds due November 2043, with WPP plc as parent guarantor and WPP Jubilee Limited and WPP 2005 Limited as subsidiary guarantors.

In the event that WPP Finance 2010 fails to pay the holders of the securities, thereby requiring WPP plc, WPP Jubilee Limited or WPP 2005 Limited to make payment pursuant to the terms of their full and unconditional, and joint and several guarantee of those securities, there is no impediment to WPP plc, WPP Jubilee Limited or WPP 2005 Limited obtaining reimbursement for any such payments from WPP Finance 2010.

For the year ended 31 December 2022, £m

	WPP Finance 2010 (issuer), WPP plc and Subsidiary Guarantors
	—
Revenue	—
Costs of services	—
Gross profit	—
Administrative income/(expenses) due from/to non-guarantors	187.6
Finance and investment income from non-guarantors	46.4
Finance costs to non-guarantors	(574.2)
Loss for the year	(976.6)

	WPP Finance 2010 (issuer), WPP plc and Subsidiary Guarantors
Due from Non-Guarantors-long term	1,803.7
Non-current assets	1,991.7
Due from Non-Guarantors-short term	1,792.5
Current assets	2,380.1
Due to Non-Guarantors-short term	(26,723.8)
Current Liabilities	(26,860.8)
Due to Non-Guarantors-long term	(1,357.0)
Non-current liabilities	(2,330.5)

The issuer and guarantors of the bonds (issuer and subsidiary guarantors are 100% owned by WPP plc) are consolidated subsidiaries of WPP plc and are each subject to the reporting requirements under section 15(d) of the Securities Exchange Act of 1934. The summarized financial information for WPP Finance 2010 and the guarantors is presented on a combined basis with intercompany balances and transactions between the entities in the issuer and guarantors group eliminated. The summarised financial information is prepared in accordance with IFRS as issued by the IASB and is intended to provide investors with meaningful financial information, and is provided pursuant to the adoption of Rule 13-01 of Regulation S-X which allows for alternative financial disclosures or narrative disclosures in lieu of the separate financial statements of WPP Finance 2010 and the guarantors. The financial information presented is that of the issuers and guarantors of the guaranteed security, and the financial information of non-issuer and non-guarantor subsidiaries has been excluded.

C. Research and Development, Patents and Licenses, etc.

Not applicable.

D. Trend Information

The discussion below and in the rest of this Item 5 in this Annual Report on Form 20-F includes forward-looking statements regarding plans, objectives, projections and anticipated future performance based on assumptions that are subject to risks and uncertainties. As such, actual results or outcomes may differ materially from those discussed in the forward-looking statements. See "Forward-Looking Statements" preceding Item 1 in this Annual Report on Form 20-F.

For information regarding the trends in our business, see Item 5A Operating Results and Item 5B Liquidity and Capital Resources above.

E. Critical Accounting Estimates

Not applicable. The Company's consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. A summary of the Group's principal accounting policies is provided in the Accounting Policies section of the consolidated financial statements.

Non-GAAP Information

As introduced on page 7, the following metrics are the Group's Non-GAAP measures.

Constant currency

These consolidated financial statements are presented in pounds sterling. However, the Company's significant international operations give rise to fluctuations in foreign exchange rates. To neutralize foreign exchange impact and illustrate the underlying change in revenue and profit from one year to the next, the Company has adopted the practice of discussing results in both reportable currency (local currency results translated into pounds sterling at the prevailing foreign exchange rate) and constant currency.

The Group uses US dollar-based, constant currency models to measure performance. These are calculated by applying budgeted 2022 exchange rates to local currency reported results for the current and prior year. This gives a US dollar-denominated income statement which excludes any variances attributable to foreign exchange rate movements.

Like-for-like

Management believes that discussing like-for-like contributes to the understanding of the Company's performance and trends because it allows for meaningful comparisons of current year to that of prior years.

Like-for-like comparisons are calculated as follows: current year, constant currency actual results (which include acquisitions from the relevant date of completion) are compared with prior year, constant currency actual results, adjusted to reflect the results of acquisitions and disposals, the reclassification of certain businesses to associates in 2022. Both periods exclude results from Russia.

The following table reconciles reported revenue growth for 2022 and 2021 to like-for-like revenue growth for the same period.

	Revenue	
	£m	
2020 Reportable	**12,003**	
Impact of exchange rate changes	(594)	(4.9%)
Impact of acquisition	(204)	(1.7%)
Like-for-like growth	1,596	13.3%
2021 Reportable	**12,801**	**6.7%**
Impact of exchange rate changes	732	5.7%
Impact of acquisition	38	0.3%
Like-for-like growth	858	6.7%
2022 Reportable	**14,429**	**12.7%**

Headline operating profit

Headline operating profit is one of the measures that management uses to assess the performance of the business.

Headline operating profit is calculated as profit/(loss) before finance income/costs and revaluation and retranslation of financial instruments, taxation, earnings/(loss) from associates - after interest and taxation, gains/losses on disposal of investments and subsidiaries, investment and other charges/reversals, goodwill impairment, amortisation and impairment of acquired intangible assets, intangible asset impairment restructuring and transformation costs, restructuring costs in relation to Covid-19, property related costs, litigation settlement, and gains/losses on remeasurement of equity interests arising from a change in scope of ownership.

Adjustments to operating profit described above are included in costs of services and general administrative costs as provided in note 3 to the consolidated financial statements and are components of operating profit.

A tabular reconciliation of profit/(loss) before taxation to headline operating profit is provided in note 31 to the consolidated financial statements.

Headline PBIT

Headline PBIT is one of the metrics that management uses to assess the performance of the business.

Headline PBIT is calculated as profit before finance income/costs and revaluation and retranslation of financial instruments, taxation, gains/losses on disposal of investments and subsidiaries, investment and other charges/reversals, goodwill impairment, amortisation and impairment of acquired intangible assets, intangible asset impairment, restructuring and transformation costs, restructuring costs in relation to Covid-19, property related costs, litigation settlement, share of adjusting items of associates and gains/losses on remeasurement of equity interests arising from a change in scope of ownership.

A tabular reconciliation of profit before interest and taxation to headline PBIT is shown below.

	Year ended 31 December		
	2022	**2021**	**2020**
	£m	**£m**	**£m**
Profit/(loss) before taxation	**1,159.8**	**950.8**	**(2,790.6)**
Finance and investment income	145.4	69.4	82.7
Finance costs	(359.4)	(283.6)	(312.0)
Revaluation and retranslation of financial instruments	76.0	(87.8)	(147.2)
Profit/(loss) before interest and taxation	**1,297.8**	**1,252.8**	**(2,414.1)**
Amortisation and impairment of acquired intangible assets	62.1	97.8	89.1
Goodwill impairment	37.9	1.8	2,822.9
Losses/(gains) on disposal of investments and subsidiaries	36.3	10.6	(7.8)
Gains on remeasurement of equity interests arising from a change in scope of ownership	(66.5)	—	(0.6)
Intangible asset impairment	29.0	—	—
Investment and other impairment charges/(reversals)	48.0	(42.4)	296.2
Property related costs	18.0	—	—
Restructuring and transformation costs	203.7	145.5	80.7
Restructuring costs in relation to Covid-19	15.1	29.9	232.5
Share of adjusting items of associates	134.3	62.3	146.1
Litigation settlement	—	21.3	25.6
Headline PBIT	**1,815.7**	**1,579.6**	**1,270.6**

Headline PBT

Headline PBT is one of the metrics that management uses to assess the performance of the business.

Headline PBT is calculated as profit before taxation, gains/losses on disposal of investments and subsidiaries, investment and other charges/reversals, goodwill impairment, amortisation and impairment of acquired intangible assets, intangible asset impairment, restructuring and transformation costs, restructuring costs in relation to Covid-19, property related costs, litigation settlement, share of adjusting items of associates, gains/losses arising from the revaluation and retranslation of financial instruments and gains/losses on remeasurement of equity interests arising from a change in scope of ownership.

A tabular reconciliation of profit before taxation to headline PBT is shown below.

	Year ended 31 December		
	2022	**2021**	**2020**
	£m	**£m**	**£m**
Profit/(loss) before taxation	**1,159.8**	**950.8**	**(2,790.6)**
Amortisation and impairment of acquired intangible assets	62.1	97.8	89.1
Goodwill impairment	37.9	1.8	2,822.9
Losses/(gains) on disposal of investments and subsidiaries	36.3	10.6	(7.8)
Gains on remeasurement of equity interests arising from a change in scope of ownership	(66.5)	—	(0.6)
Intangible asset impairment	29.0	—	—
Investment and other impairment charges/(reversals)	48.0	(42.4)	296.2
Property related costs	18.0	—	—
Restructuring and transformation costs	203.7	145.5	80.7
Restructuring costs in relation to Covid-19	15.1	29.9	232.5
Share of adjusting items of associates	134.3	62.3	146.1
Litigation settlement	—	21.3	25.6
Revaluation and retranslation of financial instruments	(76.0)	87.8	147.2
Headline PBT	**1,601.7**	**1,365.4**	**1,041.3**

Billings and estimated net new business/billings

Billings and estimated net new business/billings are metrics that management uses to assess the performance of the business.

Billings comprise the gross amounts billed to clients in respect of commission-based/fee-based income together with the total of other fees earned. Net new business/billings represent the estimated annualised impact on billings of new business gained from both existing and new clients, net of existing client business lost. The estimated impact is based upon initial assessments of the clients' marketing budgets, which may not necessarily result in actual billings of the same amount.

Adjusted free cash flow

The Group bases its internal cash flow objectives on adjusted free cash flow. Management believes adjusted free cash flow is meaningful to investors because it is the measure of the Company's funds available for acquisition related payments, dividends to shareholders, share repurchases and debt repayment. The purpose of presenting adjusted free cash flow is to indicate the ongoing cash generation within the control of the Group after taking account of the necessary cash expenditures of maintaining the capital and operating structure of the Group (in the form of payments of interest, corporate taxation and capital expenditure). This computation may not be comparable to that of similarly titled measures presented by other companies.

Adjusted free cash flow is calculated as net cash inflow from operating activities plus payment on early settlement of bonds and proceeds from the issue of shares, less earnout payments, purchases of property, plant and equipment, purchases of other intangible assets, repayment of lease liabilities, and dividends paid to non-controlling interests in subsidiary undertakings.

A tabular reconciliation of net cash inflow from operating activities to adjusted free cash flow is shown below.

	Year ended 31 December		
	2022	**2021**	**2020**
	£m	**£m**	**£m**
Net cash inflow from operating activities	**700.9**	**2,029.0**	**2,050.6**
Payment on early settlement of bonds	—	13.0	—
Share option proceeds	1.2	4.4	—
Earnout payments	(46.6)	(53.2)	(111.0)
Purchases of property, plant and equipment	(208.4)	(263.2)	(218.3)
Purchases of other intangible assets (including capitalised computer software)	(14.9)	(29.9)	(54.4)
Repayment of lease liabilities	(309.6)	(320.7)	(300.1)
Dividends paid to non-controlling interests in subsidiary undertakings	(69.5)	(114.5)	(83.3)
Adjusted free cash flow	**53.1**	**1,264.9**	**1,283.5**

Adjusted net debt and average adjusted net debt

Management believes that adjusted net debt and average adjusted net debt are appropriate and meaningful measures of the debt levels within the Group. This is because of the seasonal swings in our working capital generally, and those resulting from our media buying activities on behalf of our clients in particular.

Adjusted net debt at a period end consists of cash and short-term deposits, bank overdraft, bonds and bank loans due within one year and bonds and bank loans due after one year. Average adjusted net debt is calculated as the average daily net borrowings of the Group. Adjusted net debt excludes lease liabilities.

The following table is an analysis of adjusted net debt:

	2022	**2021**	**2020**
	£m	**£m**	**£m**
Cash and short-term deposits	2,491.5	3,882.9	12,899.1
Bank overdraft, bonds and bank loans due within one year	(1,169.0)	(567.2)	(8,619.2)
Bonds and bank loans due after one year	(3,801.8)	(4,216.8)	(4,975.5)
Adjusted net debt	**(2,479.3)**	**(901.1)**	**(695.6)**

Components of (loss)/earnings from associates - after interest and tax

Management reviews the (loss)/earnings from associates - after interest and tax by assessing the underlying component movements including share of profit before interest and taxation of associates, share of adjusting items of associates, share of interest and non-controlling interests of associates, and share of taxation of associates, which are derived from the income statements of the associate undertakings.

The following table is an analysis of (loss)/earnings from associates - after interest and tax and underlying component movements:

	2022	**2021**	**2020**
	£m	**£m**	**£m**
Share of profit before interest and taxation	219.6	208.5	142.5
Share of adjusting items	(134.3)	(62.3)	(146.1)
Share of interest and non-controlling interests	(104.7)	(83.9)	(91.4)
Share of taxation	(41.0)	(38.5)	(41.0)
(Loss)/earnings from associates - after interest and tax	**(60.4)**	**23.8**	**(136.0)**

Share of adjusting items of £134.3 million (2021: £62.3 million, 2020: £146.1 million) primarily comprise £75.8 million (2021: £38.8 million, 2020 £54.3 million) of amortisation and impairment of acquired intangible assets as well as restructuring and one-off transaction costs of £54.8 million (2021: £18.8 million, 2020: £89.3 million) within Kantar.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The Directors and Executive Officers of the Company are as follows:

Roberto Quarta, Age 73: Chairman. Roberto Quarta was appointed as a Director on 1 January 2015 and became Chairman on 9 June 2015. Roberto has extensive experience in corporate governance and global commerce having served on the boards of a number of UK and international companies. His career in private equity brings valuable experience to WPP, particularly when evaluating acquisitions and new business opportunities. Roberto is Chairman of Smith & Nephew plc, a Partner of Clayton, Dubilier & Rice and Chairman of Clayton, Dubilier & Rice Europe. He is an Independent Non-Executive Director of Gulf Capital. Previously he was Chief Executive and then Chairman of BBA Group plc, Chairman of Rexel SA, Chairman of IMI plc and a Non-Executive Director at BAE Systems plc, Equant NV, Foster Wheeler AG and PowerGen plc.

External appointments: Chairman, Smith & Nephew plc; Partner, Clayton, Dubilier & Rice; Chairman, Clayton, Dubilier & Rice Europe; Independent Non-Executive Director, Gulf Capital.

Roberto will step down as Chairman of Smith & Nephew plc in September 2023.

Mark Read, Age 56: Chief Executive Officer. Mark Read was appointed as an Executive Director and Chief Executive Officer on 3 September 2018. Mark has held multiple leadership positions at WPP since joining in 1989. As CEO of WPP Digital he was responsible for WPP's first moves into technology. In 2015, he became Global CEO of Wunderman, which he transformed into one of the world's leading agencies. Mark was voted the industry's Most Influential Person 2019 in Econsultancy's Top 100 Digital Agencies, and in 2022 was recognised as a Champion of Women in Business for the fifth consecutive year. Mark was awarded a Fellowship for outstanding services to the industry in the IPA's 2021 New Year's Honours.

Mark has an economics degree from Trinity College, Cambridge, was a Henry Fellow at Harvard University, and has an MBA from INSEAD.

External appointments: Trustee, Natural History Museum.

John Rogers, Age 54: Chief Financial Officer. John Rogers was appointed as a Director on 3 February 2020 and became Chief Financial Officer from 1 May 2020. John has extensive finance, strategy, digital, property and retail experience. He joined WPP from J Sainsbury plc where he was CEO of Sainsbury's Argos, and was previously CFO of J Sainsbury plc, responsible for business strategy, new business development, Sainsbury's Online and Sainsbury's Bank, in addition to its core finance functions. John is a member of The Prince's Advisory Council for Accounting for Sustainability and sits on the Retail Sector Council, which acts as a point of liaison between the UK government and retail sector. John is an Independent Non-Executive Director of Grab Holdings Limited, a technology company listed on NASDAQ.

External appointments: Member, The Prince's Advisory Council for Accounting for Sustainability; Member, Retail Sector Council; Independent Non-Executive Director, Grab Holdings Limited.

It was announced in November 2022 that John Rogers would step down from the Company and be succeeded by Joanne Wilson, which will take effect immediately following the announcement of the Company's 2023 First Quarter Trading Update.

Nicole Seligman, Age 66: Senior Independent Director, Non-Executive Director. Nicole Seligman was appointed as a Director on 1 January 2014. Nicole is a global business leader and an internationally recognised lawyer. She brings to the Board analytical skills, in-depth knowledge of public company corporate governance and a comprehensive understanding of media and business issues. Nicole was previously President of Sony Entertainment, Inc. and global General Counsel for Sony Corporation. Prior to that, as a partner at law firm Williams & Connolly, Nicole represented key public figures and major media and other companies in complex litigation.

She is a Magna Cum Laude graduate of both Harvard College and Harvard Law School.

External appointments: Non-Executive Director, Paramount Global; Non-Executive Director, MeiraGTx Holdings plc; Non-Executive Director, Far Peak Acquisition Corporation; Vice Chair and Officer, Schwarzman Animal Mexican Center.

Nicole will retire from the Board at the 2023 AGM.

Angela Ahrendts DBE, Age 62: Non-Executive Director. Angela Ahrendts DBE was appointed as a Director on 1 July 2020. Angela brings expertise as a leader of creative and technology-driven global businesses. From 2014 until 2019, she was Senior Vice President, Retail at Apple, Inc., where she integrated and redesigned the physical and digital global consumer experience. Angela was CEO of Burberry from 2006 to 2014, where she repositioned the brand as a luxury high-growth company and created the Burberry Foundation. Prior to Burberry, Angela was Executive Vice President at Liz Claiborne, Inc. and President of Donna Karan International, Inc. Angela was a member of the UK Prime Minister's Business Advisory Council from 2010 to 2015.

External appointments: Non-Executive Director, Ralph Lauren Corporation and Airbnb, Inc.; Chair of Save the Children International; Non-Executive Director, Charity: water, Imagine and The HOW Institute for Society; Member of the Global Leadership Council of the Oxford University Saïd Business School and BritishAmerican Business International Advisory Board.

Simon Dingemans, Age 59: Non-Executive Director: Simon Dingemans was appointed as a Director on 31 January 2022. Simon has extensive business, capital markets, corporate finance and governance experience, and is currently a Senior Advisor at global investment firm The Carlyle Group. He was previously CFO of GlaxoSmithKline plc. Prior to GSK, Simon worked in investment banking at SG Warburg and then Goldman Sachs, where he was Managing Director and Partner for 10 years as a leader of its European M&A business and Head of UK Investment Banking. Simon is Chairman of Genomics plc and previously served as Chairman of the Financial Reporting Council and as Chairman of the 100 Group. Simon has a master's degree in geography from Oxford University.

External appointments: Chairman, Genomics plc; Senior Advisor, The Carlyle Group.

Sandrine Dufour, Age 56: Non-Executive Director. Sandrine Dufour was appointed as a Director on 3 February 2020. Sandrine brings substantial financial expertise gained in global companies and strong strategic capability to the Board. Sandrine is currently CFO of UCB, a global pharmaceutical company. Previously she was CFO of Proximus. She held a number of leadership roles at Vivendi in France and the US across its entertainment and telecommunications business, and has an enthusiasm for cultural, technological and business transformation. Sandrine began her career as a financial analyst at BNP and then Credit Agricole in the telecoms sector. She has held other non-executive director roles, most recently at Solocal Group.

External appointments: Chief Financial Officer, UCB.

Tarek Farahat, Age 58: Non-Executive Director. Tarek Farahat was appointed as a Director on 11 October 2016. Tarek has extensive leadership and brand-building experience gained in leading businesses in the Americas, Europe, Middle East and Africa. He worked for Procter & Gamble for over 26 years, where his last position was President of Procter & Gamble Latin America and member of the Global Leadership Council. Tarek was previously Chairman of JBS S.A. and a board member of Pilgrim's Pride Corporation and Alpargatas. Tarek is currently a strategic advisor, consultant and partner for companies in the consumer goods, fintech and healthcare sectors.

Tarek is a graduate of the American University in Cairo, Faculty of Commerce and Finance.

External appointments: Chairman and Co-Founder, GoPublic and Ponto-e.

Tarek will step down from the Board following the conclusion of the Company's 2023 Annual General Meeting.

Tom Ilube CBE, Age 59: Non-Executive Director. Tom Ilube CBE was appointed as a Director on 5 October 2020. Tom brings a wealth of expertise as a technology entrepreneur and has extensive experience of the UK technology sector. He is Chair of the Rugby Football Union (RFU) and CEO of Crossword Cybersecurity plc. Tom was previously Managing Director of Consumer Markets at Callcredit Information Group. Prior to Callcredit, Tom founded and was CEO of Garlik, an identity protection company. Tom has honorary doctorates from City, University of London, Coventry University, Portsmouth University and the University of Wolverhampton, and is an Honorary Fellow of both Jesus College and St Anne's College, Oxford. In 2017 Tom topped the Powerlist ranking of the most influential people of African or African Caribbean heritage in the UK.

External appointments: Founder and CEO, Crossword Cybersecurity plc; Chair, Iternal Limited (previously known as Deathio Ltd); Founder and Chair, African Gifted Foundation; Chair, The Rugby Football Union (RFU).

Cindy Rose OBE, Age 57: Non-Executive Director. Cindy Rose OBE was appointed as a Director on 1 April 2019. Cindy has extensive experience as a leader in the technology and media sectors, and brings exceptional knowledge of the role technology plays in business transformation. She was appointed Chief Operating Officer for Microsoft Global Enterprise in March 2023. Prior to this, Cindy was President of Microsoft Western Europe, and also CEO of Microsoft UK. She has also held the roles of Managing Director of the UK consumer division at Vodafone and Executive Director of Digital Entertainment at Virgin Media.
She spent 15 years at The Walt Disney Company, ultimately as Senior Vice President and Managing Director of Disney Interactive Media Group.

Cindy is a graduate of Columbia University and New York Law School.

External appointments: Chief Operating Officer, Microsoft Global Enterprise; Advisory Board Member, Imperial College Business School in London and McLaren.

Keith Weed CBE, Age 61: Non-Executive Director. Keith Weed CBE was appointed as a Director on 1 November 2019. Keith has a wealth of experience as a marketing and digital leader, and a deep understanding of the ways in which technology is transforming businesses. Keith was previously Chief Marketing and Communications Officer at Unilever, a role that included creating and leading Unilever's sustainability programme. Keith was named the World's Most Influential Chief Marketing Officer by *Forbes* in 2017, 2018 and 2019, and Global Marketer of the Year 2017 by the World Federation of Advertisers. He received *The Drum's* Lifetime Achievement Award in 2018 and was inducted into the Marketing Hall of Fame in 2019. Keith is a Non-Executive Director of J Sainsbury plc.

External appointments: Non-Executive Director, J Sainsbury plc; Trustee Director, Business in the Community; Board Trustee Grange Park Opera; President, Royal Horticultural Society; Board Trustee, Leverhulme Trust; Senior Advisor, Bain Capital, Alix Partners; Advisory Board Member, i-Genie and McLaren.

Jasmine Whitbread, Age 59: Non-Executive Director. Jasmine Whitbread was appointed as a Director on 1 September 2019. Jasmine's experience spans marketing, technology, finance, media, telecommunications, and not-for-profit organisations. Alongside this breadth of perspective she brings knowledge of many of WPP's client sectors to the Board. Jasmine began her career in marketing in the technology sector, including with Thomson Financial in the US. After completing the Stanford Executive Program, Jasmine went on to hold leadership roles with Oxfam and Save the Children, including as the first Chief Executive of Save the Children International from 2010 to 2015. She was CEO of London First from 2016 to 2021, and was previously a Non-Executive Director of BT Group plc.

External appointments: Chair of the Board, Travis Perkins plc; Non-Executive Director, Standard Chartered plc; Non-Executive Director, Compagnie Financière Richemont SA; Visiting Fellow, Oxford University.

Jasmine will step down as Non-Executive Director of Standard Chartered plc at its 2023 AGM.

Dr. Ya-Qin Zhang, Age 57: Non-Executive Director. Ya-Qin Zhang was appointed as a Director on 1 January 2021. Ya-Qin is a world-renowned technologist, scientist and entrepreneur with a particular understanding of the changing consumer technology landscape in China. He was President of Baidu Inc., the global internet services and AI company, between 2014 and 2019. Prior to joining Baidu, he held several positions during his 16-year tenure at Microsoft, both in the United States and China, including Corporate Vice President and Chairman of Microsoft China. Ya-Qin is currently a Non-Executive Director of AsiaInfo Technologies Limited and ChinaSoft International Limited. He is also Chair Professor of AI Science at Tsinghua University and the founding Dean of the Institute for AI Industry Research.

External appointments: Non-Executive Director, AsiaInfo Technologies Limited and ChinaSoft International Limited; Chair Professor, AI Science and Founding Dean, Institute for AI Industry Research,Tsinghua University.

Joanne Wilson, Age 47, Chief Financial Officer Designate. Joanne Wilson will join the Board and become CFO designate on 19 April 2023 and succeed John Rogers as CFO immediately following the announcement of the Company's 2023 First Quarter Trading Update. Joanne has extensive experience both in the UK and internationally in a variety of financial and commercial roles. She joins WPP from Britvic where she is currently Chief Financial Officer. Prior to this, Joanne had a successful career at Tesco where, at the time of leaving, she held the position of Chief Financial Officer of Dunnhumby, a global leader in customer data science. Joanne began her career at KPMG, where she qualified as a Chartered Accountant and spent three years in Hong Kong.

External appointments: Non-Executive Director, Informa plc (LSE:INF).

The independence of each Non-Executive Director is assessed annually by the Board under the UK Corporate Governance Code which applies in respect of WPP's primary listing on the London Stock Exchange. The Board has confirmed that all of the Non-Executive Directors standing for election and re-election at the 2023 Annual General Meeting (AGM) continue to demonstrate the characteristics of independence.

B. Compensation

Directors' Compensation

For the fiscal year ended 31 December 2022 the aggregate compensation paid by WPP to key management personnel of WPP for services in all capacities was £60.6 million. Key management personnel comprises the Board and the Executive Committee. Such compensation was paid by WPP and its subsidiaries primarily in the form of salaries, performance-related bonuses, other benefits and deferred share awards. The sum of £1.1 million was set aside and paid in the last fiscal year to provide pensions and other post-retirement benefits for key management personnel of WPP.

Executive Directors' total compensation received

Single total figure of remuneration

2022	Base salary	Benefits[1]	Pension[2]	Short-term incentive[3]		Long-term incentive[4]	Total annual compensation
	£000	£000	£000	Cash £000	Deferred £000	£000	£000
Mark Read	**1,061**	**36**	**125**	**1,437**	**958**	**3,065**	**6,682**
John Rogers	**762**	**32**	**76**	**917**	**611**	**1,994**	**4,392**

1 Benefits provide an annual fixed and non-itemised allowance to enable the executive to procure benefits to enable them to undertake their role and ensure their wellbeing and security. In addition to the allowance received, the values disclosed include the value of expenses related directly to attendance at Board meetings. The expenses for Mark Read and John Rogers were £1,347 and £2,169 respectively. These values include the grossed-up cost of UK income tax and national insurance paid by the Company on behalf of the Directors.

2 Pension is provided by way of contribution to a defined contribution retirement arrangement, a cash allowance, or a combination of the two determined as a percentage of base salary. In line with the plan to reduce Mark Read's pension to ensure alignment with the wider workforce by the end of the Policy period, the final reduction was made to reduce his pension to 10% of base salary during 2022. John Rogers' pension has been at 10% of base salary since appointment. Contributions/allowances are as follows (as % of base salary): CEO—10% and CFO—10%.

3 In respect of the 2022 short-term incentive awards, 40% will be delivered in the form of shares as an Executive Share Award (ESA) with a two-year deferral period. STIP is subject to the malus and clawback policy as may be amended from time to time.

4 Long-term incentive includes the value of the 2020 Executive Performance Share Plan (EPSP) awards where the three-year performance period was completed at the end of 2022 with a combined vesting value of £5,059. Long-term incentive also includes the value of the 2018 EPSP awards where the five-year performance period closed in 2022 with a vesting value of £nil.

Vesting of 2018 – 2022 EPSP awards

Vesting of the 2018 EPSP awards was dependent on performance against three measures, all assessed over a five-year period, which include relative Total Shareholder Returns (TSR), Earnings Per Share (EPS) growth and average annual Return On Equity (ROE). Performance against all three measures was below the threshold required for vesting.

	Number of shares awarded	Additional shares in respect of dividend accrual	Number of shares vesting	Share price on vesting	Value of vested 2018-2022 EPSP awards 000
Mark Read	396,617	—	—	n/a	£ —

Vesting of 2020 – 2022 EPSP awards

Vesting of the 2020 EPSP awards was dependent on performance against three measures, all assessed over a three-year period, which include relative Total Shareholder Returns (TSR), Cumulative Adjusted Free Cash Flow (AFCF), and Average Return On Invested Capital (ROIC). The performance against ROIC and AFCF was above maximum for the performance period, resulting in maximum vesting for those elements of the award. The relative TSR was below threshold on both a local and common currency basis resulting in zero vesting for the TSR element and a total formulaic vesting of 66.67% for the award.

	Number of shares awarded	Additional shares in respect of dividend accrual	Number of shares vesting	Share price on vesting[1]	Value of vested 2020-2022 EPSP awards[1] 000
Mark Read	460,464	21,637	328,628	£ 9.3278	£ 3,065
John Rogers	299,554	14,075	213,787	£ 9.3278	£ 1,994

1 The share price increased 25.86% between the grant and vest dates for this award. £629,914 and £409,787 of the total value of vested shares for the CEO and CFO respectively is attributable to share price appreciation.

Outstanding share-based awards

The table below shows outstanding shares at 31 December 2022. ESAs (Executive Share Awards) are granted under the WPP Stock Plan 2018. This is the stock component of the annual short-term incentive plan and granted subject to the achievement of performance measures prior to grant. EPSP awards (Executive Performance Share Plan) are subject to performance measures over the period stated below. Dividend shares accrue on these awards.

	Award type	Grant date	Performance period	Share price on grant date	Number of shares granted	Vesting date
Mark Read[1]	ESA	10.05.22	n/a	£ 9.522	109,220	10.03.2024
	EPSP	06.12.18	01.01.18-31.12.22	£ 8.604	396,617	15.03.2023
	EPSP	24.09.19	01.01.19-31.12.23	£ 10.035	340,059	15.03.2024
	EPSP	24.11.20	01.01.20-31.12.22	£ 7.411	460,464	15.03.2023
	EPSP	28.03.21	01.01.21-31.12.23	£ 9.241	369,278	15.03.2024
	EPSP	25.03.22	01.01.22-31.12.24	£ 10.542	384,746	15.04.2025
John Rogers[1]	ESA	10.05.22	n/a	£ 9.522	69,943	10.03.2024
	EPSP	24.11.20	01.01.20-31.12.22	£ 7.411	299,554	15.03.2023
	EPSP	28.03.21	01.01.21-31.12.23	£ 9.241	240,233	15.03.2024
	EPSP	25.03.22	01.01.22-31.12.24	£ 10.542	210,586	15.04.2025

1 EPSP awards made to Mark Read and John Rogers are in the form of nil-cost options and expire three months after the vesting date.

Non-Executive Directors' total compensation received

The single total figure of compensation table below details fee payments received by the Non-Executive Directors while they held a position on the Board.

	Fees £000	Benefits £000	Total £000
	2022	**2022**	**2022**
Roberto Quarta	525	32	557
Angela Ahrendts[1]	103	42	145
Jacques Aigrain, retired 24 May 2022	58	9	67
Simon Dingemans, appointed 31 January 2022	97	6	103
Sandrine Dufour[1]	140	6	146
Tarek Farahat	105	18	123
Tom Ilube	135	7	142
Cindy Rose	125	5	130
Nicole Seligman	155	24	179
Sally Susman, retired 24 May 2022	42	15	57
Keith Weed	125	7	132
Jasmine Whitbread	135	5	140
Dr. Ya-Qin Zhang[1]	93	20	113

1 Angela Ahrendts joined the Nomination and Governance Committee in March 2022; Dr. Ya-Qin Zhang joined the Sustainability Committee in March 2022. Sandrine Dufour took on the role of Chair of the Audit Committee during 2022.

Past Directors

No payments were made to past directors during the year.

The full Directors' Compensation Policy can be found at http://www.wpp.com/investors/corporate-governance.

C. Board Practices

Board attendance table

	Board	Audit Committee	Compensation Committee
Total number of scheduled meetings	6	9	5
Members			
Roberto Quarta	6		5
Mark Read	6		
John Rogers	6		
Angela Ahrendts	6		
Simon Dingemans – *appointed on 31 January 2022*	6	8(8)	
Sandrine Dufour	6	9	5
Tarek Farahat	6	8	
Tom Ilube	6	9	5
Cindy Rose	6	8	5
Nicole Seligman	6		5
Keith Weed	6		
Jasmine Whitbread	6		5
Dr. Ya-Qin Zhang	6		
Former Directors who served for part of the year			
Jacques Aigrain – *retired on 24 May 2022*	3(3)	4(4)	2(2)
Sally Susman – *retired on 24 May 2022*	3(3)		
Number of ad-hoc meetings	5		5

For Directors who served for part of the year, the number in brackets denote the number of meetings the Directors were eligible to attend.

The role of the Board

The Board is responsible for setting the Company's purpose, values and culture, in addition to overseeing the Company's overall financial performance and execution of the strategy. The Board recognises the importance of considering the perspectives of, and the potential impact on, the Company's key stakeholders in its discussions. Its responsibilities are discharged through an annual programme of meetings, each of which follows a tailored agenda. A typical Board meeting will comprise reports on operational and financial performance including on the transformation programme, progress on strategy, people updates and a deep dive into a particular ESG topic. The list of matters reserved to the Board can be downloaded from http://www.wpp.com/investors/corporate-governance.

Re-election

The Chairman, Senior Independent Director and Non-Executive Directors are appointed for a three-year term, subject to annual re-election by the shareholders at the AGM. With only specific exceptions to ensure Board continuity, Non-Executive Directors shall not stand for re-election after they have served for the period of their independence, as determined by applicable UK and United States' standards, which is nine years. Nicole Seligman and Tarek Farahat will not stand for re-election at the AGM in 2023. With the exception of Joanne Wilson, who is standing for election for the first time, all other Directors will stand for re-election at the AGM with the support of the Board. The Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office.

Service contracts

The Company's policy on Executive Directors' service contracts is that they should be on a rolling basis without a specific end date. The effective dates and notice periods under the current Executive Directors' service contracts are shown below:

	Effective from	Notice period
Mark Read	3 September 2018	12 months
John Rogers	27 January 2020	12 months

The Executive Directors’ service contracts are available for inspection at the Company’s registered office and head office. Joanne Wilson's contract also includes a 12 months' notice period that will be effective from her commencement of employment.

Loss of office provisions

Fixed compensation elements

As noted above, the service contracts of the executives provide for notice to be given on termination.

The fixed compensation elements of the contract will continue to be paid in respect of any notice period. There are no provisions relating to payment in lieu of notice. If an Executive Director is placed on garden leave, the Committee retains the discretion to settle benefits in the form of cash. The Executive Directors are entitled to compensation for any accrued and unused holiday although, to the extent it is possible and in shareholder interests, the Committee will encourage Executive Directors to use their leave entitlements prior to the end of their notice period. Except in respect of any remaining notice period, no aspect of any Executive Director’s fixed compensation is payable on termination of employment.

Short- and long-term compensation elements

If the Executive Director is dismissed for cause, there is not an entitlement to a STIP award, and any unvested share- based awards will lapse. Otherwise, the table below summarises the relevant provisions from the Directors’ service contracts (cash bonus) and the plan rules (ESA and EPSP), which apply in other leaver scenarios. The Compensation Committee has the authority to ensure that any awards that vest or lapse are treated in accordance with the plan rules, which are more extensive than the summary set out in the table below.

Cash bonus	The Executive Directors are entitled to receive their bonus for any particular year provided they are employed on the last date of the performance period.
ESA	Provided the Executive Director is a Good Leaver, unvested awards will be reduced on a time pro-rata basis and paid on the vesting date.
EPSP	• The award will lapse if the Executive Director leaves during the first year of a performance period. • Provided the Executive Director is a Good Leaver, awards will vest subject to performance at the end of the performance period and time pro-rating. Awards will be paid on the normal date. • In exceptional circumstances, the Compensation Committee may determine that an award will vest on a different basis. • Generally, in the event of death, the performance conditions are to be assessed as at the date of death. However, the Compensation Committee retains the discretion to deal with an award due to a deceased executive on any other basis that it considers appropriate. • Awards will vest immediately on a change of control subject to performance and time pro-rating will be applied unless it is agreed by the Compensation Committee and the relevant Executive Director that the outstanding awards are exchanged for equivalent new awards.

Other Compensation Committee discretions not set out above

Leaver status: the Compensation Committee has the discretion to determine an Executive Director’s leaver classification considering the guidance set out within the relevant plan rules.

Settlement agreements: the Compensation Committee is authorised to reach settlement agreements with departing Executive Directors, informed by the default position set out above.

External appointments

Executive Directors are permitted to serve as non-executives on the boards of other organisations. If the Company is a shareholder in that organisation, non-executive fees for those roles are waived. However, if the Company is not a shareholder in that organisation, any non-executive fees can be retained by the office holder.

Other chairman and non-executive director policies

Letters of appointment for the chairman and non-executive directors

Letters of appointment have a one- to two-month notice period and there are no payments due on loss of office.

Appointments to the Board

The Chairman and Non-Executive Directors are not eligible to receive any variable pay. Fees for any new Non-Executive Directors will be consistent with the operating policy at their time of appointment. In respect of the appointment of a new Chair, the Compensation Committee has the discretion to set fees considering a range of factors including the profile and prior experience of the candidate and external market data.

Payments in exceptional circumstances

In unforeseen and exceptional circumstances, the Compensation Committee retains the discretion to make emergency payments which might not otherwise be covered by this policy. The Committee will not use this power to exceed the recruitment policy limit, nor will awards be made in excess of the limits set out in the Directors' Compensation Policy table. An example of such an exceptional circumstance could be the untimely death of a director, requiring another director to take on an interim role until a permanent replacement is found.

Compensation Committee

During 2022, there were five scheduled and five unscheduled Compensation Committee meetings. A table of Board and Committee attendance can be found on page 31.

The Committee members have no personal financial interest (other than as a shareholder as disclosed on page 40) in the matters to be decided by the Committee, potential conflicts of interest arising from cross-directorships, or day-to-day involvement in running the Group's businesses. The terms of reference for the Compensation Committee are available on the Company's website, http://www.wpp.com/investors/corporate-governance.

The Committee's principal responsibilities under its terms of reference include:

- To set, review and approve in respect of the Company's Chairman, Chief Executive Officer, other Executive Directors, the Executive Committee and the Company Secretary:
  - the remuneration policy;
  - individual remuneration arrangements;
  - individual benefits, including pension;
  - Individual fees and expenses;
  - terms and conditions of employment;
  - terms of any compensation package in the event of early termination of contract;
  - participation in any cash or share based plans operated by the Company; and
  - to set the targets and measures for any performance related cash or share based plans operated by the Company for the Chief Executive Officer and other Executive Directors, and to have oversight of the performance measure and target setting for of such plans for the Executive Committee and the Company Secretary.
- To review remuneration and related policies across the general workforce and the alignment of incentives and rewards with culture, taking this into account when determining the remuneration policy for the Executive Directors.
- To use judgement to determine whether incentives that are due as a result of formulaic outcomes are truly representative of company and individual performance.
- To use discretion to make adjustments to incentives as appropriate.
- To oversee the process for recovery and withholding (malus and clawback) and determine the resulting action to be taken.
- The remuneration and contractual terms of the Non-Executive Directors (NEDs) will be set by the Company's Chairman and the Executive Directors.
- To approve new rules or amendments and the launch of any Company share or cash-based incentive plans and the grant, award, allocation or issue of shares or payments under such plan.
- To agree the policy for authorising claims for expenses from the Company's Chairman, Chief Executive Officer and Executive Directors.

- To establish the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants to advise the Committee.
- To consult with key shareowners in respect of new or substantial changes to the remuneration policy or existing elements of remuneration.
- To approve for submission to shareowners all new or substantial changes to existing elements of remuneration.
- Oversee the preparation of and recommend to the Board the approval of the annual report of the Committee in compliance with statutory disclosure requirements and all relevant Codes of Best Practice.

Advisors to the Compensation Committee

The Compensation Committee invites certain individuals to attend meetings, including the Chief Executive Officer, Chief Financial Officer, the Company Secretary, the Chief People Officer (who are not present when matters relating to their own compensation or contracts are discussed and decided) and the Global Reward Director. The latter two individuals provide a perspective on information reviewed by the Compensation Committee and are a conduit for requests for information and analysis from the Compensation Committee's external advisors.

External advisors

The Committee retains WTW to act as independent advisor. WTW provides advice to the Compensation Committee and works with management on matters related to our compensation policy and practices. WTW is a member of the Remuneration Consultants Group and has signed the code of conduct relating to the provision of advice in the UK. Considering this, and the level and nature of the service received, the Committee remains satisfied that the advice is objective and independent. WTW provides limited other services at a Group level and some of our operating companies engage WTW as advisor at a local level. In 2022, WTW received fees of £147,570 in relation to the provision of advice to the Committee. The Committee receives external legal advice, where required, to assist it in carrying out its duties.

Changes in Executive Directors

It was announced in 2022 that John Rogers would step down as Chief Financial Officer. Mr. Rogers will be succeeded by Joanne Wilson, following the announcement of the Company's 2023 First Quarter Trading Update.

John Rogers will be treated in accordance with WPP's shareholder-approved Directors' Compensation Policy for the remaining term of his employment. He was eligible to receive a STIP award (cash and ESA) for the 2022 financial year. He will not receive a STIP or other incentive award for the 2023 financial year. Any outstanding ESA awards will vest on a pro rata basis. All long-term incentive (EPSP) awards which are unvested at the point that John leaves WPP will lapse in full. No further EPSP awards will be granted. John will be subject to post-employment shareholding requirements as set out in the Policy.

Audit Committee

The Committee is responsible for reviewing the quarterly, half yearly and annual financial results, including the Annual Report, with management, focusing on the integrity of the financial reporting process, compliance with relevant legal and financial reporting standards and application of accounting policies and judgements. During the year, the Committee considered management's application of key accounting policies, compliance with disclosure requirements and relevant information presented on significant matters of judgement to ensure the adequacy, clarity and completeness of half yearly and annual financial results announcements. The Committee undertook a detailed review before recommending to the Board that the Company continues to adopt the going concern basis in preparing the annual financial statements.

Committee responsibilities and key areas of focus in 2022

The Committee's principal responsibilities under its terms of reference include:

- monitoring the integrity of the Group's financial statements and formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements and disclosures;
- monitoring and reviewing the Group's internal financial, operational and compliance controls and internal control system. Overseeing the Group's compliance with Section 404 of SOX;
- reviewing and monitoring the activities and effectiveness of the Group's internal audit function;
- reviewing and monitoring the Company's risk management system. Assisting the Board in carrying out a robust assessment of emerging and principal risks. Overseeing the Group's risk exposure and risk strategy;

- reviewing the effectiveness of the external audit process, reviewing and monitoring the independence and objectivity of the external auditor. Reviewing and approving the external auditor’s terms of engagement and remuneration;
- monitoring compliance with relevant US and UK regulatory and legal requirements;
- reviewing the statements to be made in the Annual Report on compliance with the corporate governance requirements of the UK Corporate Governance Code, the Disclosure and Transparency Rules, the NYSE listing rules and of the SEC, along with the verification undertaken, including that of the External Auditors, and advising the Board, accordingly;
- reviewing the Company’s systems and controls for ethical behaviour and the prevention of bribery and receiving reports on non-compliance;
- monitoring the external auditor's compliance with relevant ethical and professional guidance on the rotation of the audit partner; and
- approving significant acquisitions.

The key areas of focus for 2022 included:

- continuing to provide oversight of the financial reporting process and integrity of the financial statements;
- monitoring the role and performance of the Risk and Controls Group, against its objectives including for the continuous improvement of the control environment;
- considering the identification and review of emerging risks, including ongoing macroeconomic uncertainty, global climate change and sustainability and associated impacts to the regulatory landscape;
- reviewing headline cybersecurity risks and vulnerability management capabilities;
- overseeing initial audit transition activities, following the Board's decision, subject to shareholder approval, to appoint PricewaterhouseCoopers LLP (PwC) as external auditor from the Company's 2024 financial year onwards;
- ongoing monitoring of the business integrity programme, including oversight of whistleblower reports;
- monitoring progress against the internal audit plan and reviewing the effectiveness of the internal audit function; and
- providing recommendations to the Board to extend the share buyback programme.

Other reviews undertaken in 2022 by the Committee included:

- Group tax strategy, performance and drivers of the Group’s effective tax rate;
- reports on any actual or potential material litigation;
- Group Treasury performance and risk management;
- reports on UK corporate reporting and audit reform initiatives;
- supply chain finance;
- enterprise risk management and the risk management framework;
- procurement organisational design; and
- reports on data protection and data privacy.

Fair, balanced and understandable

To support the Board’s confirmation that the Annual Report and Accounts, taken as a whole, is considered to be fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company’s position, performance, business model and strategy, the Committee oversaw the process by which the Annual Report and Accounts were prepared.

The Committee received a summary of the approach taken by management in the preparation of the Annual Report and Accounts, and considered in particular: the accuracy, integrity and consistency of the messages conveyed in the Annual Report; the appropriateness of the level of detail in the narrative reporting; and that a balance had been sought between describing potential challenges and opportunities.

The Committee therefore recommended to the Board (which the Board subsequently approved) that, taken as a whole, the 2022 Annual Report and Accounts is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy.

Internal Audit

The Internal Audit team, which reports functionally, to the Audit Committee, provides independent assurance over the Company's risk management and internal controls processes via internal audits and the testing programme for the Sarbanes-Oxley Act. The Internal Audit team has unrestricted access to all Group documentation, premises, functions and employees to enable it to perform its work.

The Committee Chair met regularly with the Director of Internal Audit during the year without executive management present to discuss risk matters and the nature of internal audit findings in more depth. The Director of Internal Audit formally reports to each Committee meeting on the key internal audit findings, together with the status of management's implementation of recommendations. On a quarterly basis this includes key themes from internal audit's work. Significant issues identified were discussed in detail by the Committee along with the remediation plans to resolve them.

The annual internal audit plan includes assurance over the Group's transformation activities, other key projects and initiatives, and audits of key business risks and operating companies. It was approved by the Committee and progress against the plan was monitored throughout the year with any changes to the plan noted and approved by the Committee. The team continued to operate successfully remotely and have recommenced limited international travel in some regions to deliver audit work.

We are satisfied that the scope, extent, and effectiveness of internal audit work are appropriate for the Group and that there is an appropriate plan in place to sustain and continually improve this.

Risk Management and Internal Control

The Board has overall responsibility for setting the Company's risk appetite and for ensuring there is effective risk management. The Committee supports the Board in the management of risk and, in 2022, was responsible for monitoring and reviewing the effectiveness of the Company's approach to risk management and the internal control framework.

Under the overall supervision of the Committee, the WPP Risk Committee, an executive committee supported by Risk Committees in each network, identifies and assesses emerging and principal risks and oversees and manages day-to-day risk in the business. The General Counsel, Corporate Risk provides regular updates to the Committee on risk matters including emerging risks, adherence to the Company's business integrity programme (including mitigating and remediation actions) and the monitoring and evolution of the Company's four risk modules: governance, culture, appetite and management.

An assessment of the principal risks and uncertainties facing the Company can be found on pages 2 to 6. In fulfilling its responsibilities, the Committee received reports throughout 2022 to enable evaluation of the control environment and risk management framework.

Internal Controls over Financial Reporting

The Committee carried out in-depth reviews of the Group's internal controls over financial reporting, with a focus on monitoring and compliance with Section 404 of the Sarbanes-Oxley Act.

During 2022, the Committee monitored the effectiveness of the internal financial controls and internal control system of the Group. This primarily consisted of reviewing assurance reports from internal audit on the effectiveness of the internal controls and being provided frequent updates of the status of and reviewing the conclusions of management's assessment of internal control over financial reporting. Management's assessment was based on the internal audit testing plan reviewed by the Committee in early 2022, which used the criteria for effective internal control reflected in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management evaluated all internal control deficiencies identified throughout the Group both individually and, in the aggregate, to conclude on the effectiveness of the Group's internal control framework and reported these conclusions to the Committee.

Business Integrity

During the year, the Committee reviewed the adherence to, and evolution of, the business integrity programme. The Company has established procedures by which all employees may, in confidence (and, if they wish, anonymously) report any concerns. The Committee received regular updates on the Company's systems and controls for ethical behaviour, which included matters reported on the Company's Right to Speak helpline and investigations and actions undertaken in response. The Committee received regular reports on the total number and nature of reports from whistleblowers and investigations by region and by network both for substantiated and unsubstantiated cases. During the year the Committee was satisfied that the Right to Speak helpline arrangements are effective and facilitate the proportionate and independent investigation of reported matters and allow appropriate follow-up action.

Terms of reference

The Committee's terms of reference are reviewed annually by the Committee and adopted by the Board, most recently on 1 February 2023. A copy of the Committee's terms of reference is available on the Company's website at http://www.wpp.com/investors/corporate-governance.

External Auditor

The Committee has primary responsibility for overseeing the relationship with the external auditor, including assessing its performance, effectiveness and independence annually prior to making a recommendation to the Board in respect of its reappointment or removal.

The Company has complied with the Competition and Markets Authority's Statutory Audit Services Order 2014 for the financial year under review in respect to audit tendering and the provision of non-audit services.

Audit Tender

In last year's report, we advised shareholders that after the conclusion of a competitive audit contract tender and for purposes of compliance with applicable auditor rotation rules, the Board appointed, upon the Committee's recommendation, PricewaterhouseCoopers LLP (PwC) as the Company's new independent auditor commencing with the audit of the Company's 2024 financial year. PwC's appointment remains subject to shareholder approval to be obtained at the Company's 2024 AGM. Deloitte was re-elected at our 2022 AGM, will be proposed for re-election at our 2023 AGM, and will continue in office until they complete the audit for the financial year ending 31 December 2023.

A transition governance group (Governance Group) was established during 2021. It is led by the Group Finance Director and includes representation from WPP, PwC, and Deloitte. Ten workstream teams, consisting of members from both WPP and PwC, have coordinated during 2022 to ensure all aspects of the transition are proactively managed. The workstreams have provided regular updates to the Governance Group, which in turn provided quarterly updates to the Committee. This has supported the Committee in overseeing the initial audit transition activities from Deloitte to PwC to ensure that:

- Deloitte continues to discharge its auditing responsibilities effectively to the end of its time in office
- PwC takes the necessary steps to ensure that it is independent of the Company and fully mobilised by the time it begins audit planning activities (including shadowing Deloitte's 2023 audit) at an appropriate juncture in 2023. It is anticipated that PwC will be independent by early Q2 2023

Effectiveness and Independence of the External Auditor

In 2022, the Committee evaluated the effectiveness of the external audit process through its ongoing review of the external audit planning process and discussions with key members of the Company's finance team.

The Committee also considered:

- A report from Deloitte confirming it maintains appropriate internal safeguards in line with applicable professional standards to remain independent, and mitigation actions to safeguard Deloitte's independence such as the operation of the Non-Audit Services Policy; and
- The Audit Quality Review's 2021/22 Audit Quality Inspection Report on Deloitte and the actions taken by Deloitte to address the findings in that report.

Deloitte attended all Committee meetings in 2022 and met the Committee at least once without executive management present.

Overall, the Committee concluded that:

- It continues to be satisfied with the performance of the external auditor and with the policies and procedures in place to maintain its objectivity and independence
- Deloitte possesses the skills and experience required to fulfil its duties, there was constructive challenge and appropriate scepticism where necessary to ensure balanced reporting and the audit for the year ended 31 December 2022 was effective

Appointment of External Auditor at General Meeting

The Committee has recommended to the Board, and the Board has approved that Deloitte should be reappointed as auditor. Resolutions will be put to the 2023 Annual General Meeting proposing the reappointment of Deloitte and to authorise the Audit Committee to determine the auditor's remuneration.

Non-Audit Services

To preserve objectivity and independence, Deloitte is not asked to provide other services unless it is in the best interests of the Company, in accordance with the Non-Audit Services Policy that sets out the circumstances and financial limits within which Deloitte is permitted to provide certain non-audit services.

All fees are summarised periodically for the Committee to assess the aggregate value of non-audit fees against audit fees. During the year, Deloitte received £36.9 million in fees for work relating to the audit services it provides to the Company. Non-audit related work undertaken by Deloitte amounted to fees of £1.1 million this year, which amounted to 3% of the total audit fees paid.

Financial reporting and significant financial judgements

Key accounting judgements made by management were reported to and examined by the Committee and discussed with management. The Committee considered the following significant financial reporting judgements in relation to the financial statements:

Area of Focus Critical Judgements and Estimates	**Actions Taken/Conclusion**
Goodwill impairments Estimates and judgements in relation to goodwill impairment testing.	The Committee assessed the appropriateness of the assumptions used by management in the goodwill impairment assessment model, with a particular focus on the discount rate and growth assumptions.
Remuneration Accounting for elements of remuneration where estimates and judgements are required.	The Committee reviewed the assumptions applied by management in relation to judgemental elements of remuneration, including pensions, bonus accruals and share-based payments, and agreed that these are reasonable.
Taxation The estimates and judgements made in respect of tax.	The Committee considered management's assumptions, in particular in relation to the level of central tax provisions, and believes that the level of central tax provisions is reasonable.
Other Areas	
Headline profit Judgements relating to headline profit measures.	The Committee considered the judgement applied by management in calculating headline profit, in order to present an alternative picture of performance by excluding significant, non-recurring or volatile items otherwise included in the reportable figures. The Committee reviewed management's judgements relating to restructuring and transformation costs, with particular focus on the continued rollout of the Group's ERP system and other ongoing transformation projects, including IT transformation, shared service centres and campus co-locations and right-of-use asset impairments. The Committee was satisfied that excluding these amounts from headline profit measures was reasonable and that it had been disclosed appropriately.
Going concern The going concern assessment and viability statement.	The Committee reviewed the scenarios modelled by management and assessed management's view that the likelihood of declines of over 28% of revenue less pass-through costs compared to 2022 was remote. The Committee has considered and concurs with management's going concern, viability and forecasting assumptions. See pages 19 to 20 for the discussion on going concern.
Liabilities in respect of put options and earnouts The accuracy of the calculation of the fair value of liabilities in respect of put options and earnouts.	The Committee considered management's calculations of the fair value of liabilities in respect of put option agreements and payments due to vendors (earnout agreements), including the forecasts, growth rates and discount rates used in these calculations. The Committee was satisfied that liabilities for potential future earnout payments had been accounted for appropriately.
Investments The valuations of non-controlled investments.	The Committee examined management's valuations, based on input from external advisors, forecasts, recent third-party investment, external transactions and/or other available information such as industry valuation multiples. The Committee considered the valuations and agreed that these were appropriate based on the information available to the Group.

Board Performance Evaluation

Each year, WPP completes a review of the Board and its Committees to monitor their effectiveness and identify improvement opportunities.

The 2022 evaluation was internally facilitated by the Senior Independent Director. The review comprised a questionnaire and discussions with each member of the Board based on a number of themes, including the Board's leadership, development and effectiveness and how the Board was working as a whole, performance and strategy including key challenges, risks and opportunities for WPP over the longer term and alignment of leadership skills, experience and expertise against them, stakeholder insights and broader additional areas of future focus.

The conclusions of the 2022 review were positive, confirming that the Board continues to operate effectively with strong leadership and a continual enhancement of skills and experience. The relationships among the Chairman, the Senior Independent Director, Non-Executive Directors and the Executive Directors remained of a high quality. Previous evaluation recommendations had been implemented effectively and the Board's strategic stewardship of key matters remained strong.

D. Employees

The assets of communications services businesses are primarily their employees, and the Company is highly dependent on the talent, creative abilities and technical skills of its personnel and the relationships its personnel have with clients. The Company believes that its operating companies have established reputations in the industry that attract talented personnel. However, the Company, like all communications services businesses, is vulnerable to adverse consequences from the loss of key employees due to the competition among these businesses for talented personnel. Excluding all employees of associated undertakings, the number of employees at the end of 2022 was 115,473 (2021: 109,382, 2020: 99,830). The average number of employees, including the Kantar disposal group up to the date of disposal, for the year ended 31 December 2022 was 114,129 compared to 104,808 and 104,163 in 2021 and 2020, respectively.

Their geographical distribution was as follows:

	2022	2021	2020
North America	23,740	21,764	21,524
United Kingdom	12,490	10,995	10,670
Western Continental Europe	22,717	21,514	21,551
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	55,182	50,535	50,418
	114,129	104,808	104,163

Their reportable segment distribution was as follows:

	2022	2021	2020
Global Integrated Agencies	97,288	89,701	88,406
Data Investment Management	—	—	1,341
Public Relations	8,125	7,121	6,810
Specialist Agencies	8,716	7,986	7,606
	114,129	104,808	104,163

We support the rights of our people to join trade unions and to bargain collectively, although trade union membership is not particularly widespread in our industry. In 2022, around 4% of our employees were either members of a trade union or covered by a collective bargaining agreement (2021: 4%). We held 220 consultations with works councils, mainly in Europe (2021: 268).

During 2022, we have made around 3,300 redundancies, largely as part of our transformation programme, as we merged and restructured some agencies. We consulted with our employees as appropriate and supported affected people through our Employee Assistance Programme which included outplacement in appropriate cases. Through our internal talent marketplace we try to ensure any open roles are filled by employees who have the right skills before recruiting for those roles externally.

E. Share Ownership

Executive Directors' interests

Executive Directors' interests in the Company's ordinary share capital are shown in the following table. Other than as disclosed in this table, no Executive Director had any interest in any contract of significance with the Group during the year. Each

Executive Director has a technical interest as an employee and potential beneficiary in shares in the Company held under the Employee Share Ownership Plan Trusts (ESOPs). More specifically, the Executive Directors have potential interests in shares related to the outstanding awards under the EPSP and outstanding ESAs. As at 31 December 2022, the Company's ESOPs (which are entirely independent of the Company and have waived their rights to receive dividends) held in total 1,211,974 shares in the Company (5,803,641 in 2021).

Director		Total beneficial interests	Shares without performance conditions (unvested)[1]	Shares with performance conditions (unvested)[2,3]	Total unvested shares
Mark Read	At 31 December 2022	566,060	109,220	1,951,164	2,060,384
	At 16 March 2023[4]	739,923	109,220	1,094,083	1,203,303
John Rogers	At 31 December 2022	391,715	69,943	750,373	820,316
	At 16 March 2023[4]	391,715	69,943	450,819	520,762

1 For Mark Read, shares due pursuant to 2021 Executive Share awards. Additional dividend shares will be due on vesting.
2 Maximum number of shares due on vesting pursuant to the outstanding EPSP awards, full details of which can be found on page 29. Additional dividend shares will be due on vesting.
3 As noted in footnote 2 above, reduced by the maximum due under the 2018 EPSP award, which lapsed on 15 March 2023, and the 2020 EPSP, which vested on 15 March 2023 (full details can be found on pages 29 and 30).
4 Total beneficial interests calculated at last practicable date for this Annual Report on Form 20-F.

Share ownership requirements

As detailed in the Directors' Compensation Policy, the Executive Directors are required to achieve a minimum level of shareholding of WPP shares. The Chief Executive Officer and Chief Financial Officer are required to hold shares to the value of 600% and 300% of base salary respectively. Both Executive Directors have seven years from the date they were appointed to their respective roles in which to reach the required level.

As at 31 December 2022, the Chief Executive Officer held shares to the value of 439% of his base salary. At the same date, the Chief Financial Officer held shares to the value of 418% of his base salary. This was calculated based on the average share price for the last two months of the year.

Non-Executive Directors' interests

Non-Executive Directors' interests in the Company's ordinary share capital are shown in the following table. Except as disclosed in this table, no Non-Executive Director had any interest in any contract of significance with the Group during the year.

Non-Executive Director	Total interests at 31 December 2022[1]	Total interests at 16 March 2023[2]
Roberto Quarta	87,500	87,500
Angela Ahrendts	12,571	12,571
Jacques Aigrain, retired 24 May 2022	34,000	n/a
Simon Dingemans, appointed 31 January 2022	6,000	6,000
Sandrine Dufour	15,000	15,000
Tarek Farahat	3,775	3,775
Tom Ilube	6,335	6,335
Cindy Rose	8,000	8,000
Nicole Seligman	8,750	8,750
Sally Susman, retired 24 May 2022	5,000	n/a
Keith Weed	8,424	8,424
Jasmine Whitbread	8,735	8,735
Dr. Ya-Qin Zhang	—	10,000

1 Or at date of retirement if retired during the year.
2 Total beneficial interests calculated at last practicable date for this Annual Report on Form 20-F.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

As of the dates shown below, the table below shows the holdings of major shareholders in the Company's issued ordinary share capital in accordance with the Disclosure Guidance and Transparency Rules (DTRs) notified to the Company.

		16 March 2023[1]		25 March 2022[1]		23 April 2021[1]
BlackRock Inc.	7.60 %	81,425,118	7.49 %	84,105,596	8.04 %	98,039,240
Silchester International Investors LLP	5.03 %	54,288,349	*	*	*	*

* The Company has not been notified of any interests in the issued ordinary capital of the Company in excess of 5.0%.

1 Interests as at date of notification.

The disclosed interests refer to the respective combined holdings of those entities and to interests associated with them. None of these shareholders have voting rights that are different from those of the holders of the Company's ordinary shares generally. As far as WPP is aware, it is neither directly nor indirectly owned or controlled by one or more corporations or by any government, or by any other natural or legal persons severally or jointly.

The number of outstanding ordinary shares at 31 December 2022 was 1,070,937,343 which included at such date the underlying ordinary shares represented by 13,194,294 ADSs. 225 share owners of record of WPP ordinary shares were US residents at 31 December 2022.

The geographic distribution of our share ownership as at 31 December 2022 is presented below:

United Kingdom	30.5 %
United States	37.2 %
Rest of world	32.3 %
Total	100.0 %

B. Related Party Transactions

The Group enters into transactions with its associate undertakings. The Group has continuing transactions with Kantar, including sales, purchases, the provision of IT services, subleases and property related items.

In the year ended 31 December 2022, revenue of £88.3 million (2021: £117.2 million) was reported in relation to Compas, an associate in the USA, and revenue of £42.7 million (2021: £11.3 million) was reported in relation to Kantar. All other transactions in the periods presented were immaterial.

The following amounts were outstanding at 31 December:

	2022	2021
	£m	£m
Amounts owed by related parties		
Kantar	**26.1**	30.3
Other	**62.4**	45.7
	88.5	76.0
Amounts owed to related parties		
Kantar	**(10.5)**	(6.2)
Other	**(65.2)**	(51.4)
	(75.7)	(57.6)

See Item 6C Board Practices of this Annual Report on Form 20-F for a discussion of the service contracts between the Company and the Executive Directors.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8.FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See Item 18 of this Annual Report on Form 20-F.

Outstanding legal proceedings

The Company has claims against others and there are claims against the Company in a variety of matters arising from the conduct of its business. In the opinion of the management of the Company, the ultimate liability, if any, that is likely to result from these matters would not have a material impact on the Company's financial position, or on the results of its operations. See note 22 to the consolidated financial statements for more details.

Dividend distribution policy

See Item 10B Memorandum and Articles of Association of this Annual Report on Form 20-F.

ADS holders are eligible for all stock dividends or other entitlements accruing on the underlying WPP plc shares and receive all cash dividends in US dollars. These are normally paid twice a year. Dividend cheques are mailed directly to the ADS holder on the payment date if ADSs are registered with WPP's U.S. Depositary, Citibank N.A. Dividends on ADSs that are registered with brokers are sent to the brokers, who forward them to ADS holders.

Dollar amounts paid to ADS holders depend on the sterling/dollar exchange rate at the time of payment.

B. Significant Changes

See note 32 to the consolidated financial statements in Item 18 of this Annual Report on Form 20-F.

ITEM 9.THE OFFER AND LISTING

A. Offer and Listing Details

The Company has ordinary shares (trading symbol: WPP) listed on the London Stock Exchange and ADSs for such ordinary shares (trading symbol: WPP) listed on the New York Stock Exchange.

The Depositary held 65,971,470 ordinary shares as at 31 December 2022, approximately 6.16% of the outstanding ordinary shares, represented by 13,194,294 outstanding ADSs.

B. Plan of Distribution

Not applicable.

C. Markets

See the discussion in Item 9A of this Annual Report on Form 20-F.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

See Exhibit 2.11 to this Annual Report on Form 20-F for information called for by Item 10.B.

C. Material Contracts

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) that has been entered into by any member of the WPP Group: (a) within the two years immediately preceding the date of this Form 20-F which are, or may be, material to the WPP Group; or (b) at any time which contain obligations or entitlements which is, or may be, material to the WPP Group as at the date of this Form 20-F:

(i) On 7 September 2012, WPP Finance 2010 issued US$300,000,000 5.125% guaranteed senior notes due September 2042. These notes were issued under the Indenture dated as at 2 November 2011, described above, as supplemented by the Third Supplemental Indenture, dated as at 7 September 2012, among WPP Finance 2010 as issuer, WPP 2012 Limited (formerly known as WPP plc), WPP Air 1, WPP 2008 Limited and WPP 2005 Limited as guarantors, Wilmington Trust, National Association as trustee, Citibank, N.A., as security registrar and Principal Paying Agent and Citibank, N.A., London Branch as Paying Agent. The indenture contains events of default provisions (including a cross-default provision). It also contains a restriction on the Issuer or any of the Guarantors referred to above consolidating or merging with any other person and conveying, transferring or leasing all or substantially all of their properties and assets to any person except where the entity resulting from such consolidation or merger or to whom such properties and assets are transferred becomes a primary obligor of the notes and gives certain certificates and indemnities. The covenants of the Indenture also contain a negative pledge and a limitation on the sale and leaseback of any assets by the Guarantors referred to above and their principal subsidiaries. The Indenture allows for defeasance of these covenants subject to certain conditions. The holders of the notes have the right to require the Issuer to repurchase the notes at a price equal to 101% of the principal amount of the notes in the event that there is a Change of Control of WPP plc and the notes lose their investment grade rating. The Indenture also contains a joint and several indemnity from the Issuer and the Guarantors referred to above in favour of the Trustee. During 2018 WPP Finance 2010 repurchased and cancelled $28,422,000 5.125% guaranteed senior notes due September 2042. In May 2019, WPP Finance 2010 repurchased and cancelled $178,744,000 5.125% guaranteed senior notes due September 2042;

(ii) On 2 January 2013, WPP plc entered into a deposit agreement with Citibank, N.A., as US Depositary, and the holders and beneficial owners of ADSs that sets out the terms on which the US Depositary has agreed to act as depositary with respect to WPP ADSs. The deposit agreement contains, amongst other things, customary provisions pertaining to the form of ADRs, the deposit and withdrawal of ordinary shares, distributions to holders of ADSs, voting of ordinary shares underlying ADSs, obligations of the US Depositary and WPP plc, charges of the US Depositary, and compliance with U.S. securities laws;

(iii) On 12 November 2013, WPP Finance 2010 issued US$500,000,000 5.625% guaranteed senior notes due November 2043. These notes were issued under the Indenture dated as at 12 November 2013, as supplemented by the Supplemental Indenture dated as at 12 November 2013, among WPP Finance 2010 as issuer, WPP plc, WPP Jubilee Limited, and WPP 2005 Limited as guarantors, Wilmington Trust, National Association as trustee, Citibank, N.A., as security registrar and Principal Paying Agent and Citibank, N.A., London Branch as Paying Agent. The indenture contains events of default provisions (including a cross-default provision). It also contains a restriction on the Issuer or any of the Guarantors referred to above consolidating or merging with any other person and conveying, transferring or leasing all or substantially all of their properties and assets to any person except where the entity resulting from such consolidation or merger or to whom such properties and assets are transferred becomes a primary obligor of the notes and gives certain certificates and indemnities. The covenants of the Indenture also contain a negative pledge and a limitation on the sale and leaseback of any assets by the Guarantors referred to above and their principal subsidiaries. The Indenture allows for defeasance of these covenants subject to certain conditions. The holders of the notes have the right to require the Issuer to repurchase the notes at a price equal to 101% of the principal amount of the notes in the event that there is a Change of Control of WPP plc and the notes lose their investment grade rating. The Indenture also contains a joint and several indemnity from the Issuer and the Guarantors referred to above in favour of the Trustee. During 2018 WPP Finance 2010 repurchased and cancelled $49,690,000 5.625% guaranteed senior notes due November 2043. In May 2019, WPP Finance 2010 repurchased and cancelled $230,465,000 5.625% guaranteed senior notes due November 2043;

(iv) On 20 November 2013, WPP Finance 2013 issued EUR 750,000,000 3.000% guaranteed senior bonds due November 2023. The bonds are guaranteed by WPP plc, WPP 2005 Limited, and WPP Jubilee Limited, and were constituted by a Trust Deed dated 11 November 2013 between WPP Finance 2013, the guarantors, and Citicorp Trustee Company Limited. The administration of payments to bondholders is provided for in an Agency Agreement dated 11 December 2013 between WPP Finance 2013, the guarantors, and Citibank, N.A., London Branch. The bonds are listed on the Global Exchange Market of the Irish Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and the events of default provisions in the terms and conditions contain a cross-default provision;

(v) On 19 September 2014, WPP Finance 2010 issued US$750,000,000 3.750% guaranteed senior notes due September 2024. These notes were issued under the Indenture dated as at 19 September 2014, as supplemented by the Supplemental Indenture dated as at 19 September 2014, among WPP Finance 2010 as issuer, WPP plc, WPP Jubilee Limited, and WPP 2005 Limited as guarantors, Wilmington Trust, National Association as trustee, Citibank, N.A., as security registrar and Principal Paying Agent and Citibank, N.A., London Branch as Paying Agent. Aside from the coupon and repayment date, the terms and conditions of these notes are the same as those for the $500,000,000 5.625% notes due November 2043 described above;

(vi) On 22 September 2014, WPP Finance S.A. issued EUR 750,000,000 2.250% guaranteed senior bonds due September 2026. The bonds are guaranteed by WPP plc, WPP 2005 Limited, and WPP Jubilee Limited, and were constituted by a Trust Deed dated 11 November 2013 between WPP Finance S.A., the guarantors, and Citicorp Trustee Company Limited. The administration of payments to bondholders is provided for in an Agency Agreement dated 11 November 2013 between WPP Finance S.A., the guarantors, and Citibank, N.A., London Branch. The bonds are listed on the Global Exchange Market of the Irish Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and the events of default provisions in the terms and conditions contain a cross-default provision;

(vii) On 23 March 2015, WPP Finance Deutschland GmbH issued EUR 600,000,000 1.625% guaranteed senior bonds due March 2030. The bonds are guaranteed by WPP plc, WPP 2005 Limited, and WPP Jubilee Limited, and were constituted by a Trust Deed dated 11 November 2013 as supplemented by a First Supplemental Trust Deed dated 14 November 2014 between, *inter alia,* WPP Finance Deutschland GmbH, the guarantors, and Citicorp Trustee Company Limited. The administration of payments to bondholders is provided for in an Agency Agreement dated 11 November 2013 between, *inter alia,* WPP Finance Deutschland GmbH, the guarantors and Citibank, N.A., London Branch. The bonds are listed on the Global Exchange Market of the Irish Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and the events of default provisions in the terms and conditions contain a cross-default provision;

(viii) On 14 September 2016, WPP Finance 2013 issued GBP 400,000,000 2.875% fixed rate guaranteed senior bonds due 14 September 2046 under the EUR 4,000,000,000 Euro Medium Term Note Programme. The bonds are guaranteed by WPP plc, WPP 2005 Limited and WPP Jubilee Limited, and are constituted by a Trust Deed dated 14 November 2014 between, *inter alia*, WPP Finance 2013, the guarantors, and Citicorp Trustee Company Limited. The administration of payments to bondholders is provided for in an Agency Agreement dated 11 November 2013 between, *inter alia*, WPP Finance 2013, the guarantors and Citibank, N.A., London Branch. The bonds are admitted to the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market. The terms and conditions of the bonds contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and a cross-default event of default provision;

(ix) On 20 March 2018, WPP Finance 2016 issued EUR 500,000,000 1.375% guaranteed senior bonds due March 2025. The bonds are guaranteed by WPP plc, WPP 2005 Limited, and WPP Jubilee Limited, and were constituted by a Trust Deed dated 8 November 2016 between, *inter alia*, WPP Finance 2016, the guarantors, and Citicorp Trustee Company Limited. The administration of payments to bondholders is provided for in an Agency Agreement dated 8 November 2016 between, *inter alia*, WPP Finance 2016, the guarantors and Citibank, N.A., London Branch. The bonds are listed on the Global Exchange Market of the Irish Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and the events of default provisions in the terms and conditions contain a cross-default provision;

(x) On 15 March 2019, WPP CP LLC, WPP Finance Co. Limited and WPP CP Finance plc (as borrowers), guaranteed by WPP plc, WPP 2005 Limited and WPP Jubilee Limited entered into an agreement for a five-year multi-currency revolving credit facility (with a US Dollar swingline option) for US$2.5 billion with a syndicate of banks and Citibank International plc as facility agent due March 2024. On 14 February 2020, the lending banks approved extending the maturity for a further year to 15 March 2025. On 26 February 2021, the lending banks approved extending the maturity for a further year to 15 March 2026. On 12 November 2021, the lending banks approved changes to the lending reference rates as LIBOR is being replaced. The lending banks also approved certain environmental, social and governance (ESG) related KPI's which have the impact of adjusting margin by up to 0.03% up or down with effect from January 2023. The facility is available for drawing by way of multi-currency cash advances on a revolving basis, with an option to draw US Dollar swingline advances up to a sub-limit of US$1.2 billion. The rate of margin for the facility is, if the long-term unsecured and non-credit enhanced debt rating of WPP published by Moody's and Standard & Poor's (the Credit Rating) is A-/A3 or higher, 0.25% per annum. If the Credit Rating is BBB+ or Baa1, the rate of margin for the facility is 0.30% per annum. If the Credit Rating is BBB or Baa2, the rate of margin for the facility is 0.40% per annum. If the Credit Rating is BBB- or Baa3, the rate of margin for the facility is 0.50% per annum. If the Credit Rating is BB+ or Ba1 or lower, the rate of margin for the facility is 0.80% per annum. All margins above are subject to a credit adjustment spread which varies by both currency of drawing and period of drawdown. If Moody's and Standard & Poor's assign different Credit Ratings, the margin shall be the average of the margins determined by each of Moody's and Standard & Poor's. The commitment fee payable on undrawn commitments is equal to 35% of the then applicable margin. A utilisation fee of 0.075% per annum is payable on outstandings on any day on which the amount of outstandings exceeds 0% of the total facility commitments but is less than or equal to 33% of the total facility commitments. A utilisation fee of 0.15% per annum is payable on outstandings on any day on which the amount of outstandings exceeds 33% of the total facility commitments but is less than or equal to 66% of the total facility commitments. A utilisation fee of 0.30% per annum is payable on outstandings on any day on which the amount of outstandings exceeds 66% of the total facility commitments. The facility agreement contains customary representations, covenants and events of default. The interest rate for swingline advances is the higher of the US prime commercial lending rate and 0.50% per annum above the federal funds rate;

(xi) On 12 July 2019 WPP entered into an agreement to sell 60% of Kantar, its global data, research, consulting and analytics business, to Bain Capital (the "Transaction"). The Transaction valued 100% of Kantar at c.$4.0 billion, equivalent to a calendar 2018 EV/EBITDA multiple of 8.2x based on Kantar's headline EBITDA (excluding WPP overhead) of £386 million. The equity value after expected completion adjustments was c.$3.7 billion (c.£3.0 billion). WPP may also receive additional consideration in respect of certain contingent liabilities, in the event that such liabilities are lower than estimated. Additionally, WPP may receive certain other payments during the life of its partnership with Bain Capital. The amounts of these payments are dependent on future events and outcomes which are too uncertain to allow meaningful estimation today. Under no circumstances can such contingent liabilities, events and outcomes lead to any reduction or repayment of the consideration to be received by WPP on completion. On 5 December 2019, WPP completed the Transaction, with respect to approximately 90% of the Kantar business, and proportionate transaction proceeds were received at that time. In 2020, the outstanding completion steps were completed and the remaining transaction proceeds were received. As part of the Transaction, WPP entered into transitional services agreements which govern the provision of IT services and other operational services between WPP and Kantar for a transitional period. A shareholders' agreement is also in place to govern the relationship between WPP and Bain Capital, and ensures consistent governance rights for the parties. The boards of the Kantar joint venture companies formed by WPP and Bain Capital have up to six Bain Capital nominated directors and up to two WPP nominated directors. In certain circumstances, in the event of a disposal by Bain Capital of a majority of its interest in Kantar to a third party, it will have the right to require WPP also to transfer all of its securities in Kantar to that third party at the same price;

(xii) On 19 May 2020, WPP Finance S.A. issued EUR 750,000,000 2.375% guaranteed senior bonds due May 2027. The bonds are guaranteed by WPP plc, WPP 2005 Limited, and WPP Jubilee Limited, and were constituted by a Trust Deed dated 5 November 2018 between, *inter alia*, WPP Finance S.A., the guarantors, and Citicorp Trustee Company Limited. The administration of payments to bondholders is provided for in an Agency Agreement dated 5 November 2018 between, *inter alia*, WPP Finance S.A., the guarantors and Citibank, N.A., London Branch. The bonds are listed on the Global Exchange Market of the Irish Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a Change of Control, a negative pledge provision and the events of default provisions in the terms and conditions contain a cross-default provision; and

(xiii) On 19 May 2020, WPP Finance 2017 issued £250,000,000 3.75% guaranteed senior bonds due May 2032. The bonds are guaranteed by WPP plc, WPP 2005 Limited, and WPP Jubilee Limited, and were constituted by a Trust Deed dated 5 November 2018 between, *inter alia*, WPP Finance 2017, the guarantors, and Citicorp Trustee Company Limited. The administration of payments to bondholders is provided for in an Agency Agreement dated 5 November 2018 between, *inter alia*, WPP Finance 2017, the guarantors and Citibank, N.A., London Branch. The bonds are listed on the Global Exchange Market of the Irish Stock Exchange and the terms and conditions contain a redemption provision at the option of the bondholders on a

Change of Control, a negative pledge provision and the events of default provisions in the terms and conditions contain a cross-default provision.

D. Exchange Controls

There are currently no Jersey foreign exchange control restrictions on remittances of dividends on the ordinary shares or on the conduct of the Registrant's operations.

E. Taxation

The taxation discussion set forth below is intended only as a descriptive summary and does not purport to be a complete technical analysis or listing of all potential tax effects relevant to a decision to purchase, hold or in any way transfer ordinary shares or ADSs. Each investor should seek advice based on their individual particular circumstances from an independent tax adviser. The following summary of the Jersey, UK and the United States tax consequences is not exhaustive of all possible tax considerations and should not be considered legal or tax advice. In addition, this summary does not represent a detailed description of the tax consequences applicable to persons subject to special treatment under Jersey and United States tax laws. Prospective purchasers of ADSs are advised to satisfy themselves as to the overall tax consequences of their ownership of ADSs and the ordinary shares represented thereby by consulting their own tax advisors. In addition, this summary only addresses holders that hold ordinary shares or ADSs as capital assets, and it does not address the taxation of a United States shareholder (either corporate or individual) where that shareholder controls, or is deemed to control, 10% or more of the voting stock of the Company.

References in this discussion to WPP Shares include references to WPP ADSs and corresponding references to WPP Share Owners (or holders of WPP ADSs) include references to holders of WPP ADSs, unless indicated otherwise.

United Kingdom, Jersey and the United States taxation

United Kingdom taxation

Tax on dividends

The Company will not be required to withhold UK tax at source from dividend payments it makes.

A WPP Share Owner resident outside the UK may be subject to taxation on dividend income under local law. A WPP Share Owner who is not solely resident in the UK for tax purposes should consult their own tax advisers concerning their tax liabilities (in the UK and any other country) on dividends received from WPP. For UK tax years up to and including 6 April 2022 to 5 April 2023, UK tax resident individuals receive a Dividend Allowance in the form of a 0% tax rate on the first £2,000 of dividend income received. The UK Government has announced that the Dividend Allowance will be cut to £1,000 for the tax year 6 April 2023 to 5 April 2024, and for the tax year 6 April 2024 to 5 April 2025 it will be cut further to £500.

Taxation of disposals

An individual WPP Share Owner who has ceased to be resident or ordinarily resident for tax purposes in the UK for a period of less than five tax years and who disposes of all or part of his WPP Shares during that period may be liable to capital gains tax in respect of any chargeable gain arising from such a disposal on his return to the UK, subject to any available exemptions or reliefs.

Stamp duty and stamp duty reserve tax (SDRT)

No UK stamp duty or SDRT will be payable on the issue of WPP Shares. UK stamp duty should generally not need to be paid on a transfer of the WPP Shares. No UK SDRT will be payable in respect of any agreement to transfer WPP Shares unless they are registered in a register kept in the UK by or on behalf of WPP. It is not intended that such a register will be kept in the UK.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries and certain categories of person may be liable to stamp duty or SDRT at higher rates.

Jersey taxation

General

The following summary of the anticipated tax treatment in Jersey of WPP and WPP Share Owners and holders of WPP ADSs (other than residents of Jersey) is based on Jersey taxation law as it is understood to apply at the date of this Form 20-F. It does not constitute legal or tax advice. WPP Share Owners or holders of WPP ADSs should consult their professional advisers on the implications of acquiring, buying, holding, selling or otherwise disposing of WPP Shares or WPP ADSs under the laws of the jurisdictions in which they may be liable to taxation. WPP Share Owners or holders of WPP ADSs should be aware that tax rules and practice and their interpretation may change.

Income Tax

(a) WPP

Under the Jersey Income Tax Law, WPP will be regarded as either:

(i) not resident in Jersey under Article 123(1) of the Jersey Income Tax Law provided that (and for so long as) it satisfies the conditions set out in that provision, in which case WPP will not (except as noted below) be liable to Jersey income tax; or

(ii) resident in Jersey and will fall under Article 123C of the Jersey Income Tax Law, in which case WPP (being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date hereof) will (except as noted below) be subject to Jersey income tax at a rate of 0 percent.

WPP is tax resident in the United Kingdom and therefore should not be regarded as resident in Jersey.

(b) Holders of WPP Shares

WPP will be entitled to pay dividends to holders of WPP Shares without any withholding or deduction for or on account of Jersey tax. Holders of WPP Shares (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such WPP Shares.

(c) Holders of WPP ADSs

Under Jersey law and the WPP Articles, WPP is only permitted to pay a dividend to a person who is recorded in its register of members as the holder of a WPP Share. The US Depositary will be recorded in WPP's register of members as the holder of each WPP Share represented by a WPP ADS. Accordingly, WPP will pay all dividends in respect of each WPP Share represented by a WPP ADS to the US Depositary (as the registered holder of each such WPP Share) rather than to the holder of the ADS.

The US Depositary will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of the WPP Shares held by it. In addition, holders of the WPP ADSs (other than residents of Jersey) should not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such WPP ADSs.

Goods and services tax

WPP is an "international services entity" for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the "**GST Law**"). Consequently, WPP is not required to:

(a) register as a taxable person pursuant to the GST Law;

(b) charge goods and services tax in Jersey in respect of any supply made by it; or

(c) subject to limited exceptions that are not expected to apply to WPP, pay goods and services tax in Jersey in respect of any supply made to it.

Stamp duty

No stamp duty is payable in Jersey on the issue or *inter vivos* transfer of WPP Shares or WPP ADSs.

Upon the death of a WPP Share Owner, a grant of probate or letters of administration will be required to transfer the WPP Shares of the deceased person. However, WPP may (at its discretion) dispense with this requirement where: (a) the deceased person was domiciled outside of Jersey at the time of death; and (b) the value of the deceased's movable estate in Jersey (including any WPP Shares) does not exceed £10,000.

Upon the death of a WPP Share Owner, where the deceased person was domiciled outside of Jersey at the time of death, Jersey stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with the deceased person's personal estate situated in Jersey (including any WPP Shares) if the net value of such personal estate exceeds £10,000.

The rate of stamp duty payable is:

(i) (where the net value of the deceased person's relevant personal estate is more than £10,000 but does not exceed £100,000) 0.50 percent of the net value of the deceased person's relevant personal estate; or

(ii) (where the net value of the deceased person's relevant personal estate exceeds £100,000) £500 for the first £100,000 plus 0.75 percent of the net value of the deceased person's relevant personal estate which exceeds £100,000.

In addition, application and other fees may be payable.

US federal income taxation

Introduction

The following is a summary of certain material US federal income tax consequences of the ownership and disposition of WPP Shares or WPP ADSs by a US Holder (as defined below). This summary deals only with initial acquirers of WPP Shares or WPP ADSs that are US Holders and that will hold the WPP Shares or WPP ADSs as capital assets. The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of WPP Shares or WPP ADSs by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address all of the tax considerations that may be relevant to investors subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, investors that own (directly or indirectly) 10% or more of the voting stock of WPP, investors that hold WPP Shares or WPP ADSs through a permanent establishment, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, traders that elect to mark to market, investors that will hold the WPP Shares or WPP ADSs as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes, investors whose functional currency is not the US dollar or persons who received their WPP Shares or WPP ADSs in connection with the performance of services or on exercise of options received as compensation in connection with the performance of services).

As used herein, the term "US Holder" means a beneficial owner of WPP Shares or WPP ADSs that is, for US federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity treated as a corporation for US federal tax purposes, created or organised in or under the laws of the United States or any State thereof; (iii) an estate the income of which is subject to US federal income tax without regard to its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes.

This discussion does not address any tax consequences applicable to holders of equity interests in a holder of WPP Shares or WPP ADSs. The US federal income tax treatment of a partner in a partnership that holds WPP Shares or WPP ADSs will depend on the status of the partner and the activities of the partnership. Holders of WPP Shares or WPP ADSs that are partnerships should consult their tax advisers concerning the US federal income tax consequences to their partners of the acquisition, ownership and disposition of WPP Shares or WPP ADSs.

WPP does not expect to become a passive foreign investment company (a "PFIC") for US federal income tax purposes and this summary assumes the correctness of this position. WPP's possible status as a PFIC must be determined annually and therefore may be subject to change. If WPP were to be a PFIC in any year, materially adverse consequences could result for US Holders.

The summary is based on the US federal income tax laws, including the US Internal Revenue Code of 1986 as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect, and all of which are subject to change, perhaps with retroactive effect.

The summary of US federal income tax consequences set out below is for general information only. US Holders are urged to consult with their own tax advisers as to the particular tax consequences to them of owning the WPP Shares or WPP ADSs, including the applicability and effect of state, local, foreign and other tax laws and possible changes in tax law.

Classification of the WPP ADSs

US Holders of WPP ADSs should be treated for US federal income tax purposes as owners of the WPP Shares represented by the WPP ADSs. Accordingly, the US federal income tax consequences discussed below apply equally to US Holders of WPP ADSs.

Tax on dividends

Distributions paid by WPP out of current or accumulated earnings and profits (as determined for US federal income tax purposes) will generally be taxable to a US Holder as foreign source dividend income, and will not be eligible for the dividends received deduction generally allowed to US corporations. A US Holder of WPP ADSs generally will include dividends in gross income in the taxable year in which such holder actually or constructively receives the dividend. US Holders that surrender their WPP ADSs in exchange for the underlying WPP Shares should consult their tax advisers regarding the proper timing for including dividends in gross income.

Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the WPP Shares or WPP ADSs and thereafter as capital gains. However, WPP will not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should, therefore, assume that any distribution by WPP with respect to the WPP Shares or WPP ADSs will constitute ordinary dividend income. US Holders should consult their tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from WPP.

Under current federal income tax law, dividends paid by a foreign corporation to a non-corporate US Holder as "qualified dividend income" are taxable at the special reduced rate normally applicable to capital gains provided the foreign corporation qualifies for the benefits of the income tax treaty between the United States and the corporation's country of residence. In such case, the non-corporate US Holder is eligible for the reduced rate only if the US Holder has held the shares or ADSs for more than 60 days during the 121 day-period beginning 60 days before the ex-dividend date. WPP believes it will qualify for the benefits of the income tax treaty between the United States and the United Kingdom (the "Treaty").

US Holders of WPP Shares or WPP ADSs who receive distributions from WPP will need to consult their own tax advisors regarding the continued applicability of this special reduced rate to such distributions. Dividends paid in pounds sterling will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the US Holder in the case of WPP Shares or the US Depositary (in case of WPP ADSs), regardless of whether the pounds sterling are converted into US dollars at that time. If dividends received in pounds sterling are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise a foreign currency gain or loss in respect of the dividend income. Generally, a gain or loss realised on a subsequent conversion of pounds sterling to US dollars or other disposition will be treated as US source ordinary income or loss.

Sale or other disposition

Upon a sale or other disposition of WPP Shares or WPP ADSs (other than an exchange of WPP ADSs for WPP Shares), a US Holder generally will recognise a capital gain or loss equal to the difference, if any, between the amount realised on the sale or other disposition and the US Holder's adjusted tax basis in the WPP Shares or WPP ADSs. This capital gain or loss will generally be US sourced and will be a long-term capital gain or loss if the US Holder's holding period in the WPP Shares or WPP ADSs exceeds one year. However, regardless of a US Holder's actual holding period, any loss may be a long-term capital loss if the US Holder receives a dividend that exceeds 10% of the US Holder's tax basis in its WPP Shares or WPP ADSs and to the extent such dividend qualifies for the reduced rate described above under the section entitled "Tax on Dividends". Deductibility of capital losses is subject to limitations.

A US Holder's tax basis in a WPP Share or a WPP ADS will generally be its US dollar cost. The US dollar cost of a WPP Share or a WPP ADS purchased with foreign currency will generally be the US dollar value of the purchase price on the date of purchase or, in the case of WPP Shares or WPP ADSs traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis US Holder (or an accrual basis US Holder that so elects), on the settlement date for the purchase. Such an election by an accrual basis US Holder must be applied consistently from year to year and cannot be revoked without the consent of the Internal Revenue Service (the "IRS").

The surrender of WPP ADSs in exchange for WPP Shares (or vice versa) should not be a taxable event for US federal income tax purposes and US Holders should not recognise any gain or loss upon such a surrender. A US Holder's tax basis in the withdrawn WPP Shares will be the same as the US Holder's tax basis in the WPP ADSs surrendered, and the holding period of the WPP Shares will include the holding period of the WPP ADSs.

The amount realised on a sale or other disposition of WPP Shares or WPP ADSs for an amount in foreign currency will be the US dollar value of this amount on the date of sale or disposition. On the settlement date, the US Holder will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of WPP Shares or WPP ADSs traded on an established securities market that are sold by a cash basis US Holder (or an accrual basis US Holder that so elects), the amount realised will be determined using the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Foreign currency received on the sale or other disposition of a WPP Share or a WPP ADS will have a tax basis equal to its US dollar value on the settlement date. Any gain or loss recognised on a sale or other disposition of a foreign currency (including upon exchange for US dollars) will be US source ordinary income or loss.

Net Investment Tax

In addition, the net investment income of individuals and certain trusts (including income realised through certain pass-through entities), subject to certain thresholds, will be subject to an additional net investment tax of 3.8%. “Net investment income” is the excess of certain types of passive income, including dividends on and capital gains from distributions on or dispositions of a WPP Share or a WPP ADS, over certain related investment expenses. Thus, both dividends and capital gains realised directly or indirectly by an individual or trust will generally be added in computing the net investment income of such individual or trust subject to this additional tax. Taxpayers are urged to consult their own tax advisors with respect to the applicability of this tax.

Backup withholding and information reporting

Payments of dividends and other proceeds with respect to WPP Shares or WPP ADSs by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder unless the holder is a corporation or otherwise establishes a basis for exemption. Backup withholding may apply to reportable payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Any backup withholding tax will be refunded or allowed as a credit against the US Holder’s US federal income tax liability if the US Holder timely gives the appropriate information to the IRS. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

The Company is subject to the informational requirements of the Exchange Act. In accordance with these requirements, the Company files reports and other information with the United States Securities and Exchange Commission. You may read and copy any materials filed with the SEC at http://www.sec.gov that contains reports, proxy statements and other information regarding registrants that file electronically with the SEC. The Company’s Form 20-F is also available on the Company’s website, http://www.wpp.com.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

The Registrant intends to submit the Annual Report to security holders in electronic format on 23 March 2023, in accordance with the EDGAR Filer Manual.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company’s principal market risks are changes in interest rates and currency exchange rates. Following evaluation of these positions, the Company selectively enters into derivative financial instruments to manage its risk exposure. The fair value of derivatives held by the Company at 31 December 2022 is estimated to be a net liability of £52.3 million (£5.7 million with respect to derivative assets and £58.0 million for derivative liabilities). These amounts are based on market values of equivalent instruments at the balance sheet date.

Interest rate and foreign currency risks

The Company’s interest rate and foreign currency risks management policies are discussed in note 25 to the consolidated financial statements.

Currency derivatives utilised by the Group are discussed in note 26 to the consolidated financial statements.

Analysis of fixed and floating rate debt by currency, including the effect of interest rate and cross currency swaps, as at the balance sheet date is provided in note 10 to the consolidated financial statements.

Sensitivity analyses that address the effect of interest rate and currency risks on the Group’s financial instruments is provided in note 25 to the consolidated financial statements.

Credit risk

Our credit risk exposure and management policies are discussed in note 25 to the consolidated financial statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges

Holders of ADSs and persons depositing ordinary shares or surrendering ADSs for cancellation are currently required to pay the following service fees to the Depositary:

Service		Rate	By Whom Paid
(1)	Issuance of ADSs upon deposit of ordinary shares (excluding issuances as a result of distributions described in paragraph (4) below).	Up to U.S.$5.00 per 100 ADSs (or fraction thereof) issued.	Person depositing ordinary shares or person receiving ADSs.
(2)	Delivery of deposited securities against surrender of ADSs.	Up to U.S.$5.00 per 100 ADSs (or fraction thereof) surrendered.	Person surrendering ADSs for purpose of withdrawal of deposited securities or person to whom deposited securities are delivered.
(3)	Distribution of cash dividends or other cash distributions (*i.e.*, sale of rights and other entitlements).	Up to U.S.$2.00 per 100 ADSs (or fraction thereof) held, unless prohibited by the exchange upon which the ADSs are listed.	Person to whom distribution is made.
(4)	Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs.	Up to U.S.$5.00 per 100 ADSs (or fraction thereof) issued, unless prohibited by the exchange upon which the ADSs are listed.	Person to whom distribution is made.
(5)	Distribution of securities other than ADSs or rights to purchase additional ADSs (*i.e.*, spin-off shares).	Up to U.S.$5.00 per unit of 100 securities (or fraction thereof) distributed.	Person to whom distribution is made.
(6)	Depositary Services.	Up to U.S.$2.00 per 100 ADSs (or fraction thereof) held as of the last day of each calendar year, except to the extent of any cash dividend fee(s) charged under paragraph (3) above during the applicable calendar year.	Person of record on last day of any calendar year.
(7)	Transfer of ADRs.	U.S.$1.50 per certificate presented for transfer.	Person presenting certificate for transfer.

Holders of ADSs and persons depositing ordinary shares or surrendering ADSs for cancellation and for the purpose of withdrawing deposited securities are also responsible for the payment of certain fees and expenses incurred by the Depositary, and certain taxes and governmental charges, such as:

(i) Taxes (including applicable interest and penalties) and other governmental charges;

(ii) Such registration fees as may from time to time be in effect for the registration of ordinary shares on the share register and applicable to transfers of ordinary shares or other securities on deposit to or from the name of the Custodian, the Depositary or any nominees upon the making of deposits and withdrawals, respectively;

(iii) Such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the deposit agreement to be at the expense of the person depositing or withdrawing ordinary shares or holders of ADSs;

(iv) The expenses and charges incurred by the Depositary in the conversion of foreign currency;

(v) Such fees and expenses as are incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to ordinary shares, ordinary shares on deposit, ADSs and ADRs; and

(vi) The fees and expenses incurred by the Depositary, the Custodian or any nominee in connection with the servicing or delivery of ordinary shares on deposit.

WPP has agreed to pay various other charges and expenses of the Depositary. Please note that the fees and charges that holders of ADSs may be required to pay may vary over time and may be changed by WPP and by the Depositary. Holders of ADSs will receive prior notice of such changes.

Depositary Payments—Fiscal Year 2022

WPP did not receive any payments from Citibank, N.A., the Depositary for its American Depositary Receipt program, in 2022.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We performed an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as at 31 December 2022. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports. Following the evaluation described above, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as at 31 December 2022.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an assessment of the effectiveness of our internal control over financial reporting as at 31 December 2022. The assessment was performed using the criteria for effective internal control reflected in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment of the system of internal control, management concluded that as at 31 December 2022, our internal control over financial reporting was effective.

The Company's internal control over financial reporting as at 31 December 2022 has been audited by Deloitte LLP, an independent registered public accounting firm, who also audited the Company's consolidated financial statements. Their audit report is presented below.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during 2022, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of WPP plc

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of WPP plc and subsidiaries (the "Company") as of 31 December 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of 31 December 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended 31 December 2022, of the Company and our report dated 23 March 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Deloitte LLP
London, United Kingdom
23 March 2023

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The audit committee consisted of Simon Dingemans, Sandrine Dufour, Tarek Farahat, Tom Ilube, and Cindy Rose at 31 December 2022. The Board has determined that Sandrine Dufour is the audit committee financial expert as defined by the Sarbanes-Oxley Act 2002 and, together with Simon Dingemans and Tarek Farahat, have recent and relevant financial experience for the purposes of the 2018 UK Corporate Governance Code. The members of the Committee have been determined to be independent within the meaning of the applicable NYSE listing standards and rules of the Securities Exchange Act 1934, as amended.

See the biographies of Simon Dingemans, Sandrine Dufour, and Tarek Farahat in Item 6A of this Annual Report on Form 20-F.

ITEM 16B. CODE OF ETHICS

WPP has in place a Code of Business Conduct that constitutes a "code of ethics" as defined in applicable regulations of the Securities and Exchange Commission. The Code of Business Conduct, which is regularly reviewed by the Audit Committee and the Board and was last updated in 2016, sets out the principal obligations of all directors, officers and employees. Directors and senior executives throughout the Group are required each year to sign this Code. The WPP Code of Business Conduct is available on the Company's website, http://www.wpp.com/investors/corporate-governance.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

	2022 £m	2021 £m
Audit fees[1]	36.9	31.9
Audit-related fees[2]	0.4	0.4
All other fees[3]	0.6	1.4
Tax fees[4]	0.1	—
	38.0	33.7

1 Includes fees in respect of the audit of internal control over financial reporting.
2 Audit-related fees are in respect of the review of the interim financial information. All audit-related fees were approved by the Audit Committee.
3 All other fees include audits for earnout purposes and other agreed upon procedures and were approved by the Audit Committee.
4 Tax fees comprise tax advisory, planning and compliance services. All tax fees were approved by the Audit Committee.

See note 3 to the consolidated financial statements for more details of auditors' remuneration for the years ended 31 December 2022, 2021 and 2020.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has a pre-approval policy for the engagement of the external auditors in relation to the supply of permissible non-audit services, taking into account relevant ethical and regulatory requirements. WPP's policy regarding non-audit services that may be provided by the Group's auditors, Deloitte, prohibits certain categories of work in line with relevant guidance on independence, such as ethical standards issued by the Auditing Practices Board and independence rules of the Public Company Accounting Oversight Board (United States) and the SEC. Other categories of work may be undertaken by Deloitte subject to an approvals process that is designed appropriately for different categories and values of proposed work. All of the audit and non-audit services carried out in the years ended 31 December 2022 and 2021 were pre-approved under the policies and procedures summarised above.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

At the Annual General Meeting of WPP plc on 9 June 2021 a special resolution was passed authorising WPP plc to make market purchases of its own shares up to a maximum number of 121,258,871 ordinary shares. This authority expired at the Annual General Meeting of WPP plc on 24 May 2022 and was replaced by a new authority to purchase up to a maximum number of 112,249,376 ordinary shares until the earlier of the conclusion of the Annual General Meeting of WPP plc in 2023 and 1 September 2023.

	Total number of shares purchased	Average price (£)	Total number of shares purchased as part of publicly announced plan	Maximum number of shares that may yet be purchased under plan
1/1/22 – 31/1/22	8,344,768	11.62	8,344,768	57,957,417
1/2/22 – 28/2/22	3,399,313	11.81	3,399,313	54,558,104
1/3/22 – 31/3/22	26,448,131	10.13	26,448,131	28,109,973
1/4/22 – 30/4/22	16,430,023	10.00	16,430,023	11,679,950
1/5/22 – 31/5/22	11,650,487	9.54	11,650,487	109,783,019
1/6/22 – 30/6/22	—	—	—	109,783,019
1/7/22 – 31/7/22	—	—	—	109,783,019
1/8/22 – 31/8/22	—	—	—	109,783,019
1/9/22 – 30/9/22	7,069,423	7.75	7,069,423	102,713,596
1/10/22 – 31/10/22	1,600,000	7.56	1,600,000	101,113,596
1/11/22 – 30/11/22	13,838,632	8.33	13,838,632	87,274,964
1/12/22 – 31/12/22	—	—	—	87,274,964
Total	88,780,777	9.72	88,780,777	

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

The Board is responsible for proposing the independent external auditor for election by the shareholders, on recommendation from the Audit Committee. Deloitte LLP (Deloitte) was appointed independent external auditor of the Company in 2002 and is not permitted to be reappointed as the Company’s independent external auditor after the Company’s 2023 fiscal year-end in light of mandatory auditor rotation rules.

In last year’s report, we advised shareholders that after the conclusion of a competitive audit contract tender and for purposes of compliance with applicable auditor rotation rules, the Board appointed, upon the Committee’s recommendation, PricewaterhouseCoopers LLP ("PwC") as the Company’s new independent auditor commencing with the audit of the Company’s 2024 financial year. PwC’s appointment remains subject to shareholder approval to be obtained at the Company’s 2024 AGM. Deloitte was re-elected at our 2022 AGM, will be proposed for re-election at our 2023 AGM, and will continue in office until they complete the audit for the financial year ending 31 December 2023.

In respect of fiscal years 2021 and 2022 and the subsequent interim period through 22 March 2023:

- Deloitte has not issued any reports on our consolidated financial statements or on the effectiveness of our internal control over financial reporting that contained an adverse opinion or a disclaimer of opinion or were modified as to uncertainty, audit scope or accounting principles.
- There has not been any disagreement with Deloitte on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures which disagreement, if not resolved to Deloitte’s satisfaction, would have caused Deloitte to make reference to the subject matter of the disagreement in connection with its auditor’s reports, or
- There has not been any reportable event as described in Item 16F(a)(1)(v) of Form 20-F.

We have provided Deloitte with a copy of the foregoing disclosure and have requested that the firm furnish us with a letter addressed to the US Securities and Exchange Commission stating whether Deloitte agrees with such disclosure and, if not, stating the respects in which it does not agree. A copy of Deloitte’s letter, dated 23 March 2023, in which Deloitte stated that the firm agrees with such disclosure, is filed as Exhibit 16.1.

During fiscal years 2021 and 2022, and the subsequent interim period through 22 March 2023, we did not consult with PwC regarding: (i) the application of accounting principles to any specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, and neither was a written report or oral advice provided to us by PwC that PwC concluded was an important factor considered by us in reaching a decision as to an accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a disagreement or reportable event as described in Item 16F(a)(1)(iv) and (v), respectively, of Form 20-F.

ITEM 16G. CORPORATE GOVERNANCE

The Company's ADSs are listed on the NYSE. In general, under Section 303A.11 of the NYSE's Listed Company Manual, foreign private issuers such as WPP listed on the NYSE are permitted to follow home country corporate governance practices instead of certain of the corporate governance requirements of Section 303A of the Listed Company Manual.

The following discussion identifies the principal ways that WPP's corporate governance practices differ from the requirements of Section 303A of the Listed Company Manual:

- Section 303A.03 requires that non-management directors hold regular executive sessions and that the listed company disclose on its website or in its annual report the name of the director presiding at such sessions. The Company complies with the equivalent domestic requirements set out in the UK Corporate Governance Code (the "Code"), which requires the Chairman of the Company to hold meetings with the Non-Executive Directors without executives present (Provision 13 of the Code). The Non-Executive Directors, led by the Senior Independent Director, also meet at least annually without the Chairman present to appraise the Chairman's performance, and on other occasions as necessary (Provision 12 of the Code).
- Section 303A.04 requires that the written charter of the nominating/corporate governance committee and the compensation committee each require that the committee consist entirely of independent directors. While all current members of the Company's Nomination and Governance Committee are independent, the terms of reference of the committee require, consistent with the Code, that only a majority of the members of the committee be independent (Provision 17 of the Code).
- Section 303A.05 requires that compensation committees have authority to retain compensation consultants, legal counsel and other advisers at the issuer's expense, and that they consider specific factors before doing so. Section 303A.05 also requires that a compensation committee's written charter cover the preparation of disclosure required of domestic issuers by Item 407(e)(5) of Regulation S-K and delegation of the committee's duties to one or more subcommittees. The terms of reference of the Company's Compensation Committee are written in compliance with the Code and give the committee the authority to obtain outside legal assistance and any professional advice, at the Company's expense, as the committee considers necessary for the discharge of its responsibilities, but do not specifically require the committee to consider the factors listed in Section 303A.05. The committee's terms of reference also do not cover the preparation of the Item 407(e)(5) disclosure or delegation of the committee's duties to subcommittees. The Company complies instead with the requirements of the Code in this regard.
- Section 303A.07 requires that terms of reference of a listed company's audit committee cover the preparation of disclosure required of domestic issuer by Item 407(d)(3) of Regulation S-K and require that the committee meet separately with management. The Company's Audit Committee has written terms of reference in accordance with the Code, which do not cover these matters, although they do require that the committee meet separately with and monitor the effectiveness of the auditors and the head of the Company's internal audit function.
- Section 303A.08 requires that listed companies obtain shareholder approval before a stock option or purchase plan is established or materially revised or other equity compensation arrangement is made or materially revised pursuant to which stock may be acquired by directors, employees or other service providers of the listed company, subject to certain exceptions. The Company seeks shareholder approval for the adoption or amendment of stock plans or stock purchase plans as required by the Articles of Association of the Company, the Listing Rules of the UK Listing Authority (the Listing Rules) and the laws of Jersey.
- Subject to the exceptions permitted in the Listing Rules, this involves seeking share owner approval to any such plan that falls into either of the following categories (as defined in the Listing Rule 9.4):
  - (a) an employees' share scheme if the scheme involves or may involve the issue of new shares or the transfer of treasury shares; and
  - (b) a long-term incentive plan in which one or more directors of the Company is eligible to participate and to material amendments of that plan to the extent required by the plan's rules. In this context, it should be noted that the provisions of the rules relating to whether amendments to the plan rules must be approved by share owners must themselves be drafted to ensure compliance with the Listing Rules.

- Section 303A.09 requires that listed companies adopt corporate governance guidelines that cover certain specified matters. The Company follows the Code, which covers all of the matters specified in Section 303A.09 (and more). As is customary for UK companies, the Company states how it complies with the principles of the Code and a confirmation that it complies with the Code's provisions or, where it does not, provide an explanation of how and why it does not comply (Listing Rule 9.8.6). In addition, the Company is required to make certain mandatory corporate governance statements in the Directors' Report in accordance with the UK Listing Authority's Disclosure Guidance and Transparency Rules, DTR 7. The Company will comply with these requirements in its 2022 Annual Report. The Company therefore does not adopt the elements of the Code as a separate written policy.
- Section 303A.12 requires that each listed company must provide certain certifications of compliance with the NYSE corporate governance rules annually, although foreign private issuers are only required to comply with a subset of these requirements. The Company complies instead with the requirements of the Code in this regard.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of WPP plc at 31 December 2022, 2021 and 2020 and for the years ending 31 December 2022, 2021 and 2020 are included in this Annual Report on Form 20-F beginning on page F-1.

ITEM 19. EXHIBITS

Exhibit No.	Exhibit Title
1.1	Memorandum and Articles of Association of WPP plc. (incorporated herein by reference to Exhibit 1.1 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2021).
2.1	Deposit Agreement dated as of 2 January 2013 among the Registrant, Citibank, N.A. as Depositary, and all holders and beneficial owners from time to time of American Depositary Receipts issued thereunder (incorporated herein by reference to Exhibit 99(A)(I) to the Registrant's Registration Statement on Form F-6EF filed on 31 December 2012).
2.2	Restricted ADS Letter Agreement dated as of 2 January 2013 between the Registrant and Citibank, N.A., as Depositary (incorporated herein by reference to Exhibit 99(A)(II) to the Registrant's Registration Statement on Form F-6EF filed on 31 December 2012).
2.3	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to U.S.$500,000,000 3.625% Guaranteed Senior Notes due September 2022 and $300,000,000 5.125% Guaranteed Senior Notes due 2042 (incorporated herein by reference to Exhibit 2.15 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2012).
2.4	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to U.S.$500,000,000 5.625% Guaranteed Senior Notes due November 2043 (incorporated herein by reference to Exhibit 2.14 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2013).
2.5	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to €750 million of 3.00% Fixed Rate Senior Notes due November 2023 (incorporated herein by reference to Exhibit 2.15 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2013).
2.6	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to $750,000,000 of 3.750% Senior Notes Due 2024 (incorporated herein by reference to Exhibit 2.13 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2014).
2.7	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to €750,000,000 of 2.250% of Senior Notes Due 2026 (incorporated herein by reference to Exhibit 2.14 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2014).
2.8	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to €600 million of 1.625% Notes due March 2030 (incorporated herein by reference to Exhibit 2.15 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2014).
2.9	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to £400 million of 2.875% Notes due September 2046 (incorporated herein by reference to Exhibit 2.14 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2016).
2.10	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to €500 million of 1.375% guaranteed senior bonds due March 2025 (incorporated herein by reference to Exhibit 2.17 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2017).
2.11	Description of WPP plc Share Capital and American Depositary Shares (incorporated herein by reference to Exhibit 2.11 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2021).
2.12	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to €750 million of 2.375% guaranteed senior bonds due May 2027 (incorporated herein by reference to Exhibit 2.15 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2020).

Exhibit No.	Exhibit Title
2.13	Agreement of Registrant to file, if requested by the Securities and Exchange Commission, instruments relating to £250 million of 3.75% guaranteed senior bonds due May 2032 (incorporated herein by reference to Exhibit 2.16 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2020).
2.14	U.S. $2,500,000,000 Revolving Credit Facility Supplemental Agreement dated 12 November 2021, by and among WPP CP LLC, WPP Finance Co. Limited and WPP CP Finance plc, as Borrowers, and the Guarantors, Facility Agent, Swingline Agent, Bookrunners and Lenders thereto (incorporated herein by reference to Exhibit 2.14 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2021).
4.1	J. Walter Thompson Company, Inc. Retained Benefit Supplemental Employee Retirement Plan (incorporated herein by reference to Exhibit 4.9 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2000).
4.2	Young & Rubicam Inc. Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.26 to Young & Rubicam's Registration Statement on Form S-1 (File No. 333-46929)).
4.3	Amendment No. 2 to Young & Rubicam Inc. Deferred Compensation Plan effective as of 1 January 1999 (incorporated herein by reference to Exhibit 10.27 to Young & Rubicam's Annual Report on Form 10-K for the year ended 31 December 1998).
4.4	Young & Rubicam Inc. Executive Income Deferral Program (incorporated herein by reference to Exhibit 4.19 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2000).
4.5	Ogilvy & Mather ERISA Excess Plan Summary Plan Description (incorporated herein by reference to Exhibit 4.12 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.6	Ogilvy & Mather Executive Savings Plan Summary Plan Description, in connection with a 25% matching contribution (incorporated herein by reference to Exhibit 4.13 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.7	Ogilvy & Mather Executive Savings Plan Summary Plan Description, in connection with a 50% matching contribution (incorporated herein by reference to Exhibit 4.14 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.8	Ogilvy & Mather Deferred Compensation Plan Summary Plan Description (incorporated herein by reference to Exhibit 4.15 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.9	WPP Executive Stock Option Plan, as amended through 12 November 2012 (incorporated herein by reference to Exhibit 4.9 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2012).
4.10	WPP plc Restricted Stock Plan, as amended through 12 November 2012 (incorporated herein by reference to Exhibit 4.10 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2012).
4.11	WPP 2005 Executive Stock Option Plan, as amended through 12 November 2012 (incorporated herein by reference to Exhibit 4.11 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2012).
4.12	WPP plc Annual Bonus Deferral Programme, as amended through 12 November 2012 (incorporated herein by reference to Exhibit 4.12 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2012).
4.13	GroupM Executive Savings Plan Summary Plan Description (incorporated herein by reference to Exhibit 4.24 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.14	WPP 2008 Executive Stock Option Plan, as amended through 12 November 2012 (incorporated herein by reference to Exhibit 4.14 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2012).
4.15	Grey Advertising Inc. Senior Executive Officer Post-Employment Compensation Plan (incorporated herein by reference to Exhibit 4.40 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.16	Amendment No. 1 to the Grey Advertising Inc. Senior Executive Officer Post-Employment Compensation Plan, effective as of January 1, 2009 (incorporated herein by reference to Exhibit 4.41 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).

Exhibit No.	Exhibit Title
4.17	Amendment No. 1 to the J. Walter Thompson Retained Benefit Supplemental Employee Retirement Plan, effective as of January 1, 2009 (incorporated herein by reference to Exhibit 4.42 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2008).
4.18	WPP 2012 Executive Stock Option Plan (incorporated herein by reference to Exhibit 4.32 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2012).
4.19	WPP plc Executive Performance Share Plan (incorporated herein by reference to Exhibit 4.33 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2013).
4.20	WPP Share Option Plan 2015 (incorporated herein by reference to Exhibit 4.32 of the Registrant's Annual Report on Form 20-F for the year ended 31 December 2016).
4.21	Service Agreement, dated 3 September 2018, between WPP 2005 Limited and Mark Read (incorporated herein by reference to Exhibit 4.26 of the Registrant's Annual Report on Form 20-F filed for the year ended 31 December 2018).
4.22	The WPP plc Stock Plan 2018 (incorporated herein by reference to Exhibit 4.27 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2018).
4.23	Service Agreement, dated 1 October 2019, between WPP 2005 Limited and John Rogers (incorporated herein by reference to Exhibit 4.28 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2019, as filed with SEC on 30 April 2020).
4.24	Sale and Purchase Agreement, dated 12 July 2019, as amended, between the Registrant, Summer (BC) Topco S.a r.l., and Summer (BC) UK Bidco Limited (incorporated herein by reference to Exhibit 4.29 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2019, as filed with SEC on 30 April 2020).
4.25	Securityholders' Agreement, dated 5 December 2019, between Summer (BC) US JVCO S.C.Sp., Summer (BC) US JVCo GP S.a r.l., Summer (BC) JVCO S.a r.l., York Merger Square 2009 LLC, WPP Diamond Head LLC, WPP 2005 Limited, Summer (BC) Topco S.a r.l., and Summer (BC) US Blockerco Corp (incorporated herein by reference to Exhibit 4.30 to the Registrant's Annual Report on Form 20-F for the year ended 31 December 2019, as filed with SEC on 30 April 2020).
4.26	WPP plc Executive Performance Share Plan.*
8.1	List of subsidiaries.*
12.1	Certification of Chief Executive Officer.*
12.2	Certification of Chief Financial Officer.*
13.1	Certification of Chief Executive Officer under 18 U.S.C. Section 1350.**
13.2	Certification of Chief Financial Officer under 18 U.S.C. Section 1350.**
14.1	Consent of Independent Registered Public Accounting Firm (for WPP plc and subsidiaries).*
16.1	Letter from Deloitte LLP Regarding Change in Registrant's Certifying Accountant.*
17.1	List of subsidiary guarantors and issuers of guaranteed securities.*
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Linkbase Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

* Filed herewith.

** Furnished herewith.

Signatures

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

WPP plc

By: /s/ John Rogers

John Rogers
Chief Financial Officer

23 March 2023

Item 18

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of WPP plc

Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of WPP plc and its subsidiaries (the "Company") as of 31 December 2022 and 2021, the related consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated cash flow statements, for each of the three years in the period ended 31 December 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of 31 December 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated 23 March 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter
The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill — Refer to the Accounting Policies and Note 14 (Intangible assets) to the financial statements

Critical Audit Matter Description
The Company's assessment of goodwill for impairment involves the comparison of the recoverable amount of goodwill to its carrying value at the measurement date. The recoverable amount is calculated as the higher of fair value less costs of disposal and value in use. The Company used the value in use approach, which uses a discounted cash flow model to estimate the recoverable amount of each cash generating unit or group of cash generating units and requires management to make significant estimates and assumptions related to discount rates, short-term cash flow forecasts and long-term growth rates. The net book value of goodwill was £8,453.4 million as of 31 December 2022.

We identified goodwill valuation as a critical audit matter because of the significant judgements made by management, which consider future impacts of the current economic uncertainty, to estimate the value in use of goodwill and the increased auditor judgement and level of audit effort required to obtain evidence to test these significant judgements, including the use of specialists. Estimates of future performance and market conditions used to arrive at the net present value of future cash flows at the relevant assessment date, which is used within the goodwill impairment analysis, are subjective in nature with increased uncertainty due to inflationary pressures, rising interest rates and global economic uncertainty. Through our risk assessment procedures, we identified those inputs that were the most sensitive in determining the value in use, which enabled us to design our audit procedures to focus on those estimates that are either complex, including the discount rate calculation, or subjective in nature, including the short-term forecasts and long-term growth rates.

How the Critical Audit Matter Was Addressed in the Audit
Our audit procedures focused on challenging and evaluating the discount rate, short-term forecasts and long-term growth rates used in the discounted cash flow model to determine the value in use and included the following audit procedures, among others:

- We tested the effectiveness of controls over management's estimations of the short-term cash flow forecasts, discount rates and long-term growth rates used to determine the value in use.
- We assessed the appropriateness of forecasted revenue and operating margin growth rates by performing procedures such as comparing to external economic data, including peers, market data and wider economic forecasts, specifically assessing the impact of inflationary pressures and rising interest rates on the forecasts.
- We evaluated management's ability to accurately forecast future revenues and growth rates by comparing actual results to management's historical forecasts.
- With the assistance of our valuation specialists, we assessed the mechanical accuracy of the impairment model and the methodology applied by management for consistency with the requirements of IAS 36 *Impairment of assets*.
- With the assistance of our valuation specialists, we evaluated the appropriateness of the discount rates and long-term growth rates used by:
    - Testing the source information underlying the determination of the discount rates and the mathematical accuracy of the calculation;
    - Assessing the methodology applied in the discount rate calculation against market practice valuation techniques; and
    - Assessing the long-term growth rates against independent market data and an independently derived weighted average rate for each country, based on their GDP forecasts.
- We evaluated the Company's disclosures on goodwill against the requirements of IFRS.

/s/ Deloitte LLP

Deloitte LLP
London, United Kingdom
23 March 2023

We have served as the Company's auditor since 2002.

2022 financial statements

Accounting policies

The consolidated financial statements of WPP plc and its subsidiaries (the Group) for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as they apply to the financial statements of the Group for the year ended 31 December 2022.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments. The financial statements have been prepared using the going concern basis of accounting. The principal accounting policies are set out below.

The financial statements were approved by the Board of Directors and authorized for issue on 23 March 2023.

Basis of consolidation
The consolidated financial statements include the results of the Company and all its subsidiary undertakings made up to the same accounting date. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation. The results of subsidiary undertakings acquired or disposed of during the period are included or excluded from the consolidated income statement from the effective date of acquisition or disposal.

New IFRS accounting pronouncements
The Group has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments from 1 January 2022. The IFRS 9 hedge accounting requirements are applied prospectively, and all hedge arrangements in place at the point of transition are regarded as continuing hedging relationships under IFRS 9. Accordingly, prior year financial information is not required to be restated and remains as reported under IAS 39. Management have elected not to take the 'cost of hedging' approach, and instead the currency basis risk has been designated in the hedge relationships. There has been no significant impact on the financial statements as a result of the adoption of the hedge accounting requirements of IFRS 9, both at the point of transition and in the year ended 31 December 2022.

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

– Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

– Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37

– Annual Improvements to IFRS Standards 2018-2020, and

– Reference to the Conceptual Framework - Amendments to IFRS 3.

The amendments listed above did not have any impact on the amounts recognised in prior periods, did not have a significant impact on the amounts recognised in the current period, and are not expected to significantly affect the future periods.

At the date of authorisation of these financial statements, there were a number of standards or amendments to standards, which have not been applied in these financial statements, that were in issue but not yet effective. The Group does not consider that any of these standards or amendments to standards in issue but not yet effective will have a significant impact on the financial statements.

Goodwill and other intangible assets
Intangible assets comprise goodwill, certain acquired separable corporate brand names, acquired customer relationships, acquired proprietary tools and capitalised computer software not integral to a related item of hardware.

Goodwill represents the excess of fair value attributed to investments in businesses or subsidiary undertakings over the fair value of the underlying net assets, including intangible assets, at the date of their acquisition.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, defined as the higher of fair value less costs of disposal and value in use. The net present value of future cash flows, to determine value in use, is derived from the underlying assets using a projection period of up to five years for each cash-generating unit. After the projection period, a steady growth rate representing an appropriate long-term growth rate for the industry is applied. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Corporate brand names, customer relationships and proprietary tools acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

Certain corporate brands of the Group are considered to have an indefinite economic life because of the institutional nature of the corporate brand names, their proven ability to maintain market leadership and profitable operations over long periods of time and the Group's commitment to develop and enhance their value. The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows:

- brand names (with finite lives) – 10-20 years;
- customer-related intangibles – 3-10 years;
- other proprietary tools – 3-10 years;
- other (including capitalised computer software) – 3-5 years.

Contingent consideration

Contingent consideration is accounted for in accordance with IFRS 3 Business Combinations. Contingent consideration only applies to situations where contingent payments are not dependent on future employment of vendors and any such payments are expensed when they relate to future employment.

Future anticipated payments to vendors in respect of contingent consideration (earnout agreements) are initially recorded at fair value which is the present value of the expected cash outflows of the obligations. The obligations are dependent on the future financial performance of the interests acquired (typically over a four- to five-year period following the year of acquisition) and assume the operating companies improve profits in line with Directors' estimates. The Directors derive their estimates from internal business plans together with financial due diligence performed in connection with the acquisition.

Subsequent adjustments to the fair value are recorded in the consolidated income statement within revaluation and retranslation of financial instruments. The effect of any revisions to fair value adjustments that had been determined provisionally at the immediately preceding balance sheet date, are accounted for as revisions to goodwill, as permitted by IFRS 3 Business Combinations.

Property, plant and equipment

Property, plant and equipment are shown at cost less accumulated depreciation and any provision for impairment with the exception of freehold land which is not depreciated. The Group assesses the carrying value of its property, plant and equipment to determine if any impairment has occurred. Where this indicates that an asset may be impaired, the Group applies the requirements of IAS 36 Impairment of Assets in assessing the carrying amount of the asset. This process includes comparing its recoverable amount with its carrying value, where the recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life, as follows:

- freehold buildings – 50 years;
- leasehold land and buildings – over the term of the lease or life of the asset, if shorter;
- fixtures, fittings and equipment – 3-10 years;
- computer equipment – 3-5 years.

Interests in associates and joint ventures

An associate is an entity over which the Group has significant influence. In certain circumstances, significant influence may be represented by factors other than ownership and voting rights, such as representation on the Board of Directors.

The Group's share of the profits less losses of associate undertakings net of tax, interest and non-controlling interests is included in the consolidated income statement and the Group's share of net assets is shown within interests in associates and joint ventures in the consolidated balance sheet. The Group's share of the profits less losses and net assets is based on current information produced by the undertakings, adjusted to conform with the accounting policies of the Group.

The Group assesses the carrying value of its associate undertakings to determine if any impairment has occurred. Where this indicates that an investment may be impaired, the Group applies the requirements of IAS 36 in assessing the carrying amount of the investment. This process includes comparing its recoverable amount with its carrying value. The recoverable amount is defined as the higher of fair value less costs of disposal and value in use.

The Group accounts for joint venture investments under the equity method which is consistent with the Group's treatment of associates.

Other investments
Certain equity investments are designated as either fair value through other comprehensive income or fair value through profit or loss. Movements in fair value through profit or loss are recorded in the consolidated income statement within revaluation and retranslation of financial instruments.

The Group generally elects to classify equity investments as fair value through other comprehensive income where the Group forms a strategic partnership with the investee.

Non-current assets held for sale and discontinued operations
Under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, where certain conditions are met, an asset or disposal group that is for sale is recognised as "held for sale". The Group has classified a disposal group as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. Such assets are measured at the lower of carrying amount and fair value less costs of disposal, and are not depreciated or amortised, excluding certain assets that are carried at fair value under IFRS 5. Furthermore, when an associate is classified as held for sale, equity accounting ceases.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The profit or loss from a discontinued operation is shown as a single amount on the face of the income statement and the comparatives and related notes restated accordingly. This represents total post-tax profit of the disposal group for the whole of the financial year including any post-tax gain or loss on the measurement of fair value less costs of disposal, as well as the post-tax loss on sale of the disposal group. Assets and liabilities classified as held for sale are shown as a separate line on the balance sheet.

Accrued and deferred income
Accrued income is a contract asset, within the scope of IFRS 9 Financial Instruments, and is recognised when a performance obligation has been satisfied but has not yet been billed. Contract assets are transferred to receivables once the right to consideration becomes unconditional and billed per the terms of the contractual agreement.

In certain cases, payments are received from customers or amounts are billed with an unconditional right to receive consideration prior to satisfaction of performance obligations and recognised as deferred income. These balances are considered contract liabilities and are typically related to prepayments for third-party expenses that are incurred shortly after billing.

Trade receivables and work in progress
Trade receivables are stated net of loss allowances.

Work in progress includes outlays incurred on behalf of clients, including production costs, and other third-party costs that have not yet been billed and are considered receivables under IFRS 15 Revenue from Contracts with Customers.

Expected credit losses
The Group has applied the simplified approach to measuring expected credit losses, as permitted by IFRS 9 Financial Instruments. This has been applied to trade receivables, contract assets and lease receivables. Under this approach, the Group utilises a provision matrix based on the age of the trade receivables and historical loss rates to determine the expected credit losses. The Group also considers forward-looking information. Therefore, the Group does not track changes in credit risk, but recognises a loss allowance based on the financial asset's lifetime expected credit loss. For all other assets, the general approach has been applied and a loss allowance for 12-month expected credit losses is recognised.

Under IFRS 9, the expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Given the short-term nature of the Group’s trade receivables, work in progress and accrued income, which are mainly due from large national or multinational companies, the Group’s assessment of expected credit losses includes provisions for specific clients and receivables where the contractual cash flow is deemed at risk.

The Group considers that the credit risk increased significantly since initial recognition when the credit rating changes, the debtor has significant financial difficulty or if there was a breach of contract. For balances that are beyond 180 days overdue it is presumed to be an indicator of a significant increase in credit risk.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery. Receivables written off are still subject to enforcement activity and pursued by the Group.

Further details on expected credit losses are provided in note 18.

Foreign currency and interest rate hedging
The Group’s policy on interest rate and foreign exchange rate management sets out the instruments and methods available to hedge interest and currency risk exposures and the control procedures in place to ensure effectiveness.

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

At inception of the hedge relationship, the Group documents the relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the fair values or cash flows of hedged items. Furthermore the Group documents its risk management objectives and its strategy for undertaking various hedge transactions.

Note 26 contains details of the fair values of the derivative instruments used for hedging purposes.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged items that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow or net investment hedges is recognised in other comprehensive income and deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

Derivatives embedded in other financial liabilities or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the consolidated income statement.

Liabilities in respect of option agreements
Option agreements that allow the Group’s equity partners to require the Group to purchase a non-controlling interest are treated as derivatives over the Group's own equity instruments and are recorded in the consolidated balance sheet initially at the present value of the redemption amount in accordance with IAS 32 Financial Instruments: Presentation and subsequently, the financial liability is measured in accordance with IFRS 9 Financial Instruments. On initial recognition, the corresponding amount is recognised against the equity reserve, which is subsequently reversed on derecognition, either through exercise or non-exercise of the option agreement. Changes in the measurement of the financial liability due to the unwinding of the discount or changes in the amount that the Group could be required to pay are recognised in profit or loss within revaluation and retranslation of financial instruments in the consolidated income statement.

Accounting policies (continued)

Derecognition of financial liabilities
In accordance with IFRS 9 Financial Instruments, a financial liability of the Group is only removed from the statement of financial position when the underlying legal obligation is extinguished.

Debt
Interest-bearing debt is recorded at the proceeds received, net of direct issue costs.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and short-term highly liquid investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, including bank deposits and money market funds. The Group's overdrafts are included in cash and cash equivalents where they are repayable on demand, are components of the Group's centralised treasury strategy employed across the Group and form an integral part of the Group's cash management, in accordance with IAS 7 Statement of Cash Flows.

Borrowing costs
Finance costs of borrowing are recognised in the consolidated income statement over the term of those borrowings.

Revenue recognition
The Group is a leading worldwide creative transformation organisation offering national and multinational clients a comprehensive range of communications, experience, commerce and technology services. Contracts often involve multiple agencies offering different services in different countries. As such, the terms of local, regional and global contracts can vary to meet client needs and regulatory requirements. Consistent with the industry, contracts are typically short-term in nature and tend to be cancellable by either party with 90 days' notice. The Group is generally entitled to payment for work performed to date.

The Group is generally paid in arrears for its services. Invoices are typically payable within 30 to 60 days. Revenue comprises commissions and fees earned in respect of amounts billed and is stated exclusive of VAT, sales taxes and trade discounts. Pass-through costs comprise fees paid to external suppliers when they are engaged to perform part or all of a specific project and are charged directly to clients, predominantly media costs. As the contracts are generally short-term in nature, the Group has applied the practical expedient permitted by IFRS 15 to expense costs to obtain a contract as incurred, where applicable.

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 stand-alone selling prices.

Revenue is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement. Typically, performance obligations are satisfied over time as services are rendered. Revenue recognised over time is based on the proportion of the level of service performed. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. For most fee arrangements, costs incurred are used as an objective input measure of performance. The primary input of substantially all work performed under these arrangements is labour. There is normally a direct relationship between costs incurred and the proportion of the contract performed to date. In other circumstances relevant output measures, such as the achievement of any project milestones stipulated in the contract, are used to assess proportional performance.

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 is broad and generally 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. When we act as an agent, the revenue recorded is the net amount retained. Costs incurred with external suppliers (such as production costs and media suppliers) are excluded from revenue and recorded as work in progress until billed.

The Group acts as principal when we control the specified good or service prior to transfer. When the Group acts as a principal (such as when supplying in-house production services, events and branding), the revenue recorded is the gross amount

Accounting policies (continued)

billed. Billings related to out-of-pocket costs such as travel are also recognised at the gross amount billed with a corresponding amount recorded as an expense.

Further details on revenue recognition are detailed by sector below.

Global Integrated Agencies
Revenue is typically derived from integrated product offerings including media placements and creative services. Revenue may consist of various arrangements involving commissions, fees, incentive-based revenue or a combination of the three, as agreed upon with each client. Revenue for commissions on purchased media is typically recognised at the point in time the media is run.

The Group receives volume rebates from certain suppliers for transactions entered into on behalf of clients that, based on the terms of the relevant contracts and local law, are either remitted to clients or retained by the Group. If amounts are passed on to clients they are recorded as liabilities until settled or, if retained by the Group, are recorded as revenue when earned.

Variable incentive-based revenue typically comprises both quantitative and qualitative elements. Incentive compensation is estimated using the most likely amount and is included in revenue up to the amount that is highly probable not to result in a significant reversal of cumulative revenue recognised. The Group recognises incentive revenue as the related performance obligation is satisfied.

Public Relations and Specialist Agencies
Revenue for these services is typically derived from retainer fees and fees for services to be performed subject to specific agreement. Most revenue under these arrangements is earned over time, in accordance with the terms of the contractual arrangement.

Discontinued Operations (Data Investment Management)
Revenue for market research services is typically recognised over time based on input measures. For certain performance obligations, output measures such as the percentage of interviews completed, percentage of reports delivered to a client and the achievement of any project milestones stipulated in the contract are used to measure progress.

While most of the studies provided in connection with the Group's market research contracts are undertaken in response to an individual client's or group of clients' specifications, in certain instances a study may be developed as an off-the-shelf product offering sold to a broad client base. For these transactions, revenue is recognised when the product is delivered. When the terms of the transaction provide for licensing the right to access a product on a subscription basis, revenue is recognised over the subscription period, typically on a straight-line basis.

Taxation
Corporate taxes are payable on taxable profits at current rates. The tax expense represents the sum of the tax currently payable and deferred tax.

The Group is subject to corporate taxes in a number of different jurisdictions and judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. In such circumstances, the Group recognises liabilities for anticipated taxes based on the best information available and where the anticipated liability is both probable and able to be estimated, liabilities are classified as current. Any interest and penalties accrued are included in corporate income taxes both in the consolidated income statement and balance sheet. Where the final outcome of such matters differs from the amount recorded, any differences may impact the income tax and deferred tax provisions in the period in which the final determination is made.

The tax laws that apply to the Group's subsidiaries may be amended by the relevant tax authorities. Such potential amendments are regularly monitored and adjustments are made to the Group's tax liabilities and deferred tax assets and liabilities where necessary.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated 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. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences unless specifically excepted by IAS 12 Income Taxes. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also recognised within other comprehensive income or equity. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, which can require the use of accounting estimation and the exercise of judgement. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or other assets and liabilities (other than in a business combination) in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on enacted or substantively enacted legislation.

Retirement benefit costs

The Group accounts for retirement benefit costs in accordance with IAS 19 Employee Benefits.

For defined contribution plans, contributions are charged to the consolidated income statement as payable in respect of the accounting period.

For defined benefit plans the amounts charged to operating profit are the current service costs, past service costs, administrative expenses and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the consolidated income statement when the related plan amendment occurs. Net interest expense is calculated by applying the discount rate to the recognised overall surplus or deficit in the plan.

Actuarial gains and losses are recognised immediately in other comprehensive income.

Where defined benefit plans are funded, the assets of the plan are held separately from those of the Group, in separate independently managed funds. Pension plan assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the plan liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Recognition of a surplus in a defined benefit plan is limited based on the economic gain the Group is expected to benefit from in the future by means of a refund or reduction in future contributions to the plan, in accordance with IAS 19.

Provisions for liabilities and charges

Provisions comprise liabilities where there is uncertainty about the timing of settlement, but where a reliable estimate can be made of the amount. These include provisions for other property-related liabilities such as onerous contracts and dilapidations. Also included are other provisions, primarily long-term employee benefits such as deferred compensation plans, and legal claims, where the likelihood of settlement is considered probable.

Leases

The Group leases most of its offices in cities where it operates. Other lease contracts include office equipment and motor vehicles.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The assets are depreciated over the term of the lease using the straight-line method. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option.

Accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate for the same term as the underlying lease. Lease payments included in the measurement of lease liabilities comprise fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate as at the commencement date. Lease modifications result in remeasurement of the lease liability.

Depreciation is recognised in both costs of services and general and administrative costs and interest expense is recognised under finance costs in the consolidated income statement.

The Group has elected to use the exemption not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (under $5,000). The payments associated with these leases are recognised as cost of services and general and administrative costs within the consolidated income statement on a straight-line basis over the lease term.

The Group assesses at the reporting date whether there are any indicators of impairment and performs an impairment test when an impairment indicator exists. The Group tests a right-of use asset as a stand-alone asset for impairment when it either meets the definition of investment property which generates independent cash flows or it is vacant with minimal to no continued utility for the Group. When a right-of-use asset is tested as a stand-alone asset, an impairment loss is recognised when the carrying amount of the right-of-use asset exceeds its recoverable amount. The recoverable amount of a right-of-use asset is estimated mainly based on the present value of the estimated sublease income, discounted using the property yield rates.

The property held by the Group as right-of-use assets to earn rentals is classified as investment property. The Group measures its investment property applying the cost model.

Translation of foreign currencies

Foreign currency transactions arising from normal trading activities are recorded at the rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are translated at the year-end exchange rate. Foreign currency gains and losses are credited or charged to the consolidated income statement as they arise.

The income statements of foreign subsidiary undertakings are translated into pounds sterling at average exchange rates and the year-end net assets of these companies are translated at year-end exchange rates.

Exchange differences arising from retranslation of the opening net assets and on foreign currency borrowings (to the extent that they hedge the Group's investment in such operations) are reported in the consolidated statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Hyperinflation in Argentina and Turkey

During 2022, 2021 and 2020, Argentina was designated as a hyperinflationary economy. In 2022, Turkey was designated as a hyperinflationary economy. The financial statements of the Group's subsidiaries in Argentina and Turkey have been adjusted for the effects of inflation in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies.

IAS 29 requires that the income statement is adjusted for inflation in the period and translated at the year-end foreign exchange rate and that non-monetary assets and liabilities on the balance sheet are restated to reflect the change in purchasing power caused by inflation from the date of initial recognition. In 2022, this resulted in an increase in goodwill of £82.6 million (2021: £23.9 million, 2020: £22.6 million), an increase in other intangibles of £16.3 million (2021: £7.6 million, 2020: £5.3 million), and an increase in property, plant and equipment of £41.5 million (2021: £20.3 million, 2020: £19.3 million). A consumer price index (CPI) of 1,134.6 was used at 31 December 2022 (2021: 582.5, 2020: 385.9) for Argentina. For Turkey, a CPI of 1,128.5 was used at 31 December 2022. The impact on other non-monetary assets and liabilities and the impact on the Group's income statement in the year were immaterial.

Share-based payments

The Group issues equity-settled share-based payments (including share options) to certain employees and accounts for these awards in accordance with IFRS 2 Share-Based Payment. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. Details regarding the fair value of equity settled share-based transactions are set out in notes 23 and 27.

The fair value determined at the grant date is recognised in the consolidated income statement as an expense on a straight-line basis over the relevant vesting period, based on the Group's estimate of the number of shares that will ultimately vest and adjusted for the effect of non-market-based vesting conditions.

Accounting policies (continued)

Government support
In reaction to the Covid-19 pandemic, certain governments have introduced measures to assist companies. A reduction to operating costs is recorded in relation to government subsidies/schemes where these amounts will never have to be repaid. Further details of such amounts are included in note 3. In other cases, this involves the deferral of certain tax payments in order to stimulate the economy. The deferral of payments does not impact the income statement and these are charged as normal in the period they are incurred.

Non-controlling interests
Non-controlling interests in acquired companies are measured at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The acquisition of a non-controlling interest in a subsidiary, and the sale of an interest while retaining control, is accounted for within equity, and the cash cost of such purchases is included within "financing activities" in the cash flow statement.

Critical judgements and estimation uncertainty in applying accounting policies
Management is required to make key decisions and judgements whilst acknowledging there is estimation uncertainty in the process of applying the Group's accounting policies. These estimates and judgements are reviewed on an ongoing basis. Where judgement has been applied or estimation uncertainty exists, the key factors taken into consideration are disclosed in the accounting policies and the appropriate note in these financial statements.

The most significant area of estimation uncertainty is:

- Goodwill: the discounted cash flow methodology employed by the Group when testing for goodwill impairment requires estimates regarding operating margins and discount rates. Further details of the methodology, discount rates and estimates used in relation to the goodwill impairment, and sensitivities to these estimates are set out in note 14.

Consolidated income statement

For the years ended 31 December 2022, 2021, 2020

	Notes	**2022 £m**	2021 £m	2020 £m
Continuing operations				
Revenue	2	**14,428.7**	12,801.1	12,002.8
Costs of services	3	**(11,890.1)**	(10,597.5)	(9,987.9)
Gross profit		**2,538.6**	2,203.6	2,014.9
General and administrative costs	3	**(1,180.4)**	(974.6)	(4,293.0)
Operating profit/(loss)		**1,358.2**	1,229.0	(2,278.1)
(Loss)/earnings from associates - after interest and tax	4	**(60.4)**	23.8	(136.0)
Profit/(loss) before interest and taxation		**1,297.8**	1,252.8	(2,414.1)
Finance and investment income	6	**145.4**	69.4	82.7
Finance costs	6	**(359.4)**	(283.6)	(312.0)
Revaluation and retranslation of financial instruments	6	**76.0**	(87.8)	(147.2)
Profit/(loss) before taxation		**1,159.8**	950.8	(2,790.6)
Taxation	7	**(384.4)**	(230.1)	(127.1)
Profit/(loss) for the year from continuing operations		**775.4**	720.7	(2,917.7)
Discontinued operations				
Profit for the year from discontinued operations	12	**—**	—	16.4
Profit/(loss) for the year		**775.4**	720.7	(2,901.3)
Attributable to				
Equity holders of the parent:				
Continuing operations		**682.7**	637.7	(2,971.6)
Discontinued operations		**—**	—	6.5
		682.7	637.7	(2,965.1)
Non-controlling interests:				
Continuing operations		**92.7**	83.0	53.9
Discontinued operations		**—**	—	9.9
		92.7	83.0	63.8
		775.4	720.7	(2,901.3)
Earnings per share from continuing and discontinued operations				
Basic earnings per ordinary share	9	**62.2p**	53.4p	(242.5p)
Diluted earnings per ordinary share	9	**61.2p**	52.5p	(242.5p)
Earnings per share from continuing operations				
Basic earnings per ordinary share	9	**62.2p**	53.4p	(243.0p)
Diluted earnings per ordinary share	9	**61.2p**	52.5p	(243.0p)

Note
The accounting policies on pages F-3 to F-11 and the accompanying notes on pages F-17 to F-68 form an integral part of this consolidated income statement.

Consolidated statement of comprehensive income

For the years ended 31 December 2022, 2021, 2020

	2022 £m	2021 £m	2020 £m
Profit/(loss) for the year	**775.4**	720.7	(2,901.3)
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation of foreign operations[1]	**424.2**	(143.0)	75.4
(Loss)/gain on net investment hedges	**(141.5)**	45.5	9.7
Cash flow hedges:[1]			
Fair value gain/(loss) arising on hedging instruments	**38.5**	(38.0)	(5.9)
Less: (loss)/gain reclassified to profit or loss	**(38.5)**	38.0	5.9
Share of other comprehensive income/(loss) of associate undertakings	**51.2**	13.5	(61.5)
Exchange adjustments recycled to the income statement on disposal of discontinued operations	**—**	—	(20.6)
	333.9	(84.0)	3.0
Items that will not be reclassified subsequently to profit or loss			
Movements on equity investments held at fair value through other comprehensive income	**(22.3)**	(35.5)	(127.7)
Actuarial gain on defined benefit pension plans	**16.6**	14.3	2.0
Deferred tax on defined benefit pension plans	**(7.4)**	(3.0)	7.4
	(13.1)	(24.2)	(118.3)
Other comprehensive income/(loss) for the year	**320.8**	(108.2)	(115.3)
Total comprehensive income/(loss) for the year	**1,096.2**	612.5	(3,016.6)

Attributable to			
Equity holders of the parent:			
Continuing operations	**988.3**	539.8	(3,063.9)
Discontinued operations	**—**	—	(12.6)
	988.3	539.8	(3,076.5)
Non-controlling interests:			
Continuing operations	**107.9**	72.7	50.5
Discontinued operations	**—**	—	9.4
	107.9	72.7	59.9
	1,096.2	612.5	(3,016.6)

Notes

The accounting policies on pages F-3 to F-11 and the accompanying notes on pages F-17 to F-68 form an integral part of this consolidated statement of comprehensive income.

[1] Balances for the year ended 31 December 2021 and 31 December 2020 have been re-presented following a reclassification between the Hedging Reserve and Translation Reserve of £38.0 million and £5.9 million, respectively. See note 28.

Consolidated cash flow statement

For the years ended 31 December 2022, 2021, 2020

	Notes	2022 £m	2021 £m	2020 £m
Net cash inflow from operating activities[1]	11	**700.9**	2,029.0	2,050.6
Investing activities				
Acquisitions[1]	11	**(236.2)**	(382.3)	(174.2)
Disposal of investments and subsidiaries	11	**37.7**	28.3	272.3
Purchases of property, plant and equipment		**(208.4)**	(263.2)	(218.3)
Purchases of other intangible assets (including capitalised computer software)		**(14.9)**	(29.9)	(54.4)
Proceeds on disposal of property, plant and equipment		**12.9**	8.7	11.2
Net cash outflow from investing activities		**(408.9)**	(638.4)	(163.4)
Financing activities				
Repayment of lease liabilities		**(309.6)**	(320.7)	(300.1)
Share option proceeds		**1.2**	4.4	—
Cash consideration received from non-controlling interests	11	**—**	39.5	—
Cash consideration for purchase of non-controlling interests	11	**(84.2)**	(135.0)	(80.6)
Share repurchases and buybacks	11	**(862.7)**	(818.5)	(290.2)
Proceeds from issue of bonds	11	**—**	—	915.5
Repayment of borrowings	11	**(220.6)**	(397.1)	(282.7)
Financing and share issue costs		**(0.2)**	(0.4)	(7.1)
Equity dividends paid		**(365.4)**	(314.7)	(122.0)
Dividends paid to non-controlling interests in subsidiary undertakings		**(69.5)**	(114.5)	(83.3)
Net cash outflow from financing activities		**(1,911.0)**	(2,057.0)	(250.5)
Net (decrease)/increase in cash and cash equivalents		**(1,619.0)**	(666.4)	1,636.7
Translation of cash and cash equivalents		**64.2**	(130.1)	(99.2)
Cash and cash equivalents at beginning of year		**3,540.6**	4,337.1	2,799.6
Cash and cash equivalents at end of year	11	**1,985.8**	3,540.6	4,337.1

Notes

The accounting policies on pages F-3 to F-11 and the accompanying notes on pages F-17 to F-68 form an integral part of this consolidated cash flow statement.

1 Earnout payments in excess of the amount determined at acquisition are recorded as operating activities. Prior year excess amounts were recorded as investing activities and have been re-presented as operating activities. See note 11.

Consolidated balance sheet

At 31 December 2022, 2021

	Notes	2022 £m	2021 £m
Non-current assets			
Intangible assets:			
Goodwill	14	**8,453.4**	7,612.3
Other	14	**1,451.9**	1,359.5
Property, plant and equipment	15	**1,000.7**	896.4
Right-of-use assets	13	**1,528.5**	1,395.1
Interests in associates and joint ventures	16	**305.1**	412.9
Other investments	16	**369.8**	318.3
Deferred tax assets	17	**322.1**	341.5
Corporate income tax recoverable		**74.1**	46.6
Trade and other receivables	18	**218.6**	152.6
		13,724.2	12,535.2
Current assets			
Corporate income tax recoverable		**107.1**	90.4
Trade and other receivables	18	**12,499.7**	11,362.3
Cash and short-term deposits		**2,491.5**	3,882.9
		15,098.3	15,335.6
Current liabilities			
Trade and other payables	19	**(15,834.9)**	(15,252.3)
Corporate income tax payable		**(422.0)**	(386.2)
Short-term lease liabilities	13	**(282.4)**	(279.7)
Bank overdrafts, bonds and bank loans	21	**(1,169.0)**	(567.2)
		(17,708.3)	(16,485.4)
Net current liabilities		**(2,610.0)**	(1,149.8)
Total assets less current liabilities		**11,114.2**	11,385.4
Non-current liabilities			
Bonds and bank loans	21	**(3,801.8)**	(4,216.8)
Trade and other payables	20	**(490.9)**	(619.9)
Deferred tax liabilities	17	**(350.8)**	(312.5)
Provision for post-employment benefits	24	**(137.5)**	(136.6)
Provisions for liabilities and charges	22	**(244.6)**	(268.5)
Long-term lease liabilities	13	**(1,928.2)**	(1,762.1)
		(6,953.8)	(7,316.4)
Net assets		**4,160.4**	4,069.0
Equity			
Called-up share capital	27	**114.1**	122.4
Share premium account		**575.9**	574.7
Other reserves	28	**285.2**	(335.9)
Own shares		**(1,054.1)**	(1,112.1)
Retained earnings		**3,759.7**	4,367.3
Equity shareholders' funds		**3,680.8**	3,616.4
Non-controlling interests		**479.6**	452.6
Total equity		**4,160.4**	4,069.0

Note
The accounting policies on pages F-3 to F-11 and the accompanying notes on pages F-17 to F-68 form an integral part of this consolidated balance sheet.

Consolidated statement of changes in equity

For the years ended 31 December 2022, 2021, 2020

	Called-up share capital	Share premium account	Other reserves	Own shares	Retained earnings[1]	Total equity shareholders' funds	Non-controlling interests	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2020	**132.8**	**570.3**	**(174.7)**	**(1,178.7)**	**8,576.2**	**7,925.9**	**371.4**	**8,297.3**
Share cancellations	(3.2)	—	3.2	—	(281.2)	(281.2)	—	(281.2)
Treasury share allocations	—	—	—	0.6	(0.6)	—	—	—
(Loss)/profit for the year	—	—	—	—	(2,965.1)	(2,965.1)	63.8	(2,901.3)
Foreign exchange differences on translation of foreign operations[2]	—	—	79.3	—	—	79.3	(3.9)	75.4
Gain on net investment hedges	—	—	9.7	—	—	9.7	—	9.7
Cash flow hedges:[2]								
Fair value loss arising on hedging instruments	—	—	(5.9)	—	—	(5.9)	—	(5.9)
Less: gain reclassified to profit or loss	—	—	5.9	—	—	5.9	—	5.9
Share of other comprehensive loss of associate undertakings	—	—	(61.5)	—	—	(61.5)	—	(61.5)
Exchange adjustments recycled to the income statement on disposal of discontinued operations	—	—	(20.6)	—	—	(20.6)	—	(20.6)
Movements on equity investments held at fair value through other comprehensive income	—	—	—	—	(127.7)	(127.7)	—	(127.7)
Actuarial gain on defined benefit plans	—	—	—	—	2.0	2.0	—	2.0
Deferred tax on defined benefit pension plans	—	—	—	—	7.4	7.4	—	7.4
Other comprehensive income/(loss)	—	—	6.9	—	(118.3)	(111.4)	(3.9)	(115.3)
Total comprehensive income/(loss)	—	—	6.9	—	(3,083.4)	(3,076.5)	59.9	(3,016.6)
Dividends paid	—	—	—	—	(122.0)	(122.0)	(83.3)	(205.3)
Non-cash share-based incentive plans (including share options)	—	—	—	—	74.4	74.4	—	74.4
Net movement in own shares held by ESOP Trusts	—	—	—	59.8	(64.9)	(5.1)	—	(5.1)
Recognition/derecognition of liabilities in respect of put options	—	—	103.5	—	(26.6)	76.9	—	76.9
Share purchases – close period commitments[3]	—	—	252.3	—	—	252.3	—	252.3
Acquisition of subsidiaries[4]	—	—	—	—	(112.7)	(112.7)	(29.9)	(142.6)
Balance at 31 December 2020	**129.6**	**570.3**	**191.2**	**(1,118.3)**	**4,959.2**	**4,732.0**	**318.1**	**5,050.1**
Ordinary shares issued	—	4.4	—	—	—	4.4	—	4.4
Share cancellations	(7.2)	—	7.2	—	(729.3)	(729.3)	—	(729.3)
Treasury share allocations	—	—	—	3.7	(3.7)	—	—	—
Profit for the year	—	—	—	—	637.7	637.7	83.0	720.7
Foreign exchange differences on translation of foreign operations[2]	—	—	(132.7)	—	—	(132.7)	(10.3)	(143.0)
Gain on net investment hedges	—	—	45.5	—	—	45.5	—	45.5
Cash flow hedges:[2]								
Fair value loss arising on hedging instruments	—	—	(38.0)	—	—	(38.0)	—	(38.0)
Less: gain reclassified to profit or loss	—	—	38.0	—	—	38.0	—	38.0
Share of other comprehensive income of associate undertakings	—	—	7.3	—	6.2	13.5	—	13.5
Movements on equity investments held at fair value through other comprehensive income	—	—	—	—	(35.5)	(35.5)	—	(35.5)
Actuarial gain on defined benefit plans	—	—	—	—	14.3	14.3	—	14.3
Deferred tax on defined benefit pension plans	—	—	—	—	(3.0)	(3.0)	—	(3.0)
Other comprehensive loss	—	—	(79.9)	—	(18.0)	(97.9)	(10.3)	(108.2)
Total comprehensive (loss)/income	—	—	(79.9)	—	619.7	539.8	72.7	612.5
Dividends paid	—	—	—	—	(314.7)	(314.7)	(114.5)	(429.2)
Non-cash share-based incentive plans (including share options)	—	—	—	—	99.6	99.6	—	99.6
Tax adjustment on share-based payments	—	—	—	—	15.4	15.4	—	15.4
Net movement in own shares held by ESOP Trusts	—	—	—	2.5	(91.7)	(89.2)	—	(89.2)

Recognition/derecognition of liabilities in respect of put options	—	—	(242.7)	—	1.1	(241.6)	—	(241.6)
Share purchases – close period commitments[3]	—	—	(211.7)	—	—	(211.7)	—	(211.7)
Share of other equity movements of associates	—	—	—	—	(8.0)	(8.0)	—	(8.0)
Acquisition of subsidiaries[4]	—	—	—	—	(180.3)	(180.3)	176.3	(4.0)
Balance at 31 December 2021	**122.4**	**574.7**	**(335.9)**	**(1,112.1)**	**4,367.3**	**3,616.4**	**452.6**	**4,069.0**
Ordinary shares issued	—	1.2	—	—	—	1.2	—	1.2
Share cancellations	(8.3)	—	8.3	—	(807.4)	(807.4)	—	(807.4)
Treasury share allocations	—	—	—	—	—	—	—	—
Profit for the year	—	—	—	—	682.7	682.7	92.7	775.4
Foreign exchange differences on translation of foreign operations	—	—	409.0	—	—	409.0	15.2	424.2
Loss on net investment hedges	—	—	(141.5)	—	—	(141.5)	—	(141.5)
Cash flow hedges:								
Fair value gain arising on hedging instruments	—	—	38.5	—	—	38.5	—	38.5
Less: loss reclassified to profit or loss	—	—	(38.5)	—	—	(38.5)	—	(38.5)
Share of other comprehensive income of associate undertakings	—	—	31.9	—	19.3	51.2	—	51.2
Movements on equity investments held at fair value through other comprehensive income	—	—	—	—	(22.3)	(22.3)	—	(22.3)
Actuarial gain on defined benefit plans	—	—	—	—	16.6	16.6	—	16.6
Deferred tax on defined benefit pension plans	—	—	—	—	(7.4)	(7.4)	—	(7.4)
Other comprehensive income	—	—	299.4	—	6.2	305.6	15.2	320.8
Total comprehensive income	—	—	299.4	—	688.9	988.3	107.9	1,096.2
Dividends paid	—	—	—	—	(365.4)	(365.4)	(69.5)	(434.9)
Non-cash share-based incentive plans (including share options)	—	—	—	—	122.0	122.0	—	122.0
Tax adjustment on share-based payments	—	—	—	—	(9.2)	(9.2)	—	(9.2)
Net movement in own shares held by ESOP Trusts	—	—	—	58.0	(113.3)	(55.3)	—	(55.3)
Recognition/derecognition of liabilities in respect of put options	—	—	101.7	—	(40.3)	61.4	—	61.4
Share purchases – close period commitments[3]	—	—	211.7	—	—	211.7	—	211.7
Share of other equity movements of associates	—	—	—	—	—	—	—	—
Acquisition of subsidiaries[4]	—	—	—	—	(82.9)	(82.9)	(11.4)	(94.3)
Balance at 31 December 2022	**114.1**	**575.9**	**285.2**	**(1,054.1)**	**3,759.7**	**3,680.8**	**479.6**	**4,160.4**

Notes

The accounting policies on pages F-3 to F-11 and the accompanying notes on pages F-17 to F-68 form an integral part of this consolidated statement of changes in equity.

1 Accumulated losses on existing equity investments held at fair value through other comprehensive income are £330.8 million at 31 December 2022 (2021: £308.5 million, 2020: £273.6 million).

2 Balances for the year ended 31 December 2021 and 31 December 2020 have been re-presented following a reclassification between the Hedging Reserve and Translation Reserve of £38.0 million and £5.9 million, respectively. See note 28.

3 During 2021, the Company entered into an arrangement with a third party to conduct share buybacks on its behalf in the close period commencing on 16 December 2021 and ending on 18 February 2022, in accordance with UK listing rules. The commitment resulting from this agreement constituted a liability at 31 December 2021 and was recognised as a movement in other reserves in the year ended 31 December 2021. After the close period ended on 18 February 2022, the liability was settled and the amount in other reserves was reclassified to retained earnings.

4 Acquisition of subsidiaries represents movements in retained earnings and non-controlling interests arising from changes in ownership of existing subsidiaries and recognition of non-controlling interests on new acquisitions.

Notes to the consolidated financial statements

1. General information

WPP plc is a company incorporated in Jersey. The address of the registered office is 13 Castle Street, St Helier, Jersey, JE1 1ES and the address of the principal executive office is Sea Containers, 18 Upper Ground, London, United Kingdom, SE1 9GL. The nature of the Group's operations and its principal activities are set out in note 2. These consolidated financial statements are presented in pounds sterling.

2. Segment information

The Group is a leading worldwide creative transformation organisation offering national and multinational clients a comprehensive range of communications, experience, commerce and technology services. Substantially all of the Group's revenue is from contracts with customers.

Reportable segments
The Group is organised into three reportable segments – Global Integrated Agencies, Public Relations and Specialist Agencies.

IFRS 8 Operating Segments requires operating segments to be identified on the same basis as is used internally for the review of performance and allocation of resources by the Group's Chief Executive Officer (the Chief Operating Decision Maker). Provided certain quantitative and qualitative criteria are fulfilled, IFRS 8 permits aggregation of these components into reportable segments for the purposes of disclosure in the Group's financial statements. In assessing the Group's reportable segments, the Directors have had regard to the similar economic characteristics of certain operating segments, their shared client bases, the similar nature of their products or services and their long-term margins, amongst other factors.

Reported contributions were as follows:

	Revenue[2]	Revenue less pass-through costs[3]	Headline operating profit[4]
	£m	£m	£m
2022			
Global Integrated Agencies	**12,191.0**	**9,742.8**	**1,432.4**
Public Relations	**1,228.3**	**1,157.0**	**190.8**
Specialist Agencies	**1,009.4**	**899.5**	**118.6**
	14,428.7		**1,741.8**
2021[1]			
Global Integrated Agencies	10,890.5	8,683.1	1,221.8
Public Relations	959.0	909.7	143.1
Specialist Agencies	951.6	804.4	128.6
	12,801.1		1,493.5
2020[1]			
Global Integrated Agencies	10,329.0	8,247.8	1,070.3
Public Relations	892.9	854.4	141.3
Specialist Agencies	780.9	659.8	48.9
	12,002.8		1,260.5

Notes
1 Prior year figures have been re-presented to reflect the reallocation of a number of businesses between Global Integrated Agencies and Specialist Agencies.
2 Intersegment sales have not been separately disclosed as they are not material.
3 Revenue less pass-through costs is revenue less media and other pass-through costs. Pass-through costs comprise fees paid to external suppliers where they are engaged to perform part or all of a specific project and are charged directly to clients, predominantly media costs. See note 3 to the consolidated financial statements for more details of the pass-through costs.
4 A reconciliation from reported profit/(loss) before tax to headline operating profit is provided in note 31.

Notes to the consolidated financial statements (continued)

2. Segment information (continued)

	Share-based payments	Capital additions[1]	Depreciation and amortisation[2]	Goodwill impairment	Loss/ (earnings) from associates -after interest and tax	Interests in associates and joint ventures
	£m	£m	£m	£m	£m	£m
2022						
Global Integrated Agencies	**100.5**	**193.8**	**372.9**	**—**	**10.8**	**80.1**
Public Relations	**14.7**	**11.0**	**36.7**	**3.7**	**0.5**	**0.1**
Specialist Agencies	**6.8**	**18.5**	**41.4**	**34.2**	**(71.7)**	**224.9**
	122.0	**223.3**	**451.0**	**37.9**	**(60.4)**	**305.1**
2021						
Global Integrated Agencies	92.3	252.7	372.8	—	22.7	115.2
Public Relations	4.8	17.9	28.1	—	1.7	8.0
Specialist Agencies	2.5	22.5	43.1	1.8	(0.6)	289.7
	99.6	293.1	444.0	1.8	23.8	412.9
2020						
Global Integrated Agencies	61.3	234.2	449.7	2,355.1	19.0	158.4
Public Relations	8.0	15.5	32.8	161.5	1.3	6.4
Specialist Agencies	5.1	22.9	59.4	306.3	(156.3)	165.9
	74.4	272.6	541.9	2,822.9	(136.0)	330.7

Notes

1 Capital additions include purchases of property, plant and equipment and other intangible assets (including capitalised computer software).

2 Depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of other intangible assets.

Contributions by geographical area were as follows:

	2022	2021	2020
	£m	£m	£m
Revenue[1]			
North America[2]	**5,549.5**	4,494.2	4,464.9
United Kingdom	**2,003.8**	1,866.9	1,637.0
Western Continental Europe	**2,876.2**	2,786.3	2,441.6
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	**3,999.2**	3,653.7	3,459.3
	14,428.7	12,801.1	12,002.8
Revenue less pass-through costs[3]			
North America[2]	**4,688.1**	3,849.2	3,743.4
United Kingdom	**1,537.2**	1,414.3	1,233.8
Western Continental Europe	**2,318.5**	2,225.4	2,019.4
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	**3,255.5**	2,908.3	2,765.4
Headline operating profit[4]			
North America[2]	**770.4**	655.7	611.9
United Kingdom	**187.1**	180.9	137.7
Western Continental Europe	**301.3**	288.6	198.7
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	**483.0**	368.3	312.2
	1,741.8	1,493.5	1,260.5

Notes

1 Intersegment sales have not been separately disclosed as they are not material.

2 North America includes the United States with revenue of £5,230.9 million (2021: £4,220.8 million, 2020: £4,216.1 million), revenue less pass-through costs of £4,402.0 million (2021: £3,597.4 million, 2020: £3,524.8 million) and headline operating profit of £727.6 million (2021: £615.2 million, 2020: £563.7 million).

3 Revenue less pass-through costs is revenue less media and other pass-through costs. Pass-through costs comprise fees paid to external suppliers where they are engaged to perform part or all of a specific project and are charged directly to clients, predominantly media costs. See note 3 to the consolidated financial statements for more details of the pass-through costs.

4 A reconciliation from reported profit/(loss) before tax to headline operating profit is provided in note 31.

Notes to the consolidated financial statements (continued)

2. Segment information (continued)

	2022	2021
	£m	£m
Non-current assets[1]		
North America[2]	**5,896.4**	5,075.4
United Kingdom	**1,556.2**	1,565.4
Western Continental Europe	**2,797.9**	2,618.8
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	**3,151.0**	2,933.6
	13,401.5	12,193.2

Notes

[1] Non-current assets excluding financial instruments and deferred tax.

[2] North America includes the United States with non-current assets of £5,379.5 million (2021: £4,730.1 million).

3. Costs of services and general and administrative costs

	2022	2021	2020
	£m	£m	£m
Costs of services	**11,890.1**	10,597.5	9,987.9
General and administrative costs	**1,180.4**	974.6	4,293.0
	13,070.5	11,572.1	14,280.9

Costs of services and general and administrative costs include:

	2022	2021	2020
	£m	£m	£m
Staff costs (note 5)	**8,165.8**	7,166.7	6,556.5
Establishment costs	**536.0**	529.0	638.5
Media pass-through costs	**1,905.7**	1,865.3	1,555.2
Other costs of services and general and administrative costs[1]	**2,463.0**	2,011.1	5,530.7
	13,070.5	11,572.1	14,280.9

Included within costs of services and general administrative costs are the following:

	2022	2021	2020
	£m	£m	£m
Goodwill impairment (note 14)	**37.9**	1.8	2,822.9
Amortisation and impairment of acquired intangible assets	**62.1**	97.8	89.1
Investment and other impairment charges/(reversals)	**48.0**	(42.4)	296.2
Intangible asset impairment	**29.0**	—	—
Restructuring and transformation costs	**203.7**	145.5	80.7
Restructuring costs in relation to COVID-19	**15.1**	29.9	232.5
Property related costs	**18.0**	—	—
Losses/(gains) on disposal of investments and subsidiaries	**36.3**	10.6	(7.8)
Gains on remeasurement of equity interests arising from a change in scope of ownership	**(66.5)**	—	(0.6)
Litigation settlement	—	21.3	25.6
Amortisation of other intangible assets	**21.9**	19.9	35.2
Depreciation of property, plant and equipment	**166.9**	151.2	174.8
Depreciation of right-of-use assets	**262.2**	272.9	331.9
(Gains)/losses on sale of property, plant and equipment	**(6.4)**	(1.3)	0.3
Net foreign exchange (gains)/losses	**(8.7)**	4.4	5.9
Short-term lease expense	**20.2**	18.0	36.7
Low-value lease expense	**1.9**	2.3	2.3

Note

[1] Other costs of services and general and administrative costs include £723.7 million (2021: £538.6 million, 2020: £685.6 million) of other pass-through costs.

Notes to the consolidated financial statements (continued)

3. Costs of services and general and administrative costs (continued)

In 2022, operating profit includes credits totalling £29.3 million (2021: £19.3 million, 2020: £46.3 million) relating to the release of provisions and other balances established in respect of acquisitions completed prior to 2021. Further details of the Group's approach to acquisition reserves, as required by IFRS 3 Business Combinations, are given in note 29.

The goodwill impairment charge of £37.9 million in 2022 (2021: £1.8 million, 2020: £2,822.9 million) relates to a number of businesses in the Group where the impact of increases in discount rates and current, local economic conditions and trading circumstances is sufficiently severe to indicate impairment to the carrying value. The goodwill impairment charge of £2,822.9 million in 2020 reflects the adverse impacts of Covid-19 on a number of businesses in the Group at that time.

Amortisation and impairment of acquired intangible assets of £62.1 million (2021: £97.8 million, 2020: £89.1 million) includes an impairment charge in the year of £1.4 million (2021: £47.9 million, 2020: £21.6 million) in regard to certain brand names that are no longer in use.

The investment and other impairment charges of £48.0 million (2021: reversal of £42.4 million, 2020: £296.2 million) relate to the same macro-economic factors noted above. The reversal in the prior year for investments primarily relates to the partial reversal of a £255.6 million impairment taken in 2020 relating to Imagina, an associate in Spain.

Intangible asset impairment of £29.0 million in 2022 (2021: nil, 2020: nil) relates to the write off of capitalised configuration and customisation costs related to a software development project.

Restructuring and transformation costs of £203.7 million (2021: £145.5 million, 2020: £80.7 million) include £134.5 million (2021: £94.2 million) in relation to the Group's IT transformation programme. This programme will allow technology to become a competitive advantage in the market as our clients, and their clients, move to an ever-increasing digital world. It includes costs of £96.8 million (2021: £62.2 million, 2020: nil) in relation to the rollout of a new ERP system in order to drive efficiency and collaboration throughout the Group. The remaining restructuring and transformation costs of £69.2 million (2021: £51.3 million) relates to the continuing restructuring plan. As part of that plan, restructuring actions have been taken to right-size under-performing businesses, address high-cost severance markets and simplify operational structures.

Restructuring costs in relation to COVID-19 of £15.1 million (2021: £29.9 million, 2020: £232.5 million) primarily relate to property costs which the Group undertook in response to the COVID-19 pandemic.

Property related costs include further right-of-use asset impairments taken for properties that were previously impaired due to challenging conditions in the subletting market. In 2022, £18.0 million (2021: nil, 2020: nil) were incurred.

Losses on disposal of investments and subsidiaries of £36.3 million in 2022 primarily includes a loss of £63.1 million on the divestment of our Russian interests which completed in May 2022. This was partially offset by gains on other disposals during the period including Res Publica for £17.7 million and Mutual Mobile for £9.4 million with the remaining gains/losses due to individually insignificant transactions. Losses on disposal of investments and subsidiaries of £10.6 million in 2021 includes a loss of £4.9 million on the disposal of XMKT in China, which completed in September 2021.

Gains on remeasurement of equity interests arising from a change in scope of ownership of £66.5 million (2021: £nil, 2020: £0.6 million) comprises a gain in relation to the reclassification of the Group's interest in Imagina in Spain from interests in associates to other investments.

In 2022, the Group received £8.2 million (2021: £5.3 million, 2020: £77.1 million) of aid from governments around the world in relation to the Covid-19 pandemic, which is included as a credit in other staff costs.

Other impairment charges included in restructuring costs of £43.3 million (2021: £39.2 million, 2020: £196.7 million) consists of £7.1 million (2021: £17.6 million, 2020: £147.6 million) within restructuring costs in relation to COVID-19 and £36.2 million (2021: £21.6 million, 2020: £49.1 million) within restructuring and transformation costs and property related costs. These impairment charges include £33.5 million (2021: £19.3 million, 2020: £117.0 million) in relation to right-of-use assets, £9.8 million (2021: £9.8 million, 2020: £79.7 million) of related property, plant and equipment and £nil (2021: £10.1 million, 2020: £nil) of other intangibles, arising from the Group's reassessment of its property requirements as a result of effective remote working practices during the COVID-19 pandemic and continued focus on campuses.

Auditors' remuneration:

	2022 **£m**	2021 £m	2020 £m
Fees payable to the Company's auditors for the audit of the Company and Group's annual accounts	**8.4**	7.1	6.4
Fees payable for the audit of the Company's subsidiaries	**28.5**	24.8	22.9
Fees payable to the auditors pursuant to legislation[1]	**36.9**	31.9	29.3
Audit-related services[2]	**0.4**	0.4	0.4
Other services[3]	**0.6**	1.4	0.7
Tax compliance services	**0.1**	—	0.1
Total other fees	**1.1**	1.8	1.2
Total fees	**38.0**	33.7	30.5

Notes

1 Includes fees in respect of the audit of internal control over financial reporting.
2 Audit-related assurance services are in respect of the review of the interim financial information.
3 Other services include audits for earnout purposes and other agreed upon procedures.

4. (Loss)/earnings from associates - after interest and tax

(Loss)/earnings from associates - after interest and tax was a loss of £60.4 million in 2022, earnings of £23.8 million in 2021, and loss of £136.0 million in 2020. (Loss)/earnings from associates - after interest and tax includes £75.8 million (2021: £38.8 million, 2020: £54.3 million) of amortisation and impairment of acquired intangible assets as well as restructuring and one-off transaction costs of £54.8 million (2021: £18.8 million, 2020: £89.3 million) within Kantar.

5. Our people

Our staff numbers averaged 114,129 for the year ended 31 December 2022 against 104,808 in 2021 and 104,163 in 2020. Their geographical distribution was as follows:

	2022	2021	2020
North America	**23,740**	21,764	21,524
United Kingdom	**12,490**	10,995	10,670
Western Continental Europe	**22,717**	21,514	21,551
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	**55,182**	50,535	50,418
	114,129	104,808	104,163

Their reportable segment distribution was as follows:

	2022	2021	2020 [1]
Global Integrated Agencies	**97,288**	89,701	88,406
Data Investment Management	—	—	1,341
Public Relations	**8,125**	7,121	6,810
Specialist Agencies	**8,716**	7,986	7,606
	114,129	104,808	104,163

At the end of 2022, staff numbers were 115,473 (2021: 109,382, 2020: 99,830).

Staff costs include:

	2022	2021	2020
	£m	£m	£m
Wages and salaries	**5,721.0**	4,797.2	4,781.0
Cash-based incentive plans	**292.6**	455.2	110.7
Share-based incentive plans (note 23)	**122.0**	99.6	74.4
Social security costs	**689.4**	630.1	570.9
Pension costs (note 24)	**204.8**	177.7	171.7
Severance	**44.2**	41.8	68.2
Other staff costs[1]	**1,091.8**	965.1	779.6
	8,165.8	7,166.7	6,556.5

Note

1 Freelance and temporary staff costs are included in other staff costs.

Compensation for key management personnel includes:

	2022	2021	2020
	£m	£m	£m
Short-term employee benefits	**29.7**	28.0	17.9
Pensions and other post-retirement benefits	**1.1**	0.9	1.0
Share-based payments	**29.8**	14.6	10.3
	60.6	43.5	29.2

Key management personnel comprises the Board and the Executive Committee.

6. Finance and investment income, finance costs and revaluation and retranslation of financial instruments

Finance and investment income includes:

	2022	2021	2020
	£m	£m	£m
Income from equity investments	**24.5**	17.9	8.7
Interest income	**120.9**	51.5	74.0
	145.4	69.4	82.7

Finance costs include:

	2022	2021	2020
	£m	£m	£m
Net interest expense on pension plans	**2.2**	1.8	2.9
Interest on other long-term employee benefits	**3.7**	2.4	3.1
Interest expense and similar charges[1]	**257.8**	188.5	205.0
Interest expense related to lease liabilities	**95.7**	90.9	101.0
	359.4	283.6	312.0

Revaluation and retranslation of financial instruments include:

	2022	2021	2020
	£m	£m	£m
Movements in fair value of treasury instruments	**0.5**	9.1	15.4
Premium on the early repayment of bonds	**—**	(13.0)	—
Revaluation of investments held at fair value through profit or loss	**23.1**	(7.5)	8.0
Revaluation of put options over non-controlling interests	**27.9**	(40.6)	12.3
Revaluation of payments due to vendors (earnout agreements)	**26.2**	(58.7)	13.4
Retranslation of financial instruments	**(1.7)**	22.9	(196.3)
	76.0	(87.8)	(147.2)

Note

1 Interest expense and similar charges are payable on bank overdrafts, bonds and bank loans held at amortised cost.

The majority of the Group’s long-term debt is represented by $1,063 million of US dollar bonds at an average interest rate of 4.26%, €3,350 million of Eurobonds at an average interest rate of 2.20% and £650 million of Sterling bonds at an average interest rate of 3.21%.

Average borrowings under the US Dollar Revolving Credit Facilities (note 10) amounted to nil (2021: nil).

Average borrowings under the Australian Dollar Revolving Credit Facilities amounted to nil (2021: A$52 million at an average rate of 1.89%).

Average borrowings under the US Commercial Paper Programme for 2022 amounted to $195 million at an average interest rate of 2.56% inclusive of margin (2021: nil).

Average borrowings under the Euro Commercial Paper Programme for 2022 amounted to £34 million at an average interest rate of 1.95% inclusive of currency swaps (2021: nil).

7. Taxation

In 2022, the effective tax rate on profit/(loss) before taxation was 33.1% (2021: 24.2%, 2020: -4.6%)

The tax charge comprises:

	2022 £m	2021 £m	2020 £m
Corporation tax			
Current year	**425.8**	404.0	307.8
Prior years	**(55.5)**	(41.4)	(83.2)
	370.3	362.6	224.6
Deferred tax			
Current year	**9.4**	(131.0)	(80.2)
Prior years	**4.7**	(1.5)	(17.3)
	14.1	(132.5)	(97.5)
Tax charge	**384.4**	230.1	127.1

The corporation tax credit for prior years in 2022, 2021 and 2020 primarily comprises the release of a number of provisions following the resolution of tax matters in various countries.

The tax charge for the year can be reconciled to profit/(loss) before taxation in the consolidated income statement as follows:

	2022 £m	2021 £m	2020 £m
Profit/(loss) before taxation	**1,159.8**	950.8	(2,790.6)
Tax at the corporation tax rate of 19.0%[1]	**220.4**	180.7	(530.2)
Tax effect of earnings from associates	**17.4**	(13.3)	16.2
Irrecoverable withholding taxes	**25.9**	52.3	49.4
Tax effect of items that are not deductible in determining taxable profits	**66.7**	29.3	67.0
Tax effect of non-deductible goodwill impairment	**7.2**	0.6	542.4
Effect of different tax rates in subsidiaries operating in other jurisdictions	**94.3**	81.2	92.7
Origination and reversal on unrecognised temporary differences	**(1.1)**	(36.3)	(29.3)
Tax losses not recognised or utilised in the year	**9.8**	7.4	21.1
Utilisation of tax losses not previously recognised	**(5.4)**	(5.1)	(1.7)
Net release of prior year provisions in relation to acquired businesses	**(2.8)**	(1.1)	(1.7)
Other prior year adjustments	**(48.0)**	(41.8)	(98.8)
Impact of deferred tax rate change	**—**	(23.8)	—
Tax charge	**384.4**	230.1	127.1
Effective tax rate on profit/(loss) before tax	**33.1%**	24.2 %	(4.6%)

Note

1 As the Group is subject to the tax rates of more than one country, it has chosen to present its reconciliation of the tax charge using the UK corporation tax rate of 19.0% (2021: 19.0%, 2020: 19.0%).

Factors affecting the tax charge in future years

The tax charge may be affected by the impact of acquisitions, disposals and other corporate restructurings, the resolution of open tax issues, and the ability to use brought forward tax losses. Changes in local or international tax rules, for example, increasing tax rates as a consequence of the financial support programmes implemented by governments during the Covid-19 pandemic, the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, and changes arising from the application of existing rules or challenges by tax or competition authorities, may expose the Group to additional tax liabilities or impact the carrying value of deferred tax assets, which could affect the future tax charge.

Liabilities relating to open and judgemental matters are based upon an assessment of whether the tax authorities will accept the position taken, after considering external advice where appropriate. Where the final tax outcome of these matters is different from the amounts which were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. The Group does not currently consider that judgements made in assessing tax liabilities have a significant risk of resulting in any material additional charges or credits in respect of these matters, within the next financial year, beyond the amounts already provided.

Following the enactment in 2021 of an increase in the UK corporation tax rate from 19% to 25% from 1 April 2023, the Group remeasured UK deferred tax balances accordingly and recognised a tax credit of £23.8 million in the prior period.

Notes to the consolidated financial statements (continued)

7. Taxation (continued)

Tax risk management

We look to maintain open and transparent relationships with the tax authorities in the jurisdictions in which we operate and relevant government representatives. We maintain active engagement with a wide range of international companies and business organisations with similar issues. We engage advisors and legal counsel to obtain opinions on tax legislation and principles. We have a Tax Risk Management Strategy in place which sets out the controls established and our assessment procedures for decision making and how we monitor tax risk. We monitor proposed changes in taxation legislation and ensure these are taken into account when we consider our future business plans. Our Directors are informed by management of any significant tax law changes, the nature and status of any significant ongoing tax audits, and other developments that could materially affect the Group's tax position.

8. Ordinary dividends

Amounts recognised as distributions to equity holders in the year:

	2022	2021	2020	**2022**	2021	2020
Per share	Pence per share			**£m**	£m	£m
2021 Final dividend	**18.70p**	14.00p	—p	**203.5**	167.7	—
2022 Interim dividend	**15.00p**	12.50p	10.00p	**161.9**	147.0	122.0
	33.70p	26.50p	10.00p	**365.4**	314.7	122.0

Proposed final dividend for the year ended 31 December 2022:

	2022	2021	2020
Per share	Pence per share		
Final dividend	**24.40 p**	18.70p	14.00p

The payment of dividends will not have any tax consequences for the Group.

Final dividends are paid in the subsequent year to which they relate.

9. Earnings per share

Basic EPS

The calculation of basic EPS is as follows:

Continuing operations	**2022**	2021	2020
Earnings[1] (£m)	**682.7**	637.7	(2,971.6)
Weighted average shares used in basic EPS calculation (m)	**1,097.9**	1,194.1	1,223.0
EPS	**62.2p**	53.4p	(243.0p)

Discontinued operations	**2022**	2021	2020
Earnings[1] (£m)	—	—	6.5
Weighted average shares used in basic EPS calculation (m)	—	—	1,223.0
EPS	—	—	0.5p

Continuing and discontinued operations	**2022**	2021	2020
Earnings[1] (£m)	**682.7**	637.7	(2,965.1)
Weighted average shares used in basic EPS calculation (m)	**1,097.9**	1,194.1	1,223.0
EPS	**62.2p**	53.4p	(242.5p)

Note

1 Earnings is equivalent to profit/(loss) for the year attributable to equity holders of the parent.

Notes to the consolidated financial statements (continued)

9. Earnings per share (continued)

Diluted EPS

The calculation of diluted EPS is as follows:

Continuing operations	**2022**	2021	2020
Diluted earnings (£m)	**682.7**	637.7	(2,971.6)
Weighted average shares used in diluted EPS calculation (m)[1]	**1,116.4**	1,215.3	1,223.0
Diluted EPS	**61.2p**	52.5p	(243.0p)

Discontinued operations	**2022**	2021	2020
Diluted earnings (£m)	**—**	—	6.5
Weighted average shares used in diluted EPS calculation (m)[1]	**—**	—	1,223.0
Diluted EPS	**—p**	—p	0.5p

Continuing and discontinued operations	**2022**	2021	2020
Diluted earnings (£m)	**682.7**	637.7	(2,965.1)
Weighted average shares used in diluted EPS calculation (m)[1]	**1,116.4**	1,215.3	1,223.0
Diluted EPS	**61.2p**	52.5p	(242.5p)

Note

[1] The weighted average shares used in the basic EPS calculation for 2020 have also been used for diluted EPS due to the anti-dilutive effect of the weighted average shares calculated for the diluted EPS calculation.

Diluted EPS has been calculated based on the diluted earnings amounts above. At 31 December 2022, options to purchase 19.7 million ordinary shares (2021: 7.2 million, 2020: 14.2 million) were outstanding, but were excluded from the computation of diluted earnings per share because the exercise prices of these options were greater than the average market price of the Group's shares and, therefore, their inclusion would have been accretive.

A reconciliation between the shares used in calculating basic and diluted EPS is as follows:

	2022	2021	2020
	m	m	m
Weighted average shares used in basic EPS calculation	**1,097.9**	1,194.1	1,223.0
Dilutive share options outstanding	**0.7**	1.3	—
Other potentially issuable shares	**17.8**	19.9	13.0
Weighted average shares used in diluted EPS calculation	**1,116.4**	1,215.3	1,236.0

At 31 December 2022 there were 1,141,427,296 (2021: 1,224,459,550, 2020: 1,296,080,242) ordinary shares in issue, including 70,489,953 treasury shares (2021: 70,489,953, 2020: 70,748,100).

10. Sources of finance

The following table summarises the equity and debt financing of the Group, and changes during the year:

	Shares			Debt		
	2022	2021	2020	**2022**	2021	2020
Analysis of changes in financing	**£m**	£m	£m	**£m**	£m	£m
Beginning of year	**697.1**	699.9	703.1	**4,441.7**	5,032.7	4,272.9
Ordinary shares issued	**1.2**	4.4	—	**—**	—	—
Share cancellations	**(8.3)**	(7.2)	(3.2)	**—**	—	—
Net (decrease)/increase in drawings on bank loans and corporate bonds	**—**	—	—	**(220.6)**	(397.1)	632.8
Amortisation of financing costs included in debt	**—**	—	—	**7.0**	8.1	7.5
Changes in fair value due to hedging arrangements	**—**	—	—	**—**	(2.5)	(1.4)
Other movements	**—**	—	—	**(0.2)**	(0.4)	(7.1)
Exchange adjustments	**—**	—	—	**237.2**	(199.1)	128.0
End of year	**690.0**	697.1	699.9	**4,465.1**	4,441.7	5,032.7

The table above excludes bank overdrafts which fall within cash and cash equivalents for the purposes of the consolidated cash flow statement. Other liabilities from financing activities including lease liabilities and derivatives used for hedging debts are disclosed in note 13 and note 26, respectively.

Shares

At 31 December 2022, the Company's share base was entirely composed of ordinary equity share capital and share premium of £690.0 million (2021: £697.1 million, 2020: £699.9 million), further details of which are disclosed in note 27.

Notes to the consolidated financial statements (continued)

10. Sources of finance (continued)

Debt

US$ bonds The Group has in issue $750 million of 3.75% bonds due September 2024, $93 million of 5.125% bonds due September 2042 and $220 million of 5.625% bonds due November 2043.

Eurobonds The Group has in issue €750 million of 3.0% bonds due November 2023, €500 million of 1.375% bonds due March 2025, €750 million of 2.25% bonds due September 2026, €750 million of 2.375% bonds due May 2027, and €600 million of 1.625% bonds due March 2030. The €250 million of Floating Rate Notes carrying a coupon of 3m EURIBOR +0.45% were repaid in March 2022.

Sterling bonds The Group has in issue £250 million of 3.750% bonds due May 2032 and £400 million of 2.875% bonds due September 2046.

Revolving Credit Facility The Group has a five-year Revolving Credit Facility of $2.5 billion due March 2026, signed in November 2021. The Group's borrowings under these facilities, which are drawn down predominantly in pounds sterling, averaged nil in 2022 (2021: nil, 2020: nil).

In May 2021, the Group's subsidiary, WPP AUNZ, repaid in full its A$150 million Revolving Credit Facility due August 2021, and its A$270 million Revolving Credit Facility due August 2023. The Group's borrowings under the Australian dollar facilities which were drawn down in Australian dollars and New Zealand dollars, averaged the equivalent of nil in 2022 (2021: A$52 million, 2020: A$151 million).

The Group had available undrawn committed credit facilities of £2,069.0 million at 31 December 2022 (2021: £1,847.5 million, 2020: £2,023.2 million).

Borrowings under the $2.5 billion Revolving Credit Facility are governed by certain financial covenants based on the results and financial position of the Group.

During 2022, all covenants have been complied with and based on current forecasts it is expected that such covenants will continue to be complied with for the foreseeable future.

The $2.5 billion Revolving Credit Facility, due March 2026, includes terms which require the consent of the majority of the lenders if a proposed merger or consolidation of the Company would alter its legal personality or identity.

Commercial paper programmes

The Group operates commercial paper programmes using its Revolving Credit Facility as a backstop. The average US commercial paper outstanding in 2022 was $195 million (2021: nil, 2020: $2 million). The average Euro commercial paper outstanding in 2022 was €34 million (2021: nil, 2020: nil) inclusive of the effect of currency swaps, where applicable. There was no US or Euro commercial paper outstanding at 31 December 2022.

The following table is an analysis of future anticipated cash flows in relation to the Group's debt, on an undiscounted basis which, therefore, differs from the fair value and carrying value:

	2022	2021	2020
	£m	£m	£m
Within one year	**(791.6)**	(326.8)	(182.2)
Between one and two years	**(724.3)**	(745.4)	(725.6)
Between two and three years	**(524.2)**	(646.5)	(795.7)
Between three and four years	**(740.3)**	(492.8)	(649.1)
Between four and five years	**(719.9)**	(698.0)	(528.2)
Over five years	**(1,963.7)**	(2,546.3)	(3,387.1)
Debt financing (including interest) under the Revolving Credit Facility and in relation to unsecured loan notes	**(5,464.0)**	(5,455.8)	(6,267.9)
Short-term overdrafts – within one year	**(505.7)**	(342.3)	(8,562.0)
Future anticipated cash flows	**(5,969.7)**	(5,798.1)	(14,829.9)
Effect of discounting/financing rates	**998.9**	1,014.1	1,235.2
Debt financing	**(4,970.8)**	(4,784.0)	(13,594.7)

Notes to the consolidated financial statements (continued)

10. Sources of finance (continued)

Analysis of fixed and floating rate debt by currency including the effect of cross-currency swaps:

2022 Currency		£m	Fixed rate[1]	Floating basis	Period (months)[1]
$	– fixed	1,379.5	4.18	n/a	60
£	– fixed	1,094.1	2.97	n/a	143
€	– fixed	2,080.6	2.21	n/a	55
	– floating	—	n/a	EURIBOR	0
Other		(89.1)	n/a	n/a	n/a
		4,465.1			

2021 Currency		£m	Fixed rate[1]	Floating basis	Period (months)[1]
$	– fixed	1,231.8	4.18	n/a	72
£	– fixed	1,094.1	2.97	n/a	155
€	– fixed	1,976.0	2.04	n/a	69
	– floating	210.2	n/a	EURIBOR	3
Other		(70.4)	n/a	n/a	n/a
		4,441.7			

2020 Currency		£m	Fixed rate[1]	Floating basis	Period (months)[1]
$	– fixed	1,585.1	4.06	n/a	70
£	– fixed	1,094.1	3.21	n/a	167
€	– fixed	2,104.6	2.20	n/a	79
	– floating	223.9	n/a	EURIBOR	15
Other		25.0	n/a	n/a	n/a
		5,032.7			

Note

1 Weighted average.

The following table is an analysis of future undiscounted anticipated cash flows in relation to the Group's financial derivatives, which include interest rate swaps, forward contracts and other foreign exchange swaps assuming interest rates and foreign exchange rates as at 31 December:

	Financial liabilities		Financial assets	
2022	Payable	Receivable	Payable	Receivable
	£m	£m	£m	£m
Within one year	1,186.3	1,126.2	347.1	345.7
Between one and two years	—	—	11.6	6.2
Between two and three years	—	—	449.8	461.8
	1,186.3	**1,126.2**	**808.5**	**813.7**

	Financial liabilities		Financial assets	
2021	Payable	Receivable	Payable	Receivable
	£m	£m	£m	£m
Within one year	185.8	173.7	581.1	582.5
Between one and two years	551.4	521.1	30.0	30.4
Between two and three years	11.6	6.0	—	—
Between three and four years	449.8	445.6	—	—
	1,198.6	**1,146.4**	**611.1**	**612.9**

Notes to the consolidated financial statements (continued)

10. Sources of finance (continued)

2020	Financial liabilities Payable	Financial liabilities Receivable	Financial assets Payable	Financial assets Receivable
	£m	£m	£m	£m
Within one year	201.7	195.4	102.3	98.2
Between one and two years	11.6	6.2	17.8	13.6
Between two and three years	41.9	35.7	449.2	461.2
Between three and four years	11.6	6.3	—	—
Between four and five years	449.8	466.3	—	—
	716.6	**709.9**	**569.3**	**573.0**

Analysis of change in financing activities (inclusive of leases)
The table below details changes arising from financing activities, including both cash and non-cash changes.

2022	Opening balance	Cash flow	Acquisition of subsidiaries	Foreign exchange	Interest and other	Closing balance
	£m	£m	£m	£m	£m	£m
Borrowings (excluding lease liabilities) (note 10, 11, 21 and 26)[1]	4,441.7	(220.6)	—	237.2	6.8	4,465.1
Derivatives (notes 18, 19 and 20)	50.6	—	—	6.4	(4.7)	52.3
Lease liabilities (note 13)[2]	2,041.8	(402.0)	0.1	145.8	424.9	2,210.6
Share repurchase commitments (note 19)[3]	211.7	(211.7)	—	—	—	—
Liabilities from financing activities	**6,745.8**	**(834.3)**	**0.1**	**389.4**	**427.0**	**6,728.0**
Cash and short-term deposits (note 11 and 26)	(3,882.9)	1,494.4	(38.8)	(64.2)	—	(2,491.5)
Bank overdrafts	342.3	163.4	—	—	—	505.7
	3,205.2	**823.5**	**(38.7)**	**325.2**	**427.0**	**4,742.2**

2021	Opening balance	Cash flow	Acquisition of subsidiaries	Foreign exchange	Interest and other	Closing balance
	£m	£m	£m	£m	£m	£m
Borrowings (excluding lease liabilities) (note 10, 11, 21 and 26)[1]	5,032.7	(397.1)	—	(199.1)	5.2	4,441.7
Derivatives (notes 18, 19 and 20)	3.2	—	—	47.0	0.4	50.6
Lease liabilities (note 13)[2]	2,156.3	(409.1)	34.2	(23.3)	283.7	2,041.8
Share repurchase commitments (note 19)[3]	—	—	—	—	211.7	211.7
Liabilities from financing activities	**7,192.2**	**(806.2)**	**34.2**	**(175.4)**	**501.0**	**6,745.8**
Cash and short-term deposits (note 11 and 26)	(12,899.1)	8,883.8	2.3	130.1	—	(3,882.9)
Bank overdrafts	8,562.0	(8,219.7)	—	—	—	342.3
	2,855.1	**(142.1)**	**36.5**	**(45.3)**	**501.0**	**3,205.2**

Notes

1 Borrowings includes: bonds and bank loans. The interest and other amounts within borrowings comprises amortisation of capitalised borrowing costs.

2 Repayment of lease liabilities includes £92.4 million (2021: £88.4 million) of interest paid on lease liabilities recognised within net cash inflow from operating activities (note 11). Interest and other within lease liabilities comprises interest on leases as well as the lease liability additions and disposals as disclosed in note 13.

3 The cash flow of £211.7 million related to share repurchase commitments is included within the £862.7 million of total share repurchase and buybacks (note 11).

11. Analysis of cash flows

The following tables analyse the items included within the main cash flow headings on page F-14.

Net cash from operating activities:

	2022	2021	2020
	£m	£m	£m
Profit/(loss) for the year	**775.4**	720.7	(2,901.3)
Taxation	**384.4**	230.1	129.3
Revaluation and retranslation of financial instruments	**(76.0)**	87.8	147.2
Finance costs	**359.4**	283.6	312.3
Finance and investment income	**(145.4)**	(69.4)	(82.8)
Loss/(earnings) from associates - after interest and tax	**60.4**	(23.8)	136.0
Gain on sale of discontinued operations	**—**	—	(10.0)
Attributable tax expense on sale of discontinued operations	**—**	—	1.9
Adjustments for:			
Non-cash share-based incentive plans (including share options)	**122.0**	99.6	74.4
Depreciation of property, plant and equipment	**166.9**	151.2	174.8
Depreciation of right-of-use assets	**262.2**	272.9	331.9
Impairment charges included within restructuring costs[1]	**72.3**	39.2	196.7
Goodwill impairment	**37.9**	1.8	2,822.9
Amortisation and impairment of acquired intangible assets	**62.1**	97.8	89.1
Amortisation of other intangible assets	**21.9**	19.9	35.2
Investment and other impairment charges/(reversals)	**48.0**	(42.4)	296.2
Losses/(gains) on disposal of investments and subsidiaries	**36.3**	10.6	(7.8)
Gains on remeasurement of equity interests arising from a change in scope of ownership	**(66.5)**	—	(0.6)
(Gains)/losses on sale of property, plant and equipment	**(6.4)**	(1.3)	0.3
(Increase)/decrease in trade receivables and accrued income	**(498.6)**	(458.9)	585.2
Increase in trade payables and deferred income	**170.6**	777.8	195.0
Increase/(decrease) in other receivables	**(154.1)**	(120.0)	123.3
(Decrease)/increase in other payables - short-term	**(259.6)**	547.0	(36.6)
Decrease in other payables – long-term	**(67.0)**	(11.0)	(44.3)
(Decrease)/increase in provisions	**(38.0)**	(32.9)	15.6
Corporation and overseas tax paid	**(390.9)**	(391.1)	(371.5)
Payment on early settlement of bonds	**—**	(13.0)	—
Interest and similar charges paid	**(210.2)**	(173.7)	(173.9)
Interest paid on lease liabilities	**(92.4)**	(88.4)	(98.5)
Interest received	**88.9**	47.5	73.6
Investment income	**24.5**	17.8	8.7
Dividends from associates	**37.6**	53.4	32.5
Earnout payments recognised in operating activities[2]	**(24.8)**	(3.8)	(4.2)
Net cash inflow from operating activities	**700.9**	2,029.0	2,050.6

Notes

1 Impairment charges included within restructuring costs includes impairments for right-of-use assets, property, plant and equipment and other intangible assets.

2 Earnout payments in excess of the amount determined at acquisition are recorded as operating activities. Prior year excess amounts were recorded as investing activities and have been re-presented as operating activities.

Notes to the consolidated financial statements (continued)

11. Analysis of cash flows (continued)

Acquisitions and disposals:

	2022	2021	2020
	£m	£m	£m
Initial cash consideration	(218.3)	(227.6)	(32.8)
Cash and cash equivalents acquired	38.8	(2.3)	—
Earnout payments[1]	(46.6)	(53.2)	(111.0)
Purchase of other investments (including associates)	(10.1)	(99.2)	(30.4)
Acquisitions	(236.2)	(382.3)	(174.2)
Proceeds on disposal of investments and subsidiaries[2]	50.1	51.9	320.0
Cash and cash equivalents disposed	(12.4)	(23.6)	(47.7)
Disposals of investments and subsidiaries	37.7	28.3	272.3
Cash consideration received from non-controlling interests	—	39.5	—
Cash consideration for purchase of non-controlling interests	(84.2)	(135.0)	(80.6)
Cash consideration for non-controlling interests	(84.2)	(95.5)	(80.6)
Net acquisition payments and disposal proceeds	(282.7)	(449.5)	17.5

Notes

1 Earnout payments in excess of the amount determined at acquisition are recorded as operating activities. Prior year excess amounts were recorded as investing activities and have been re-presented as operating activities.

2 Proceeds on disposal of investments and subsidiaries includes return of capital from investments in associates.

Share repurchases and buybacks:

	2022	2021	2020
	£m	£m	£m
Purchase of own shares by ESOP Trusts	(55.3)	(89.2)	(5.1)
Shares purchased into treasury for cancellation	(807.4)	(729.3)	(285.1)
Net cash outflow	(862.7)	(818.5)	(290.2)

Proceeds from issue of bonds:

	2022	2021	2020
	£m	£m	£m
Proceeds from issue of €750 million bonds	—	—	665.5
Proceeds from issue of £250 million bonds	—	—	250.0
Net cash inflow	—	—	915.5

Repayment of borrowings:

	2022	2021	2020
	£m	£m	£m
Decrease in drawings on bank loans	(11.3)	(36.3)	(59.6)
Repayment of $500 million bonds	—	(360.8)	—
Repayment of €250 million bonds	(209.3)	—	(223.1)
Net cash outflow	(220.6)	(397.1)	(282.7)

Cash and cash equivalents:

	2022	2021	2020
	£m	£m	£m
Cash at bank and in hand	2,271.6	2,776.6	10,075.0
Short-term bank deposits	219.9	1,106.3	2,824.1
Overdrafts[1]	(505.7)	(342.3)	(8,562.0)
	1,985.8	3,540.6	4,337.1

Note

1 Bank overdrafts are included in cash and cash equivalents because they form an integral part of the Group's cash management.

The Group considers that the carrying amount of cash and cash equivalents approximates their fair value.

12. Assets held for sale and discontinued operations

In July 2019, the Group announced the proposed sale of its Kantar business to Bain Capital. On 5 December 2019 the first stage of the transaction completed, consisting of approximately 90% of the Kantar group, with consideration of £2,140.2 million after tax and disposal costs. The sale involved the Group disposing of the Kantar business and holding 40% equity stakes post-transaction which are treated as associates. This generated a pre-tax gain of £73.8 million, tax charge of £157.4 million and goodwill impairment of £94.5 million for the Group. In 2020, the remaining stages of the transaction completed with total consideration of £236.1 million after tax and disposal costs. This generated a pre-tax gain of £10.0 million and a tax charge of £1.9 million.

The Kantar group is classified as a discontinued operation in 2020 under IFRS 5, as it forms a separate major line of business and there was a single co-ordinated plan to dispose of it.

Results of the discontinued operations, which have been included in profit for the year, were as follows:

	2020 £m
Revenue	107.4
Costs of services	(92.3)
Gross profit	15.1
General and administrative costs	(4.4)
Operating profit	10.7
Share of results of associates	—
Profit before interest and taxation	10.7
Finance and investment income	0.1
Finance costs	(0.3)
Revaluation and retranslation of financial instruments	—
Profit before taxation	10.5
Attributable tax expense	(2.2)
Profit after taxation	8.3

Gain on sale of discontinued operations	10.0
Attributable tax expense on sale of discontinued operations	(1.9)
Net gain attributable to discontinued operations	16.4
Attributable to	
Equity holders of the parent	6.5
Non-controlling interests[1]	9.9
	16.4

Note

[1] In 2020, non-controlling interests includes £9.3 million recognised on the disposal of Kantar within WPP Scangroup, a 56% owned subsidiary of the Group.

For the year ended 31 December 2020, the Kantar group contributed £30.8 million to the Group's net operating cash flows, paid £0.9 million in respect of investing activities and paid £0.7 million in respect of financing activities.

Notes to the consolidated financial statements (continued)

12. Assets held for sale and discontinued operations (continued)

The gain on sale of discontinued operations disposed by 31 December 2020 is calculated as follows:

	2020
	£m
Intangible assets (including goodwill)	162.5
Property, plant and equipment	15.1
Right-of-use assets	27.2
Interests in associates and joint ventures	4.6
Other investments	—
Deferred tax assets	6.1
Corporate income tax recoverable	16.9
Trade and other receivables	170.3
Cash and cash equivalents	32.2
Trade and other payables	(141.6)
Corporate income tax payable	(5.6)
Lease liabilities	(23.2)
Deferred tax liabilities	(1.3)
Provisions for post-employment benefits	(7.9)
Provisions for liabilities and charges	(0.6)
Net assets	254.7
Non-controlling interests	(6.1)
Net assets excluding non-controlling interests	248.6
Consideration received in cash and cash equivalents	240.9
Transaction costs	(4.5)
Deferred consideration[1]	1.6
Total consideration received	238.0
Loss on sale before exchange adjustments	(10.6)
Exchange adjustments recycled to the income statement	20.6
Gain on sale of discontinued operation	10.0

Note

[1] Deferred consideration in 2020 is made up of £79.6 million expected to be received in future periods on the satisfaction of certain conditions and the deferral of £78.0 million consideration against services the Group will supply to Kantar on favourable terms in the future. The conditions expected to be met in the future include the settlement of ongoing legal cases, realisation of the value of certain investments and the utilisation of certain tax losses and allowances. There was uncertainty at the date of disposal in regard to the ultimate resolution of these items and estimates of amounts due to be received were required to be made; there were no individually material estimates. Future services provided by the Group to Kantar arose through the negotiation of Transition Service Arrangements, as is customary for a disposal of this magnitude. The Group will support Kantar for a period of up to four years, primarily in the area of IT, on terms which are favourable to the disposal group. As such, an element of consideration has been deferred and will be recognised as the services are provided.

13. Leases

The movements in 2022 and 2021 were as follows:

Right-of-use assets	Land and buildings[1] £m	Plant and machinery £m	Total £m
1 January 2021	1,461.8	42.7	1,504.5
Additions	264.6	17.2	281.8
Transfers to net investment in subleases	(26.9)	—	(26.9)
Disposals	(53.6)	(1.3)	(54.9)
Depreciation of right-of-use assets	(254.7)	(18.2)	(272.9)
Impairment charges included within restructuring costs	(18.9)	(0.4)	(19.3)
Other reversals	6.8	—	6.8
Exchange adjustments	(22.1)	(1.9)	(24.0)
31 December 2021	1,357.0	38.1	1,395.1
Additions	363.8	23.8	387.6
Transfers to net investment in subleases	(7.0)	—	(7.0)
Disposals	(42.2)	(0.8)	(43.0)
Depreciation of right-of-use assets	(245.3)	(16.9)	(262.2)
Impairment charges included within restructuring costs	(33.3)	(0.2)	(33.5)
Exchange adjustments	89.2	2.3	91.5
31 December 2022	**1,482.2**	**46.3**	**1,528.5**

Note

[1] For the years ended 31 December 2022 and 2021, the Company has £18.5 million and £38.5 million of right-of-use assets that are classified as investment property, respectively.

Lease liabilities	Land and buildings £m	Plant and machinery £m	Total £m
1 January 2021	2,111.8	44.5	2,156.3
Additions	277.0	16.1	293.1
Interest expense related to lease liabilities	89.7	1.2	90.9
Disposals	(64.2)	(1.9)	(66.1)
Repayment of lease liabilities (including interest)	(390.6)	(18.5)	(409.1)
Exchange adjustments	(21.2)	(2.1)	(23.3)
31 December 2021	2,002.5	39.3	2,041.8
Additions	353.6	23.7	377.3
Interest expense related to lease liabilities	94.2	1.5	95.7
Disposals	(46.1)	(1.9)	(48.0)
Repayment of lease liabilities (including interest)	(385.6)	(16.4)	(402.0)
Exchange adjustments	143.6	2.2	145.8
31 December 2022	**2,162.2**	**48.4**	**2,210.6**

Notes to the consolidated financial statements (continued)

13. Leases (continued)

The following table shows the breakdown of the lease expense between amounts charged to operating profit and amounts charged to finance costs:

	2022	2021	2020
	£m	£m	£m
Depreciation of right-of-use assets:			
Land and buildings	**(245.3)**	(254.7)	(312.1)
Plant and machinery	**(16.9)**	(18.2)	(19.8)
Impairment charges	**(33.5)**	(12.5)	(125.1)
Short-term lease expense	**(20.2)**	(18.0)	(36.7)
Low-value lease expense	**(1.9)**	(2.3)	(2.3)
Variable lease expense	**(57.3)**	(56.2)	(65.4)
Sublease income	**18.6**	17.3	25.3
Charge to operating profit	**(356.5)**	(344.6)	(536.1)
Interest expense related to lease liabilities	**(95.7)**	(90.9)	(101.0)
Charge to profit before taxation for leases	**(452.2)**	(435.5)	(637.1)

Variable lease payments primarily include real estate taxes and insurance costs.

The maturity of lease liabilities at 31 December 2022 and 2021 were as follows:

	2022	2021
	£m	£m
Within one year	**379.1**	369.7
Between one and two years	**337.7**	321.9
Between two and three years	**293.0**	273.7
Between three and four years	**252.3**	229.1
Between four and five years	**234.8**	199.1
Over five years	**1,328.5**	1,227.1
	2,825.4	2,620.6
Effect of discounting	**(614.8)**	(578.8)
Lease liability at end of year	**2,210.6**	2,041.8
Short-term lease liability	**282.4**	279.7
Long-term lease liability	**1,928.2**	1,762.1

The total committed future cash flows for leases not yet commenced at 31 December 2022 is £440.0 million.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Refer to note 25 for management of liquidity risk.

14. Intangible Assets

Goodwill

The movements in 2022 and 2021 were as follows:

	£m
Cost	
1 January 2021	10,807.3
Additions[1]	335.8
Disposals	(5.4)
Exchange adjustments	(146.7)
31 December 2021	10,991.0
Additions[1]	262.6
Disposals	—
Exchange adjustments	891.0
31 December 2022	**12,144.6**
Accumulated impairment losses and write-downs	
1 January 2021	3,418.5
Impairment losses for the year	1.8
Exchange adjustments	(41.6)
31 December 2021	3,378.7
Impairment losses for the year	37.9
Exchange adjustments	274.6
31 December 2022	**3,691.2**
Net book value	
31 December 2022	**8,453.4**
31 December 2021	7,612.3
1 January 2021	7,388.8

Note

1 Additions represent goodwill arising on the acquisition of subsidiary undertakings including the effect of any revisions to fair value adjustments that had been determined provisionally at the immediately preceding balance sheet date, as permitted by IFRS 3 Business Combinations. The effect of such revisions was not material in either year presented.

Notes to the consolidated financial statements (continued)

14. Intangible Assets (continued)

Other intangible assets

The movements in 2022 and 2021 were as follows:

	Brands with an indefinite useful life £m	Acquired intangibles £m	Other £m	Total £m
Cost				
1 January 2021	1,071.9	1,569.7	300.3	2,941.9
Additions	—	—	29.9	29.9
Disposals	—	(7.3)	(44.6)	(51.9)
New acquisitions	—	97.7	—	97.7
Other movements[1]	—	—	3.9	3.9
Exchange adjustments	(4.6)	(15.7)	(1.4)	(21.7)
31 December 2021	**1,067.3**	**1,644.4**	**288.1**	**2,999.8**
Additions	—	—	14.9	14.9
Disposals	—	(4.7)	(59.2)	(63.9)
New acquisitions	—	46.5	1.2	47.7
Other movements[1]	—	9.3	0.8	10.1
Exchange adjustments	98.7	131.6	34.7	265.0
31 December 2022	**1,166.0**	**1,827.1**	**280.5**	**3,273.6**
Amortisation and impairment				
1 January 2021	12.8	1,329.2	210.6	1,552.6
Charge for the year	43.8	53.5	19.9	117.2
Impairment charges included within restructuring costs	—	—	10.1	10.1
Disposals	—	(3.5)	(24.5)	(28.0)
Other movements	—	—	(1.5)	(1.5)
Exchange adjustments	0.2	(8.2)	(2.1)	(10.1)
31 December 2021	**56.8**	**1,371.0**	**212.5**	**1,640.3**
Charge for the year	—	61.9	21.9	83.8
Intangible asset impairment	—	—	29.0	29.0
Disposals	—	(4.4)	(59.4)	(63.8)
Exchange adjustments	5.8	109.9	16.7	132.4
31 December 2022	**62.6**	**1,538.4**	**220.7**	**1,821.7**
Net book value				
31 December 2022	**1,103.4**	**288.7**	**59.8**	**1,451.9**
31 December 2021	1,010.5	273.4	75.6	1,359.5
1 January 2021	1,059.1	240.5	89.7	1,389.3

Note

1 Other movements in acquired intangibles include revisions to fair value adjustments arising on the acquisition of subsidiary undertakings that had been determined provisionally at the immediately preceding balance sheet date, as permitted by IFRS 3 Business Combinations.

Notes to the consolidated financial statements (continued)

14. Intangible Assets (continued)

Cash-generating units (CGUs) with significant goodwill and brands with an indefinite useful life as at 31 December are:

	Goodwill		Brands with an indefinite useful life	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
GroupM	**3,178.3**	2,982.5	—	—
Wunderman Thompson	**1,210.8**	997.3	**442.0**	405.1
Ogilvy	**849.8**	784.4	**222.8**	205.0
VMLY&R	**776.0**	675.6	**207.6**	189.8
Burson Cohn & Wolfe	**646.0**	585.7	**140.5**	128.4
AKQA Group	**628.7**	570.2	—	—
FGS Global	**451.8**	393.2	—	—
Landor Group	**106.5**	97.1	**55.7**	50.7
Other	**605.5**	526.3	**34.8**	31.5
	8,453.4	7,612.3	**1,103.4**	1,010.5

Other goodwill represents goodwill on a large number of CGUs, none of which is individually significant in comparison to the total carrying value of goodwill. Separately identifiable brands with an indefinite useful life are carried at historical cost in accordance with the Group's accounting policy for intangible assets. The carrying values of the other brands with an indefinite useful life are not individually significant in comparison with the total carrying value of brands with an indefinite useful life.

Acquired intangible assets at net book value at 31 December 2022 include brand names of £142.3 million (2021: £137.4 million), customer-related intangibles of £120.3 million (2021: £110.4 million), and other assets (including proprietary tools) of £26.1 million (2021: £25.6 million).

The total amortisation and impairment of acquired intangible assets of £61.9 million (2021: £97.3 million) includes an impairment charge in the year of £1.4 million (2021: £47.9 million) in regards to certain brand names in the Global Integrated Agencies segment that are no longer in use. In 2021, £43.8 million of the impairment charge related to brands with an indefinite useful life. In 2021, £45.1 million of the impairment charge related to the Global Integrated Agencies segment and £2.8 million related to the Specialist Agencies segment. In addition, the total amortisation and impairment of acquired intangible assets includes £0.2 million (2021: £0.5 million) in relation to associates.

In accordance with the Group's accounting policy, the carrying values of goodwill and intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment review is undertaken annually on 30 September. A goodwill impairment charge of £37.9 million (2021: £1.8 million) was recognised during the year due to a number of under-performing businesses in the Group. This year, £34.2 million of the impairment charge related to the Specialist Agencies segment and £3.7 million related to the Public Relations segment. In certain markets, the impact of local economic conditions and trading circumstances on these businesses was sufficiently severe to indicate impairment to the carrying value of goodwill.

Under IFRS, an impairment charge is required for both goodwill and other indefinite-lived assets when the carrying amount exceeds the "recoverable amount", defined as the higher of fair value less costs of disposal and value in use. The review assessed whether the carrying value of goodwill and intangible assets with indefinite useful lives was supported by the value in use determined as the net present value of future cash flows.

Due to the significant number of CGUs, the impairment test was performed in two steps. In the first step, the recoverable amount was calculated for each CGU using the latest available forecasts for 2022 and/or 2023, nil growth rate thereafter (2021: nil) and a conservative pre-tax discount rate of 15.5% (2021: 13.5%). The pre-tax discount rate of 15.5% was above the rate calculated for the global networks of 14.5% (2021: 12.5%). For smaller CGUs that operate primarily in a particular region subject to higher risk, the higher of 15.5% or 100 basis points above the regional discount rate was used in the first step.

The recoverable amount was then compared to the carrying amount, which includes goodwill, intangible assets and other assets. CGUs where the recoverable amount exceeded the carrying amount were not considered to be impaired. Those CGUs where the recoverable amount did not exceed the carrying amount were then further reviewed in the second step.

In the second step, these CGUs were retested for impairment using more refined assumptions. This included using a CGU specific pre-tax discount rate and management forecasts for a projection period of up to five years, followed by an assumed long-term growth rate of 2.0% (2021: 2.0%, 2020: 2.0%). If the recoverable amount using the more specific assumptions did not exceed the carrying value of a CGU, an impairment charge was recorded.

The long-term growth rate is derived from management's best estimate of the likely long-term trading performance with reference to external industry reports and other relevant market trends. As at 31 December 2022, we have assessed long-term industry trends based on recent historical data and assumed a long-term growth rate of 2.0% (2021: 2.0%, 2020: 2.0%). Management have made the judgement that the long-term growth rate does not exceed the long-term average growth rate for the industry.

The discount rate uses the capital asset pricing model (CAPM) to derive the cost of equity along with an estimated cost of debt that is weighted by an appropriate capital structure to derive an indication of a weighted average cost of capital. The cost of equity is calculated based on long-term government bond yield, an estimate of the required premium for investment in equity relative to government securities and further considers the volatility associated with peer public companies relative to the market. The cost of debt reflects an estimated market yield for long-term debt financing after taking into account the credit profile of public peer companies in the industry. The capital structure used to weight the cost of equity and cost of debt has been derived from the observed capital structure of public peer companies.

The pre-tax discount rate applied to the cash flow projections for the CGUs that operate globally was 14.5% (2021: 12.5%). We developed a global discount rate that takes into account the diverse nature of the operations, as these CGUs operate with a diverse range of clients in a range of industries throughout the world, hence are subject to similar levels of market risks. The pre-tax discount rates applied to the CGUs that have more regional specific operations ranged from 14.0% (2021: 11.3%) to 22.6% (2021: 18.4%).

Our approach in determining the recoverable amount utilises a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue less pass-through costs growth, operating margins, appropriate discount rates and working capital requirements. The key assumptions used for estimating cash flow projections in the Group's impairment testing are those relating to revenue less pass-through costs growth and operating margins. The key assumptions take account of the business's expectations for the projection period. These expectations consider the macroeconomic environment, industry and market conditions, the CGU's historical performance and any other circumstances particular to the unit, such as business strategy and client mix.

These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgements are applied in determining the level of CGU identified for impairment testing and the criteria used to determine which assets should be aggregated. A difference in testing levels could affect whether an impairment is recorded and the extent of impairment loss. Changes in our business activities or structure may also result in additional changes to the level of testing in future periods. Further, future events could cause the Group to conclude that impairment indicators exist and that the asset values associated with a given operation have become impaired.

Historically our impairment losses have resulted from a specific event, condition or circumstance in one or more of our companies, such as the impact of Covid-19 or the loss of a significant client. As a result, changes in the assumptions used in our impairment model have generally not had a significant effect on the impairment charges recognised. The average operating margins used in the five-year projection period for CGUs with significant goodwill and brands with an indefinite useful life ranged from 12.8% to 23.6%. Wunderman Thompson's recoverable amount exceeded its carrying value by £105.5 million and is the only CGU with significant goodwill and brands with an indefinite useful life that is sensitive to changes in the key assumptions used in determining the recoverable amount. Holding other assumptions constant, the carrying value would be greater than its recoverable amount if the average operating margin decreased by 0.8% or the discount rate increased by 0.7%. Wunderman Thompson is not sensitive to a reasonably possible change in revenue less pass-through costs growth. The carrying value of goodwill and other intangible assets will continue to be reviewed at least annually for impairment and adjusted down to the recoverable amount if required.

Impairments in 2020

In 2020, £2,822.9 million of impairment charges were incurred. The impairments related to historical acquisitions whose carrying values were reassessed in light of the impact of Covid-19. The impairments were driven by a combination of higher discount rates used to value future cash flows, a lower profit base in 2020 and lower industry growth rates. By operating sector, £2,355.1 million of the impairment charge related to Global Integrated Agencies, £161.5 million related to Public Relations and £306.3 million related to Specialist Agencies.

As noted above, the impairment review is undertaken annually on 30 September. Given the Covid-19 pandemic, impairment indicators such as a decline in revenue less pass-through costs forecasts, and downturns in the global economy and the advertising industry were identified in the first half of 2020. As such, the Group also performed an impairment test over goodwill and intangible assets with indefinite useful lives as at 30 June 2020. Given the continued impact of Covid-19, an additional impairment test was performed as of 31 December 2020.

In developing the cash flows for the 2020 impairment tests, we considered the impact of the Covid-19 pandemic to our businesses and adjusted projected revenue less pass-through costs and operating margins in 2020 and/or 2021 accordingly. For the remaining years in the projection period, we assessed when the cash flows would recover to 2019 levels as representative of pre-Covid-19 revenue less pass-through costs and operating margins. For many of our CGUs, recovery to 2019 levels by 2023 was estimated with some CGUs using alternative recovery profiles as considered appropriate.

The pre-tax discount rate applied to the cash flow projections for the CGUs that operate globally was 12.5%. The pre-tax discount rates applied to the CGUs that have more regional specific operations ranged from 10.8% to 18.6% for the 30 June 2020 test, 11.3% to 14.4% for the 30 September 2020 test, and 11.2% to 13.6% for the 31 December 2020 test.

As part of the overall effort to simplify operations and become more client-centric, certain operations were realigned between the various networks. These realignments were reflected in the CGUs being tested. The most significant of these for the 30 June 2020 test included the treatment of Landor and Fitch as a single CGU given the collaboration of the two brands from both a management and client perspective; the shift of certain European operations into VMLY&R; and the transfer of certain Asian operations from VMLY&R to Ogilvy in order to improve the operational synergies and offer in the respective regions.

Subsequent realignments to improve the operational synergies and regional offers were reflected in the September and December tests including the shift of certain Latin American and European operations between Wunderman Thompson, VMLY&R and GroupM; and the transfer of certain Asian operations to VMLY&R that previously operated independently from a network.

The transfers of carrying value between CGUs were determined on a relative value basis. These realignments did not have a significant impact on the impairment figures recognised. The CGUs with significant impairments of goodwill as at 31 December 2020 are set out in the below table with the recoverable amount determined as of the December 2020 test.

Notes to the consolidated financial statements (continued)

14. Intangible Assets (continued)

	Operating Sector	Recoverable amount 2020 £m	Goodwill impairment charge 2020 £m
Wunderman Thompson	Global Integrated Agencies	1,956.8	1,207.5
VMLY&R	Global Integrated Agencies	1,075.7	516.9
Burson Cohn & Wolfe	Public Relations	790.2	144.8
Geometry Global	Global Integrated Agencies	164.4	305.8
Landor & Fitch	Specialist Agencies	177.6	185.4
Other		1,409.5	462.5
		5,574.2	**2,822.9**

15. Property, plant and equipment

The movements in 2022 and 2021 were as follows:

	Land £m	Freehold buildings £m	Leasehold buildings £m	Fixtures, fittings and equipment £m	Computer equipment £m	Total £m
Cost						
1 January 2021	34.3	39.6	1,052.5	189.3	381.7	1,697.4
Additions	14.3	8.9	134.5	31.5	74.0	263.2
New acquisitions	—	—	1.5	1.3	1.2	4.0
Disposals	(0.1)	(0.6)	(108.3)	(60.0)	(56.4)	(225.4)
Exchange adjustments	(5.3)	13.5	(5.2)	(12.6)	(8.7)	(18.3)
31 December 2021	43.2	61.4	1,075.0	149.5	391.8	1,720.9
Additions	13.8	0.1	75.8	32.1	86.6	208.4
New acquisitions	—	—	0.5	0.2	0.6	1.3
Disposals	(0.1)	(8.3)	(62.1)	(40.0)	(72.1)	(182.6)
Exchange adjustments	(16.9)	39.3	89.7	23.0	39.8	174.9
31 December 2022	**40.0**	**92.5**	**1,178.9**	**164.8**	**446.7**	**1,922.9**
Depreciation and impairment						
1 January 2021	—	2.3	510.4	106.9	286.9	906.5
Charge for the year	—	1.0	66.5	27.6	56.1	151.2
Impairment charges included within restructuring costs	—	—	7.1	1.8	0.9	9.8
Disposals	—	—	(108.2)	(55.9)	(55.1)	(219.2)
Exchange adjustments	—	(0.6)	(6.2)	(8.5)	(8.5)	(23.8)
31 December 2021	—	2.7	469.6	71.9	280.3	824.5
Charge for the year	—	0.7	74.0	26.5	65.7	166.9
Impairment charges included within restructuring costs	—	—	9.1	0.6	0.1	9.8
Disposals	—	(1.7)	(63.5)	(36.7)	(71.1)	(173.0)
Exchange adjustments	—	0.3	43.2	17.5	33.0	94.0
31 December 2022	**—**	**2.0**	**532.4**	**79.8**	**308.0**	**922.2**
Net book value						
31 December 2022	**40.0**	**90.5**	**646.5**	**85.0**	**138.7**	**1,000.7**
31 December 2021	43.2	58.7	605.4	77.6	111.5	896.4
1 January 2021	34.3	37.3	542.1	82.4	94.8	790.9

At 31 December 2022, capital commitments contracted, but not provided for in respect of property, plant and equipment, were £128.2 million (2021: £107.3 million).

16. Interests in associates, joint ventures and other investments

The movements in 2022 and 2021 were as follows:

	Interests in associates and joint ventures	Other investments
	£m	£m
1 January 2021	330.7	387.3
Additions	93.6	5.9
Earnings from associates - after interest and tax	23.8	—
Share of other comprehensive income of associate undertakings	13.5	—
Dividends	(53.4)	—
Other movements	(0.2)	—
Exchange adjustments	(22.5)	—
Disposals	(4.8)	(31.9)
Reclassification from subsidiaries	4.2	—
Revaluation of other investments through profit or loss	—	(7.5)
Revaluation of other investments through other comprehensive income	—	(35.5)
Amortisation of other intangible assets	(0.5)	—
Reversal of write-downs	28.5	—
31 December 2021	412.9	318.3
Additions	4.4	5.1
Loss from associates - after interest and tax	(60.4)	—
Share of other comprehensive income of associate undertakings	51.2	—
Dividends	(37.6)	—
Other movements	2.9	—
Exchange adjustments	17.1	—
Disposals	(9.6)	(16.0)
Reclassification to subsidiaries	(5.9)	—
Reclassification from associates to other investments	(22.5)	61.6
Revaluation of other investments through profit or loss	—	23.1
Revaluation of other investments through other comprehensive income	—	(22.3)
Amortisation of other intangible assets	(0.2)	—
Write-downs	(47.2)	—
31 December 2022	**305.1**	**369.8**

Interests in joint ventures are immaterial and none of the Group's associates are individually material at 31 December 2022.

The investments included above as “other investments” represent investments in equity securities that present the Group with opportunity for return through dividend income and trading gains. They have no fixed maturity or coupon rate. The fair values of the listed securities are based on quoted market prices. For unlisted securities, where market value is not available, the Group has estimated relevant fair values on the basis of information from outside sources.

The carrying values of the Group’s associates and joint ventures are reviewed for impairment in accordance with the Group’s accounting policies.

Aggregate information of associates that are not individually material

The following table presents a summary of the aggregate financial performance of the Group’s associate undertakings and joint ventures.

	2022	2021	2020
	£m	£m	£m
(Loss)/earnings from associates - after interest and tax (note 4)	**(60.4)**	23.8	(136.0)
Share of other comprehensive income/(loss) of associate undertakings	**51.2**	13.5	(61.5)
Share of total comprehensive (loss)/income of associate undertakings	**(9.2)**	37.3	(197.5)

The application of equity accounting is ordinarily discontinued when the investment is reduced to zero and additional losses are not provided for unless the Group has guaranteed obligations of the investee or is otherwise committed to provide further financial support for the investee.

16. Interests in associates, joint ventures and other investments (continued)

As at 31 December 2021, the cumulative share of unrecognised losses in relation to Imagina, an associate in Spain with the investment carrying value reduced to zero, were £23.0 million. In 2022, the Group partially disposed of its investment in Imagina resulting in its reclassification from interests in associates to other investments (within the scope of IFRS 9), designated as fair value through other comprehensive income. Refer to note 26 for further details on financial instruments held at fair value though other comprehensive income.

In the year ended 31 December 2022, share of losses of £29.5 million for the US and £33.8 million for Rest of World were not recognised in relation to Kantar, as the investment was reduced to zero.

At 31 December 2022, capital commitments contracted, but not provided for, in respect of interests in associates and other investments were £3.2 million (2021: £5.4 million).

17. Deferred tax

The Group's deferred tax assets and liabilities are measured at the end of each period in accordance with IAS 12 Income Taxes. The recognition of deferred tax assets is determined by reference to the Group's estimate of recoverability, using models where appropriate to forecast future taxable profits.

Deferred tax assets have only been recognised for territories where the Group considers that it is probable that all or a portion of the deferred tax assets will be realised. The main factors that we consider include:

- the future earnings potential determined through the use of internal forecasts;
- the cumulative losses in recent years;
- the various jurisdictions in which the potential deferred tax assets arise;
- the history of losses carried forward and other tax assets expiring;
- the timing of future reversal of taxable temporary differences;
- the expiry period associated with the deferred tax assets; and
- the nature of the income that can be used to realise the deferred tax asset.

If it is probable that some portion of these assets will not be realised, no asset is recognised in relation to that portion.

If market conditions improve and future results of operations exceed our current expectations, our existing recognised deferred tax assets may be adjusted, resulting in future tax benefits. Alternatively, if market conditions deteriorate further or future results of operations are less than expected, future assessments may result in a determination that some or all of the deferred tax assets are not realisable. As a result, all or a portion of the deferred tax assets may need to be reversed.

Certain deferred tax assets and liabilities have been offset as they relate to the same tax group. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Gross 2022	Offset 2022	**As reported 2022**	Gross 2021	Offset 2021	As reported 2021
	£m	£m	**£m**	£m	£m	£m
Deferred tax assets	588.8	(266.7)	**322.1**	565.0	(223.5)	341.5
Deferred tax liabilities	(617.5)	266.7	**(350.8)**	(536.0)	223.5	(312.5)
	(28.7)	—	**(28.7)**	29.0	—	29.0

Notes to the consolidated financial statements (continued)

17. Deferred tax (continued)

The following are the major gross deferred tax assets recognised by the Group and movements thereon in 2022 and 2021:

	Deferred compensation	Accounting provisions and accruals	Retirement benefit obligations	Property, plant and equipment	Tax losses and credits	Share-based payments	Restructuring provisions	Other temporary differences	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 January 2021	49.5	109.5	57.9	80.9	90.3	21.4	56.4	11.6	477.5
Acquisition of subsidiaries	—	—	—	—	—	—	—	0.9	0.9
Credit/(charge) to income	58.2	0.3	1.2	(15.9)	19.7	9.9	9.1	(1.6)	80.9
Charge to other comprehensive income	—	—	(3.0)	—	—	—	—	—	(3.0)
Credit to equity	—	—	—	—	—	11.9	—	—	11.9
Exchange differences and other movements	0.8	(3.6)	(2.7)	3.0	0.5	0.3	(4.4)	2.9	(3.2)
31 December 2021	108.5	106.2	53.4	68.0	110.5	43.5	61.1	13.8	565.0
Acquisition of subsidiaries	—	—	—	—	—	—	—	1.1	1.1
(Charge)/credit to income	(38.7)	3.3	(2.9)	(10.0)	5.0	1.3	21.2	(14.2)	(35.0)
Charge to other comprehensive income	—	—	(7.0)	—	—	—	—	—	(7.0)
Charge to equity	—	—	—	—	—	(15.5)	—	—	(15.5)
Exchange differences and other movements	4.5	10.6	4.5	43.6	7.0	3.0	2.3	4.7	80.2
31 December 2022	**74.3**	**120.1**	**48.0**	**101.6**	**122.5**	**32.3**	**84.6**	**5.4**	**588.8**

Other temporary differences comprise a number of items, none of which is individually significant to the Group's consolidated balance sheet. At 31 December 2022 the balance related to temporary differences in relation to revenue adjustments, tax deductible goodwill, fair value adjustments and other temporary differences.

In addition the Group has recognised the following gross deferred tax liabilities and movements thereon in 2022 and 2021:

	Brands and other intangibles	Associate earnings	Goodwill	Property, plant and equipment	Financial instruments	Other temporary differences	Total
	£m	£m	£m	£m	£m	£m	£m
1 January 2021	326.8	58.0	123.1	—	35.8	25.0	568.7
Acquisition of subsidiaries	22.5	—	—	—	—	—	22.5
(Credit)/charge to income	(19.5)	(21.4)	8.2	—	(35.5)	16.6	(51.6)
Exchange differences and other movements	(4.7)	0.2	1.9	—	(0.3)	(0.7)	(3.6)
31 December 2021	325.1	36.8	133.2	—	—	40.9	536.0
Acquisition of subsidiaries	15.1	—	—	—	—	—	15.1
(Credit)/charge to income	(12.4)	(3.5)	19.7	(14.2)	—	(10.5)	(20.9)
Charge to other comprehensive income	—	—	—	—	—	0.4	0.4
Exchange differences and other movements	24.8	3.2	20.5	37.2	—	1.2	86.9
31 December 2022	**352.6**	**36.5**	**173.4**	**23.0**	**—**	**32.0**	**617.5**

Other temporary differences comprise a number of items none of which is individually significant to the Group's consolidated balance sheet. At 31 December 2022, the balance related to temporary differences in relation to unremitted earnings of subsidiaries, unremitted earnings of associates and other temporary differences.

At the balance sheet date, the Group has gross tax losses and other temporary differences of £7,667.4 million (2021: £6,961.4 million) available for offset against future profits. Deferred tax assets have been recognised in respect of the tax benefit of £2,259.7 million (2021: £2,259.2 million) of such tax losses and other temporary differences. No deferred tax asset has been recognised in respect of the remaining £5,407.7 million (2021: £4,702.2 million) of losses and other temporary differences as the Group considers that there will not be enough taxable profits in the entities concerned such that any additional asset could be considered recoverable. Included in the total unrecognised temporary differences are losses of £60.3 million (2021: £63.8 million) that will expire within one to ten years, and £5,138.1 million (2021: £4,457.3 million) of losses that may be carried forward indefinitely.

Notes to the consolidated financial statements (continued)

17. Deferred tax (continued)

At the balance sheet date, the aggregate amount of the temporary differences in relation to the investment in subsidiaries for which deferred tax liabilities have not been recognised was £1,346.1 million (2021: £1,385.3 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and the Group considers that it is probable that such differences will not reverse in the foreseeable future.

18. Trade and other receivables

The following are included in trade and other receivables:

Amounts falling due within one year	**2022 £m**	2021 £m
Trade receivables (net of loss allowance)	**7,403.9**	6,600.5
Work in progress	**352.4**	254.0
VAT and sales taxes recoverable	**448.1**	350.3
Prepayments	**236.6**	215.3
Accrued income	**3,468.3**	3,435.7
Fair value of derivatives	**5.1**	2.5
Other debtors	**585.3**	504.0
	12,499.7	11,362.3

The ageing of trade receivables and other financial assets by due date is as follows:

			Days past due				
2022	Carrying amount at 31 December 2022 £m	Not past due £m	0-30 days £m	31-90 days £m	91-180 days £m	181 days-1 year £m	Greater than 1 year £m
Gross trade receivables	7,475.4	6,386.5	706.4	247.1	66.8	23.5	45.1
Loss allowance	(71.5)	(1.6)	(5.8)	(6.6)	(6.6)	(13.3)	(37.6)
	7,403.9	6,384.9	700.6	240.5	60.2	10.2	7.5
Gross accrued income	3,485.6	2,027.0	603.8	450.5	376.8	27.5	—
Loss allowance	(17.3)	(0.1)	(0.2)	(0.1)	(16.9)	—	—
	3,468.3	2,026.9	603.6	450.4	359.9	27.5	—
Other financial assets	612.0	538.8	31.2	6.1	1.0	6.2	28.7
	11,484.2	8,950.6	1,335.4	697.0	421.1	43.9	36.2

			Days past due				
2021	Carrying amount at 31 December 2021 £m	Not past due £m	0-30 days £m	31-90 days £m	91-180 days £m	181 days-1 year £m	Greater than 1 year £m
Gross trade receivables	6,671.0	5,755.6	589.8	194.4	64.0	10.6	56.6
Loss allowance	(70.5)	(2.3)	(0.2)	(1.9)	(7.5)	(4.9)	(53.7)
	6,600.5	5,753.3	589.6	192.5	56.5	5.7	2.9
Gross accrued income	3,449.6	1,947.6	619.4	448.1	307.7	126.8	—
Loss allowance	(13.9)	(1.8)	(1.0)	(0.8)	(4.3)	(6.0)	—
	3,435.7	1,945.8	618.4	447.3	303.4	120.8	—
Other financial assets	496.3	422.1	15.2	2.7	3.0	2.7	50.6
	10,532.5	8,121.2	1,223.2	642.5	362.9	129.2	53.5

Other financial assets are included in other debtors.

Notes to the consolidated financial statements (continued)

18. Trade and other receivables (continued)

Past due amounts are not impaired where collection is considered likely.

Amounts falling due after more than one year	2022 £m	2021 £m
Prepayments	**3.9**	3.0
Fair value of derivatives	**0.6**	0.5
Other debtors	**214.1**	149.1
	218.6	152.6

The Group has applied the practical expedient permitted by IFRS 15 to not disclose the transaction price allocated to performance obligations unsatisfied (or partially unsatisfied) as of the end of the reporting period as contracts typically have an original expected duration of a year or less.

Other debtors falling due after more than one year for 31 December 2022 includes £15.4 million in relation to pension plans in surplus. The corresponding figure for 31 December 2021 is included in provision for post employment benefits.

	2022 £m	2021 £m	2020 £m
Loss allowance			
At beginning of year	**70.5**	112.5	111.7
New acquisitions	—	3.7	3.5
Charged to the income statement	**29.1**	17.2	50.6
Released to the income statement	**(8.4)**	(27.9)	(9.8)
Exchange adjustments	**5.1**	(1.7)	(2.8)
Utilisations and other movements	**(24.8)**	(33.3)	(40.7)
At end of year	**71.5**	70.5	112.5

The loss allowance is equivalent to 1.0% (2021: 1.1%, 2020: 1.7%) of gross trade accounts receivables.

Impairment losses on work in progress, accrued income and other debtors were immaterial for the years presented.

The Group considers that the carrying amount of trade and other receivables approximates their fair value.

Expected credit losses

Given the short-term nature of the Group’s trade receivables, work in progress, and accrued income, which are mainly due from large national or multinational companies, the Group's assessment of expected credit losses includes provisions for specific clients and receivables where the contractual cash flow is deemed at risk. Considerations include the current economic environment, and the level of credit insurance the Group has along with historical and forward-looking information. Additional provisions are made based on the assessment of recoverability of aged receivables over one year where sufficient evidence of recoverability is not evident.

19. Trade and other payables: amounts falling due within one year

The following are included in trade and other payables falling due within one year:

	2022 £m	2021 £m
Trade payables	**11,182.3**	10,596.9
Deferred income	**1,599.0**	1,334.0
Payments due to vendors (earnout agreements)	**62.0**	85.6
Liabilities in respect of put option agreements with vendors	**18.8**	58.4
Fair value of derivatives	**58.0**	6.4
Share repurchases - close period commitments[1]	—	211.7
Other creditors and accruals	**2,914.8**	2,959.3
	15,834.9	15,252.3

Note

[1] During 2021, the Company entered into an arrangement with a third party to conduct share buybacks on its behalf in the close period commencing on 16 December 2021 and ending on 18 February 2022, in accordance with UK listing rules. The commitment resulting from this agreement constituted a liability at 31 December 2021 and was recognised as a movement in other reserves in the year ended 31 December 2021. After the close period ended on 18 February 2022, the liability was settled and the amount in other reserves was reclassified to retained earnings.

The Group considers that the carrying amount of trade and other payables approximates their fair value.

19. Trade and other payables: amounts falling due within one year (continued)

In all material respects, deferred income at 31 December 2021 was recognised as revenue during the year. Other than business-as-usual movements, and deferred income acquired on the acquisition of subsidiaries, there were no other significant changes in contract liability balances during the year.

20. Trade and other payables: amounts falling due after more than one year

The following are included in trade and other payables falling due after more than one year:

	2022	2021
	£m	£m
Payments due to vendors (earnout agreements)	**98.1**	111.1
Liabilities in respect of put option agreements with vendors	**323.3**	333.1
Fair value of derivatives	—	47.2
Other creditors and accruals	**69.5**	128.5
	490.9	619.9

The Group considers that the carrying amount of trade and other payables approximates their fair value.

The following table sets out payments due to vendors, comprising contingent consideration and the Directors' best estimates of future earnout-related obligations:

	2022	2021
	£m	£m
Within one year	**62.0**	85.6
Between one and two years	**19.5**	24.0
Between two and three years	**27.6**	35.7
Between three and four years	**28.6**	51.4
Between four and five years	**22.4**	—
	160.1	196.7

The following table is an analysis of future anticipated cash flows in relation to liabilities in respect of put option agreements with vendors at 31 December:

	2022	2021
	£m	£m
Within one year	**18.8**	58.4
Between one and two years	**5.2**	15.1
Between two and three years	**76.6**	14.4
Between three and four years	**99.2**	99.0
Between four and five years	**74.8**	76.6
Over five years	**67.5**	128.0
	342.1	391.5

21. Bank overdrafts, bonds and bank loans

Amounts falling due within one year:

	2022	2021
	£m	£m
Bank overdrafts	**505.7**	342.3
Corporate bonds and bank loans	**663.3**	224.9
	1,169.0	567.2

The Group considers that the carrying amount of bank overdrafts approximates their fair value.

21. Bank overdrafts, bonds and bank loans (continued)

Amounts falling due after more than one year:

	2022	2021
	£m	£m
Corporate bonds and bank loans	**3,801.8**	4,216.8

The Group estimates that the fair value of corporate bonds is £4,049.1 million at 31 December 2022 (2021: £4,790.3 million). The fair values of the corporate bonds are based on quoted market prices and is within Level 1 of the fair value hierarchy.

The Group considers that the carrying amount of bank loans of £nil (2021: £14.7 million) approximates their fair value.

The corporate bonds, bank loans and overdrafts included within liabilities fall due for repayment as follows:

	2022	2021
	£m	£m
Within one year	**1,169.0**	567.2
Between one and two years	**618.0**	629.2
Between two and three years	**441.5**	550.4
Between three and four years	**658.8**	418.8
Between four and five years	**661.1**	623.6
Over five years	**1,422.4**	1,994.8
	4,970.8	4,784.0

22. Provisions for liabilities and charges

The movements in 2022 and 2021 were as follows:

	Property £m	Other £m	Total £m
1 January 2021	76.7	229.6	306.3
Charged to the income statement	25.2	35.8	61.0
Acquisitions[1]	—	7.3	7.3
Utilised	(7.0)	(69.9)	(76.9)
Released to the income statement	(18.3)	(25.0)	(43.3)
Other movements	(5.2)	18.9	13.7
Exchange adjustments	(0.8)	1.2	0.4
31 December 2021	70.6	197.9	268.5
Charged to the income statement	8.1	6.4	14.5
Acquisitions[1]	—	1.3	1.3
Utilised	(12.8)	(37.2)	(50.0)
Released to the income statement	(3.2)	(22.2)	(25.4)
Other movements	(4.8)	17.8	13.0
Exchange adjustments	4.9	17.8	22.7
31 December 2022	**62.8**	**181.8**	**244.6**

Note

1 Acquisitions include £1.3 million (2021: £7.3 million) of provisions arising from revisions to fair value adjustments related to the acquisition of subsidiary undertakings that had been determined provisionally at the immediately preceding balance sheet date, as permitted by IFRS 3 Business Combinations.

The Company and various of its subsidiaries are, from time to time, parties to legal proceedings and claims which arise in the ordinary course of business. The Directors do not anticipate that the outcome of these proceedings and claims will have a material adverse effect on the Group's financial position or on the results of its operations.

The utilisation of "Other" provisions in 2021 is primarily driven by litigation settlements.

23. Share-based payments

Charges for share-based incentive plans were as follows:

	2022	2021	2020
	£m	£m	£m
Share-based payments	**122.0**	99.6	74.4

Share-based payments comprise charges for stock options and restricted stock awards to employees of the Group.

As of 31 December 2022, there was £200.7 million (2021: £203.4 million) of total unrecognised compensation cost related to the Group's restricted stock plans.

Further information on stock options is provided in note 27.

Restricted stock plans

The Group operates a number of equity-settled share incentive schemes, in most cases satisfied by the delivery of stock from one of the Group's ESOP Trusts. The most significant current schemes are as follows:

Executive Performance Share Plan (EPSP)

This scheme is intended to reward and incentivise the most senior executives of the Group. The performance period is three or five complete financial years, commencing with the financial year in which the award is granted. The vest date will usually be in the March following the end of the performance period. Vesting is conditional on continued employment throughout the vesting period.

The 2020, 2021 and 2022 EPSP awards are subject to three equally weighted performance conditions: three-year average Return on Invested Capital (ROIC), cumulative Adjusted Free Cash Flow (AFCF), and relative Total Shareholder Return (TSR). Achieving the threshold performance requirement will result in a vesting opportunity of 20% for that element. The vesting opportunity will increase on a straight-line basis to 100% of the award for maximum performance. The Compensation Committee has an overriding discretion to determine the extent to which the award will vest.

The 2019 EPSP awards are subject to a relative TSR performance condition, with a ROIC underpin. TSR performance will be compared to companies representing the most relevant, listed global competitors, with performance below median resulting in zero vesting. Performance between median and upper decile provides for a vesting opportunity of between 15% and 100%. The awards will vest subject to a ROIC underpin of an average of 7.5% over the performance period. The Compensation Committee has an overriding discretion to determine the extent to which the award will vest.

For EPSP awards granted between 2017 and 2018 there are three performance criteria, each constituting one-third of the vesting value, and each measured over the performance period:

(i) TSR against a comparator group of companies. Threshold performance (equating to ranking in the 50th percentile of the comparator group) will result in 15% vesting of the part of the award dependent on TSR. The maximum vest of 100% will arise if performance ranks in the 90th percentile, with a sliding scale of vesting for performance between threshold and maximum.

(ii) Headline diluted earnings per share. The performance range is 7% to 14% compound annual growth. Threshold performance will result in 15% vesting, maximum performance will result in 100% vesting. There is a sliding vesting scale in between threshold and maximum.

(iii) Return on equity (ROE). Average annual ROE is defined as headline diluted EPS divided by the balance sheet value per share of shareholders' equity. The performance range is 15-18% average annual ROE. Threshold performance will result in 15% vesting, maximum performance will result in 100% vesting. There is a sliding vesting scale in between threshold and maximum.

Performance Share Awards (PSA)

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

Leadership Share Awards

WPP Leadership Awards are conditional stock awards made to around 1,900 of our key executives. Awards vest three years after grant, provided the participant is still employed within the Group.

Valuation methodology

For all of these schemes, the valuation methodology is based upon fair value on grant date, which is determined by the market price on that date or the application of a Black-Scholes model, depending upon the characteristics of the scheme concerned. The assumptions underlying the Black-Scholes model are detailed in note 27, including details of assumed dividend yields. Market price on any given day is obtained from external, publicly available sources.

Market/non-market conditions

Most share-based plans are subject to non-market performance conditions, such as margin or growth targets, as well as continued employment. EPSP is subject to a number of performance conditions, including TSR, a market-based condition.

For schemes without market-based performance conditions, the valuation methodology above is applied and, at each year-end, the relevant charge for each grant is revised, if appropriate, to take account of any changes in estimate of the likely number of shares expected to vest.

Notes to the consolidated financial statements (continued)

23. Share-based payments (continued)

For schemes with market-based performance conditions, the probability of satisfying these conditions is assessed at grant date through a statistical model (such as the Monte Carlo model) and applied to the fair value. This initial valuation remains fixed throughout the life of the relevant plan, irrespective of the actual outcome in terms of performance. Where a lapse occurs due to cessation of employment, the cumulative charge taken to date is reversed.

Movement on ordinary shares granted for significant restricted stock plans:

	Non-vested 1 January 2022 number m	Granted number m	Forfeited number m	Vested number m	Non-vested 31 December 2022 number m
Executive Performance Share Plan (EPSP)	16.7	6.1	(2.2)	(0.2)	**20.4**
Performance Share Awards (PSA)	3.1	4.0	(0.2)	(2.8)	**4.1**
Leadership Share Awards	10.4	4.9	(1.2)	(2.8)	**11.3**
Weighted average fair value (pence per share)					
Executive Performance Share Plan (EPSP)	900p	1,025p	1,055p	613p	**924p**
Performance Share Awards (PSA)	604p	911p	798p	519p	**952p**
Leadership Share Awards	922p	787p	881p	795p	**899p**

	Non-vested 1 January 2021 number m	Granted number m	Forfeited number m	Vested number m	Non-vested 31 December 2021 number m
Executive Performance Share Plan (EPSP)	13.0	6.1	(2.2)	(0.2)	**16.7**
Performance Share Awards (PSA)	4.3	0.4	(0.2)	(1.4)	**3.1**
Leadership Share Awards	11.0	3.6	(1.1)	(3.1)	**10.4**
Weighted average fair value (pence per share)					
Executive Performance Share Plan (EPSP)	943p	951p	1,289p	833p	**900p**
Performance Share Awards (PSA)	675p	666p	534p	859p	**604p**
Leadership Share Awards	831p	990p	853p	709p	**922p**

The total fair value of shares vested for all the Group's restricted stock plans during the year ended 31 December 2022 was £65.4 million (2021: £64.1 million, 2020: £71.6 million).

24. Provision for post-employment benefits

Companies within the Group operate a large number of pension plans, the forms and benefits of which vary with conditions and practices in the countries concerned. The Group's pension costs are analysed as follows:

	2022 £m	2021 £m	2020 £m
Defined contribution plans	**191.3**	162.8	157.8
Defined benefit plans charge to operating profit	**13.5**	14.9	13.9
Pension costs (note 5)	**204.8**	177.7	171.7
Net interest expense on pension plans (note 6)	**2.2**	1.8	2.9
	207.0	179.5	174.6

Defined benefit plans

The pension costs are assessed in accordance with the advice of local independent qualified actuaries. The latest full actuarial valuations for the various pension plans were carried out at various dates in the last three years. These valuations have been updated by the local actuaries to 31 December 2022.

The majority of plans provide final salary benefits, with plan benefits typically based either on mandatory plans under local legislation, termination indemnity benefits, or on the rules of WPP sponsored supplementary plans. The implications of IFRIC 14 have been allowed for where relevant, in particular with regard to the asset ceiling/irrecoverable surplus.

The Group's policy is to close existing defined benefit plans to new members. This has been implemented across a significant number of the pension plans.

Notes to the consolidated financial statements (continued)

24. Provision for post-employment benefits (continued)

Contributions to funded plans are determined in line with local conditions and practices. Contributions in respect of unfunded plans are paid as they fall due. The total contributions (for funded plans) and benefit payments (for unfunded plans) paid for 2022 amounted to £24.0 million (2021: £16.7 million, 2020: £20.3 million). Employer contributions and benefit payments in 2023 are expected to be approximately £20.0 million.

(a) Assumptions

There are a number of areas in pension accounting that involve estimates made by management based on advice of qualified advisors. These include establishing the discount rates, rates of increase in salaries and pensions in payment, inflation, and mortality assumptions. The main weighted average assumptions used for the actuarial valuations at 31 December are shown in the following table:

	2022	2021	2020	2019
	% pa	% pa	% pa	% pa
UK				
Discount rate[1]	**5.1**	1.8	1.3	2.0
Rate of increase in pensions in payment	**4.4**	4.5	4.4	4.4
Inflation	**3.0**	3.2	2.8	2.6
North America				
Discount rate[1]	**5.2**	2.6	2.0	3.0
Rate of increase in salaries[2]	**n/a**	n/a	3.0	3.0
Western Continental Europe				
Discount rate[1]	**4.1**	1.2	0.9	1.2
Rate of increase in salaries	**2.5**	2.3	2.2	2.2
Rate of increase in pensions in payment	**2.0**	1.8	1.8	1.8
Inflation	**2.0**	1.7	1.7	1.7
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe				
Discount rate[1]	**6.4**	5.3	4.2	4.6
Rate of increase in salaries	**5.7**	5.6	5.2	6.1
Inflation	**3.4**	3.7	3.7	3.7

Notes

1 Discount rates are based on high-quality corporate bond yields. In countries where there is no deep market in corporate bonds, the discount rate assumption has been set with regard to the yield on long-term government bonds.

2 The salary assumptions are no longer applicable to the US as all plans were frozen. Active participants will not accrue additional benefits for future services under these plans.

For the Group's pension plans, the plans' assets are invested with the objective of being able to meet current and future benefit payment needs, while controlling balance sheet volatility and future contributions. Pension plan assets are invested with a number of investment managers, and assets are diversified among equities, bonds, insured annuities, property and cash or other liquid investments. The primary use of bonds as an investment class is to match the anticipated cash flows from the plans to pay pensions. The Group is invested in high-quality corporate and government bonds which share similar risk characteristics and are of equivalent currency and term to the plan liabilities. Various insurance policies have also been bought historically to provide a more exact match for the cash flows, including a match for the actual mortality of specific plan members. These insurance policies effectively provide protection against both investment fluctuations and longevity risks. The strategic target allocation varies among the individual plans.

Management considers the types of investment classes in which the pension plan assets are invested. The types of investment classes are determined by economic and market conditions and in consideration of specific asset class risk.

Management periodically commissions detailed asset and liability studies performed by third-party professional investment advisors and actuaries that generate probability-adjusted expected future returns on those assets. These studies also project the estimated future pension payments and evaluate the efficiency of the allocation of the pension plan assets into various investment categories.

Notes to the consolidated financial statements (continued)

24. Provision for post-employment benefits (continued)

At 31 December 2022, the life expectancies underlying the value of the accrued liabilities for the main defined benefit pension plans operated by the Group were as follows:

Years life expectancy after age 65	All plans	North America	UK	Western Continental Europe	Other[1]
Current pensioners (at age 65) – male	22.3	21.9	23.6	21.0	12.7
Current pensioners (at age 65) – female	24.0	23.3	25.1	24.0	15.5
Future pensioners (current age 45) – male	24.0	23.3	25.6	23.2	12.7
Future pensioners (current age 45) – female	25.7	24.7	27.1	25.9	15.5

Note
1 Includes Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe.

The life expectancies after age 65 at 31 December 2021 were 22.3 years and 24.0 years for male and female current pensioners (at age 65) respectively, and 24.1 years and 25.8 years for male and female future pensioners (current age 45), respectively.

In the determination of mortality assumptions, management uses the most up-to-date mortality tables available in each country.

The following table provides information on the weighted average duration of the defined benefit pension obligations and the distribution of the timing of benefit payments for the next ten years. The duration corresponds to the weighted average length of the underlying cash flows.

	All plans	North America	UK	Western Continental Europe	Other[1]
Weighted average duration of the defined benefit obligation (years)	8.5	7.5	10.0	9.7	5.9
Expected benefit payments over the next ten years (£m)					
Benefits expected to be paid within 12 months	46.6	21.7	12.7	5.8	6.4
Benefits expected to be paid in 2024	43.5	21.1	12.7	6.1	3.6
Benefits expected to be paid in 2025	44.5	20.6	13.4	6.0	4.5
Benefits expected to be paid in 2026	46.4	21.2	13.4	6.4	5.4
Benefits expected to be paid in 2027	44.2	21.1	12.0	6.2	4.9
Benefits expected to be paid in the next five years	213.2	93.5	56.5	33.9	29.3

Note
1 Includes Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe.

Notes to the consolidated financial statements (continued)

24. Provision for post-employment benefits (continued)

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the balance sheet date. This sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability in its entirety, the measurement of which is driven by a number of factors including, in addition to the assumptions below, the fair value of plan assets.

The sensitivity analyses are based on a change in one assumption while holding all other assumptions constant so that interdependencies between the assumptions are excluded. The methodology applied is consistent with that used to determine the recognised defined benefit obligation. The sensitivity analysis for inflation is not shown as it is an underlying assumption to build the pension and salary increase assumptions. Changing the inflation assumption on its own without changing the salary or pension assumptions will not result in a significant change in pension liabilities.

	(Decrease)/increase in benefit obligation	
	2022	2021
Sensitivity analysis of significant actuarial assumptions	**£m**	£m
Discount rate		
Increase by 25 basis points:		
UK	**(3.6)**	(7.6)
North America	**(4.4)**	(6.4)
Western Continental Europe	**(2.0)**	(3.4)
Other[1]	**(0.5)**	(0.6)
Decrease by 25 basis points:		
UK	**3.8**	8.0
North America	**4.6**	6.6
Western Continental Europe	**2.1**	3.6
Other[1]	**0.6**	0.6
Rate of increase in salaries		
Increase by 25 basis points:		
Western Continental Europe	**0.5**	0.8
Other[1]	**0.5**	0.5
Decrease by 25 basis points:		
Western Continental Europe	**(0.5)**	(0.8)
Other[1]	**(0.5)**	(0.5)
Rate of increase in pensions in payment		
Increase by 25 basis points:		
UK	**0.7**	0.9
Western Continental Europe	**1.1**	1.7
Decrease by 25 basis points:		
UK	**(0.6)**	(0.9)
Western Continental Europe	**(1.0)**	(1.7)
Life expectancy		
Increase in longevity by one additional year:		
UK	**6.8**	13.3
North America	**4.2**	5.3
Western Continental Europe	**2.6**	4.2

Note
1 Includes Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe.

Notes to the consolidated financial statements (continued)

24. Provision for post-employment benefits (continued)

(b) Assets and liabilities

At 31 December, the fair value of the assets in the pension plans and the assessed present value of the liabilities in the pension plans are shown in the following table:

	2022		2021		2020	
	£m	%	£m	%	£m	%
Equities	**26.7**	**6.2**	31.8	5.8	41.6	6.7
Bonds	**208.8**	**48.5**	259.7	47.0	284.2	46.1
Insured annuities	**149.2**	**34.7**	222.5	40.3	252.8	41.0
Property	**1.4**	**0.3**	1.0	0.2	0.7	0.1
Cash	**18.1**	**4.2**	15.3	2.8	14.7	2.4
Other	**26.3**	**6.1**	21.8	3.9	22.6	3.7
Total fair value of assets	**430.5**	**100.0**	552.1	100.0	616.6	100.0
Present value of liabilities	**(552.6)**		(688.5)		(772.7)	
Deficit in the plans	**(122.1)**		(136.4)		(156.1)	
Irrecoverable surplus	**—**		(0.2)		(0.6)	
Net liability[1]	**(122.1)**		(136.6)		(156.7)	
Plans in surplus[2]	**15.4**		30.1		27.2	
Plans in deficit	**(137.5)**		(166.7)		(183.9)	

Notes

1 The related deferred tax asset is discussed in note 17.

2 The net asset related to plans in surplus of £15.4 million for 31 December 2022 is recorded in the consolidated balance sheet within other debtors. The corresponding figures for 31 December 2021 and 31 December 2020 are recorded in provision for post-employment benefits.

All plan assets have quoted prices in active markets with the exception of insured annuities and other assets. The value of insured annuities is equal to the value of the pension benefits covered by the annuities.

	2022	2021	2020
Surplus/(deficit) in plans by region	**£m**	£m	£m
UK	**2.3**	0.4	0.7
North America	**(37.1)**	(28.1)	(37.9)
Western Continental Europe	**(52.6)**	(74.0)	(85.9)
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	**(34.7)**	(34.7)	(33.0)
Deficit in the plans	**(122.1)**	(136.4)	(156.1)

Some of the Group's defined benefit plans are unfunded (or largely unfunded) by common custom and practice in certain jurisdictions. In the case of these unfunded plans, the benefit payments are made as and when they fall due. Pre-funding of these plans would not be typical business practice.

The following table shows the split of the deficit at 31 December between funded and unfunded pension plans.

	2022 Surplus/ (deficit) £m	**2022 Present value of liabilities £m**	2021 Surplus/ (deficit) £m	2021 Present value of liabilities £m	2020 Surplus/ (deficit) £m	2020 Present value of liabilities £m
Funded plans by region						
UK	**2.3**	**(155.5)**	0.4	(231.9)	0.7	(262.7)
North America	**4.1**	**(208.5)**	20.1	(237.9)	17.4	(271.8)
Western Continental Europe	**(29.1)**	**(67.9)**	(45.1)	(87.6)	(38.6)	(84.3)
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	**(4.1)**	**(25.4)**	(6.4)	(25.7)	(5.8)	(24.1)
Deficit/liabilities in the funded plans	**(26.8)**	**(457.3)**	(31.0)	(583.1)	(26.3)	(642.9)
Unfunded plans by region						
North America	**(41.2)**	**(41.2)**	(48.2)	(48.2)	(55.3)	(55.3)
Western Continental Europe	**(23.5)**	**(23.5)**	(28.9)	(28.9)	(47.3)	(47.3)
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	**(30.6)**	**(30.6)**	(28.3)	(28.3)	(27.2)	(27.2)
Deficit/liabilities in the unfunded plans	**(95.3)**	**(95.3)**	(105.4)	(105.4)	(129.8)	(129.8)
Deficit/liabilities in the plans	**(122.1)**	**(552.6)**	(136.4)	(688.5)	(156.1)	(772.7)

Notes to the consolidated financial statements (continued)

24. Provision for post-employment benefits (continued)

In accordance with IAS 19, plans that are wholly or partially funded are considered funded plans.

(c) Pension expense

The following tables show the breakdown of the pension expense between amounts charged to operating profit and amounts charged to finance costs:

	2022	2021	2020
	£m	£m	£m
Service cost[1]	**10.4**	12.6	12.0
Administrative expenses	**3.1**	2.3	1.9
Charge to operating profit	**13.5**	14.9	13.9
Net interest expense on pension plans	**2.2**	1.8	2.9
Charge to profit before taxation for defined benefit plans	**15.7**	16.7	16.8

Note
1 Includes current service cost, past service costs related to plan amendments and (gain)/loss on settlements and curtailments.

The following table shows the breakdown of amounts recognised in other comprehensive income (OCI):

	2022	2021	2020
	£m	£m	£m
Return on plan assets (excluding interest income)	**(127.6)**	(29.3)	57.2
Changes in demographic assumptions underlying the present value of the plan liabilities	**0.6**	(3.6)	3.8
Changes in financial assumptions underlying the present value of the plan liabilities	**143.5**	31.1	(54.0)
Experience (loss)/gain arising on the plan liabilities	**(0.1)**	15.7	(4.4)
Change in irrecoverable surplus	**0.2**	0.4	(0.6)
Actuarial gain recognised in OCI	**16.6**	14.3	2.0

(d) Movement in plan liabilities

The following table shows an analysis of the movement in the pension plan liabilities for each accounting period:

	2022	2021	2020
	£m	£m	£m
Plan liabilities at beginning of year	**688.5**	772.7	767.5
Service cost[1]	**10.4**	12.6	12.0
Interest cost	**15.5**	12.0	17.0
Actuarial (gain)/loss:			
Effect of changes in demographic assumptions	**(0.6)**	3.6	(3.8)
Effect of changes in financial assumptions	**(143.5)**	(31.1)	54.0
Effect of experience adjustments	**0.1**	(15.7)	4.4
Benefits paid	**(52.0)**	(59.5)	(59.6)
Loss/(gain) due to exchange rate movements	**40.4**	(6.1)	(4.2)
Settlement payments	**(8.7)**	(0.3)	(17.0)
Other[2]	**2.5**	0.3	2.4
Plan liabilities at end of year	**552.6**	688.5	772.7

Notes
1 Includes current service cost, past service costs related to plan amendments and (gain)/loss on settlements and curtailments.
2 Other includes acquisitions, disposals, plan participants' contributions and reclassifications. The reclassifications represent certain of the Group's defined benefit plans which are included in this note for the first time in the periods presented.

Notes to the consolidated financial statements (continued)

24. Provision for post-employment benefits (continued)

(e) Movement in plan assets

The following table shows an analysis of the movement in the pension plan assets for each accounting period:

	2022	2021	2020
	£m	£m	£m
Fair value of plan assets at beginning of year	**552.1**	616.6	608.5
Interest income on plan assets	**13.3**	10.2	14.1
Return on plan assets (excluding interest income)	**(127.6)**	(29.3)	57.2
Employer contributions	**24.0**	16.7	20.3
Benefits paid	**(52.0)**	(59.5)	(59.6)
Gain/(loss) due to exchange rate movements	**31.5**	(0.6)	(6.8)
Settlement payments	**(8.7)**	(0.3)	(17.0)
Administrative expenses	**(3.1)**	(1.8)	(1.9)
Other[1]	**1.0**	0.1	1.8
Fair value of plan assets at end of year	**430.5**	552.1	616.6
Actual return on plan assets	**(114.3)**	(19.1)	71.3

Note

1 Other includes acquisitions, disposals, plan participants' contributions and reclassifications. The reclassifications represent certain of the Group's defined benefit plans which are included in this note for the first time in the periods presented.

25. Risk management policies

Foreign currency risk

The Group's results in pounds sterling are subject to fluctuation as a result of exchange rate movements. The Group does not hedge this translation exposure to its earnings but does partially hedge the currency element of its net assets using foreign currency borrowings, cross-currency swaps and forward foreign exchange contracts.

The Group effects these currency net asset hedges by borrowing in the same currencies as the operating (or "functional") currencies of its main operating units. The majority of the Group's debt is therefore denominated in US dollars, pounds sterling and euros. The Group's borrowings (including cross currency swaps) at 31 December 2022 were primarily made up of $1,667 million, £1,094 million and €2,350 million (2021: $1,667 million, £1,094 million and €2,600 million). The Group's average gross debt during the course of 2022 was $1,667 million, £1,094 million and €2,404 million (2021: $1,934 million, £1,094 million and €2,600 million).

The Group's operations conduct the majority of their activities in their own local currency and consequently the Group has no significant transactional foreign exchange exposures arising from its operations. Any significant cross-border trading exposures are hedged by the use of forward foreign-exchange contracts. No speculative foreign exchange trading is undertaken.

Interest rate risk

The Group is exposed to interest rate risk on both interest-bearing assets and interest-bearing liabilities. The Group has a policy of actively managing its interest rate risk exposure while recognising that fixing rates on all its debt eliminates the possibility of benefiting from rate reductions and similarly, having all its debt at floating rates unduly exposes the Group to increases in rates.

Including the effect of interest rate and cross-currency swaps, 100% of the year-end US dollar debt is at fixed rates averaging 4.18% for an average period of 60 months; 100% of the sterling debt is at a fixed rate of 2.97% for an average period of 143 months; and 100.0% of the euro debt is at fixed rates averaging 2.21% for an average period of 55 months.

Going concern and liquidity risk

In considering going concern and liquidity risk, the Directors have reviewed the Group's future cash requirements and earnings projections. The Directors believe these forecasts have been prepared on a prudent basis and have also considered the impact of a range of potential changes to trading performance. The impact of the Russian invasion of Ukraine and sanctions response from governments has been considered. The Company modelled a range of revenue less pass-through costs compared with the year ended 31 December 2022 and a number of mitigating cost actions that are available to the Company. Considering the Group's bank covenant and liquidity headroom and cost mitigation actions which could be implemented, the Company and the Group would be able to operate with appropriate liquidity and within its banking covenants and be able to meet its liabilities as they fall due with a decline in revenue less pass-through costs up to 28% in 2023. The likelihood of such a decline is considered remote as compared to Company expectations and external benchmarks, including previously witnessed declines in times of economic stress or external forces such as the pandemic. The modelling in this extreme scenario includes cost mitigations of 70% of the decline in revenue less pass-through costs and the suspension of the share buyback programme and dividend. Further measures that were not included in the modelling, should the Company face such an extreme scenario, include the reduction of capital expenditure and acquisitions. Therefore, the Directors have concluded that the Group will be able to operate within its current facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the financial statements of the Group on a going concern basis and that there are no material uncertainties which give rise to a significant going concern risk.

At 31 December 2022, the Group has access to £6.6 billion of committed facilities with maturity dates spread over the years 2023 to 2046 as illustrated below:

		2023	2024	2025	2026	2027 +
		£m	£m	£m	£m	£m
£ bonds £400m (2.875% 2046)	**400.0**					400.0
US bond $220m (5.625% 2043)	**181.9**					181.9
US bond $93m (5.125% 2042)	**76.8**					76.8
£ bonds £250m (3.75% 2032)	**250.0**					250.0
Eurobonds €600m (1.625% 2030)	**531.2**					531.2
Eurobonds €750m (2.375% 2027)	**664.0**					664.0
Eurobonds €750m (2.25% 2026)	**664.0**				664.0	
Bank revolver ($2,500m 2026)	**2,069.0**				2,069.0	
Eurobonds €500m (1.375% 2025)	**442.7**			442.7		
US bond $750m (3.75% 2024)	**620.7**		620.7			
Eurobonds €750m (3.0% 2023)	**664.0**	664.0				
Total committed facilities available	**6,564.3**	**664.0**	**620.7**	**442.7**	**2,733.0**	**2,103.9**
Drawn down facilities at 31 December 2022	**4,495.3**	664.0	620.7	442.7	664.0	2,103.9
Undrawn committed credit facilities	**2,069.0**					

Given the strong cash generation of the business, its debt maturity profile and available facilities, the Directors believe the Group has sufficient liquidity to match its requirements for the foreseeable future.

Notes to the consolidated financial statements (continued)

25. Risk management policies (continued)

Treasury activities

Treasury activity is managed centrally from London, New York and Hong Kong, and is principally concerned with the monitoring of working capital, managing external and internal funding requirements and the monitoring and management of financial market risks, in particular interest rate and foreign exchange exposures.

The treasury operation is not a profit centre and its activities are carried out in accordance with policies approved by the Board of Directors and subject to regular review and audit.

The Group manages liquidity risk by ensuring continuity and flexibility of funding even in difficult market conditions. Undrawn committed borrowing facilities are maintained in excess of peak net-borrowing levels and debt maturities are closely monitored. Targets for average debt less cash position are set on an annual basis and, to assist in meeting this, working capital targets are set for all the Group’s major operations.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 10, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity and in notes 27 and 28.

Credit risk

The Group’s principal financial assets are cash and short-term deposits, trade and other receivables and investments, the carrying values of which represent the Group’s maximum exposure to credit risk in relation to financial assets, as shown in note 26.

The Group’s credit risk is primarily attributable to its trade receivables. The majority of the Group’s trade receivables are due from large national or multinational companies where the risk of default is considered low. The amounts presented in the consolidated balance sheet are net of loss allowances, estimated by the Group’s management based on expected losses, prior experience and their assessment of the current economic environment. A relatively small number of clients make up a significant percentage of the Group’s debtors, but no single client represents more than 6% of total trade receivables as at 31 December 2022 or 31 December 2021.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are high-rated (AAA) funds, banks with high credit ratings assigned by international credit-rating agencies or banks that have been financed by their government.

Notes to the consolidated financial statements (continued)

25. Risk management policies (continued)

Effects of Hedge Accounting on the Financial Position and Performance

The effects of the hedging instruments on the Group's financial position and performance are as follows:

	2022	2021
(i) Cash flow hedges of foreign currency risk		
Carrying amount of derivative hedging instruments[1]	£(6.6)m	£(48.0)m
Notional amount of hedged items	€1,000.0m	€1,000.0m
Notional amount of hedging instruments	€1,000.0m	€1,000.0m
Maturity date	2023-2025	2023-2025
Hedge ratio	1:1	1:1
Change in value of hedged item used to determine hedge effectiveness	£38.5m	£(38.0)m
Change in value of hedging instruments used to determine hedge effectiveness	£(41.4)m	£35.5m
Hedge ineffectiveness (revaluation and retranslation of financial instruments)	£2.9m	£2.5m
Weighted average hedged rate for the year	3.2%	3.2%
(ii) Net investment hedges of foreign currency risk		
Carrying amount of derivative hedging instruments[1]	£(46.9)m	£0.7m
Carrying amount of non-derivative hedging instruments (bonds and bank loans)	£(879.5)m	£(879.5)m
Notional amount of hedging instruments	$1,666.8m	$1,666.8m
Notional amount of hedged net assets	$1,666.8m	$1,666.8m
Hedge ratio	1:1	1:1
Change in value of hedged item used to determine hedge effectiveness	£(141.5)m	£45.5m
Change in value of hedging instrument used to determine hedge ineffectiveness	£141.5m	£(45.5)m
Hedge ineffectiveness (revaluation and retranslation of financial instruments)	—	—
Weighted average hedged rate for the year (USD/GBP)	1.2083	1.3532

Note

[1] This amount is presented in trade and other receivables, and trade and other payables. The use of derivatives may entail a derivative transaction qualifying for more than one hedge type designation under IFRS 9. Therefore, the carrying amounts are grossed up by hedge type, whereas they are presented at an instrument level in the balance sheet.

Sensitivity analysis

The following sensitivity analysis addresses the effect of currency and interest rate risks on the Group's financial instruments. The analysis assumes that all hedges are highly effective.

Currency risk

A 10% weakening of sterling against the Group's major currencies would result in the following impacts on the income statement and equity, which would arise on the retranslation of foreign currency denominated borrowings and derivatives. A 10% strengthening of sterling would have an equal and opposite effect.

	Impact on income statement		Impact on equity	
	2022	2021	**2022**	2021
	£m	£m	**£m**	£m
US dollar	**(179.6)**	0.7	**34.6**	64.0
Euro	**78.9**	17.4	**(11.3)**	(49.9)

Interest rate risk

A one percentage point increase in market interest rates for all currencies in which the Group had cash and borrowings at 31 December 2022 would increase profit before tax by approximately £19.9 million (2021: £33.3 million). A one percentage point decrease in market interest rates would have an equal and opposite effect. This has been calculated by applying the interest rate change to the Group's variable rate cash and borrowings. Note that in practice, the Group has a cyclical cash profile throughout the year.

26. Financial Instruments

Currency derivatives

The Group utilises currency derivatives to hedge significant future transactions and cash flows and the exchange risk arising on translation of the Group's investments in foreign operations. The Group is a party to a variety of foreign currency derivatives in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets. The Group designates foreign currency denominated debt as hedging instruments against the exposure to movements in the spot translation rates associated with the translation of its foreign operations.

The Group also designates certain cross currency swaps as hedging instruments in cash flow hedges to manage its exposure to foreign exchange risk and interest rate risk on its borrowings. Contracts due in November 2023 have receipts of €500.0 million and payments of $604.2 million. Contracts due in March 2025 have receipts of €500.0 million and payments of £444.1 million.

Critical terms of hedging instruments and hedged items are transacted to match on a 1:1 ratio by notional values. Hedge ineffectiveness can nonetheless arise from inherent differences between derivatives and non-derivative instruments and other market factors including credit, correlations, supply and demand, and market volatilities. In addition, hedge ineffectiveness can arise as a result of the currency basis being included in the hedge designation. Hedge accounting is discontinued when a hedging relationship no longer qualifies for hedge accounting.

At 31 December 2022, the fair value of the Group's currency derivatives is estimated to be a net liability of approximately £52.7 million (2021: £46.7 million). These amounts are based on market values of equivalent instruments at the balance sheet date, comprising £0.6 million (2021: £0.5 million) assets included in trade and other receivables and £53.3 million (2021: £47.2 million) liabilities included in trade and other payables. The fair value of currency derivatives is based on the present value of contractual cash flows using foreign currency and interest rate forward market curves at the balance sheet date. The amounts taken to and deferred in equity during the year for currency derivatives that are designated and effective hedges was a debit of £141.5 million (2021: credit of £45.5 million) for net investment hedges and a credit of £38.5 million (2021: debit of £38.0 million) for cash flow hedges.

For cash flow hedge arrangements, amounts of a credit of £38.5 million (2021: debit of £38.0 million) representing the effective portion of the gain or loss on the hedging instrument were taken to equity, and reclassified to profit or loss in the same period when the related foreign exchange impact on the associated hedged item affected profit or loss.

Changes in the fair value relating to the ineffective portion of the currency derivatives that are designated hedges amounted to £2.7 million (2021: £2.5 million) which is included within revaluation and retranslation of financial instruments in the income statement. At the balance sheet date, the total nominal amount of outstanding forward foreign exchange contracts not designated as hedges was £1,004.8 million (2021: £764.8 million). The Group estimates the fair value of these contracts to be a net asset of £0.4 million (2021: net liability of £3.9 million).

As at 31 December 2022, the Group had designated its $93 million bond, $750 million bond, $220 million bond, and $604 million leg of its cross currency swap, as the hedging instruments in a net investment hedge relationship. The Group has designated its €500 million leg of its cross currency swap as the hedging instrument in a cash flow hedge. Possible sources of ineffectiveness include any impairments to the Group's net investment in US dollars. The hedges are documented and are assessed for effectiveness on an ongoing basis. Both hedge relationships were effective during the year.

These arrangements are designed to address significant exchange exposure and are renewed on a revolving basis as required.

An analysis of the Group's financial assets and liabilities by accounting classification is set out below:

	Derivatives in designated hedge relationships	Held at fair value through profit or loss	Held at fair value through other comprehensive income	Amortised cost	Carrying value
	£m	£m	£m	£m	£m
2022					
Other investments	—	255.7	114.1	—	369.8
Cash and short-term deposits	—	—	—	2,491.5	2,491.5
Bank overdrafts, bonds and bank loans	—	—	—	(1,169.0)	(1,169.0)
Bonds and bank loans	—	—	—	(3,801.8)	(3,801.8)
Trade and other receivables: amounts falling due within one year	—	—	—	11,338.0	11,338.0
Trade and other receivables: amounts falling due after more than one year	—	—	—	146.2	146.2
Trade and other payables: amounts falling due within one year	—	—	—	(11,283.0)	(11,283.0)
Trade and other payables: amounts falling due after more than one year	—	—	—	(0.9)	(0.9)
Derivative assets	0.6	5.1	—	—	5.7
Derivative liabilities	(53.3)	(4.7)	—	—	(58.0)
Payments due to vendors (earnout agreements)	—	(160.1)	—	—	(160.1)
Liabilities in respect of put options	—	(342.1)	—	—	(342.1)
	(52.7)	**(246.1)**	**114.1**	**(2,279.0)**	**(2,463.7)**

Notes to the consolidated financial statements (continued)

26. Financial Instruments (continued)

	Derivatives in designated hedge relationships	Held at fair value through profit or loss	Held at fair value through other comprehensive income	Amortised cost	Carrying value
	£m	£m	£m	£m	£m
2021					
Other investments	—	228.3	90.0	—	318.3
Cash and short-term deposits	—	—	—	3,882.9	3,882.9
Bank overdrafts, bonds and bank loans	—	—	—	(567.2)	(567.2)
Bonds and bank loans	—	—	—	(4,216.8)	(4,216.8)
Trade and other receivables: amounts falling due within one year	—	—	—	10,448.0	10,448.0
Trade and other receivables: amounts falling due after more than one year	—	—	—	84.5	84.5
Trade and other payables: amounts falling due within one year	—	—	—	(10,674.8)	(10,674.8)
Trade and other payables: amounts falling due after more than one year	—	—	—	(1.5)	(1.5)
Derivative assets	0.5	2.5	—	—	3.0
Derivative liabilities	(47.2)	(6.4)	—	—	(53.6)
Payments due to vendors (earnout agreements)	—	(196.7)	—	—	(196.7)
Liabilities in respect of put options	—	(391.5)	—	—	(391.5)
	(46.7)	(363.8)	90.0	(1,044.9)	(1,365.4)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices);

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
2022				
Derivatives in designated hedge relationships				
Derivative assets	—	0.6	—	0.6
Derivative liabilities	—	(53.3)	—	(53.3)
Held at fair value through profit or loss				
Other investments	0.4	—	255.3	255.7
Derivative assets	—	5.1	—	5.1
Derivative liabilities	—	(4.7)	—	(4.7)
Payments due to vendors (earnout agreements)	—	—	(160.1)	(160.1)
Liabilities in respect of put options	—	—	(342.1)	(342.1)
Held at fair value through other comprehensive income				
Other investments	10.9	—	103.2	114.1

Notes to the consolidated financial statements (continued)

26. Financial Instruments (continued)

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2021				
Derivatives in designated hedge relationships				
Derivative assets	—	0.5	—	0.5
Derivative liabilities	—	(47.2)	—	(47.2)
Held at fair value through profit or loss				
Other investments	0.4	—	227.9	228.3
Derivative assets	—	2.5	—	2.5
Derivative liabilities	—	(6.4)	—	(6.4)
Payments due to vendors (earnout agreements)	—	—	(196.7)	(196.7)
Liabilities in respect of put options	—	—	(391.5)	(391.5)
Held at fair value through other comprehensive income				
Other investments	27.9	—	62.1	90.0

There have been no transfers between these levels in the years presented.

Reconciliation of level 3 fair value measurements:

	Payments due to vendors (earnout agreements) £m	Liabilities in respect of put options £m	Other investments £m
1 January 2021	(114.3)	(110.7)	366.6
Losses recognised in the income statement	(58.7)	(40.6)	(7.7)
Losses recognised in other comprehensive income	—	—	(42.8)
Exchange adjustments	1.0	1.3	—
Additions	(81.7)	(247.7) [1]	5.9
Disposals	—	—	(32.0)
Cancellations	—	0.8	—
Settlements	57.0	5.4	—
31 December 2021	(196.7)	(391.5)	290.0
Gains recognised in the income statement	26.2	27.9	23.1
Losses recognised in other comprehensive income	—	—	(5.3)
Exchange adjustments	(14.3)	(39.9)	—
Additions	(46.7)	(5.0)	66.7
Disposals	—	—	(16.0)
Cancellations	—	11.0	—
Settlements	71.4	55.4	—
31 December 2022	**(160.1)**	**(342.1)**	**358.5**

Note

[1] During 2021, the Group merged Finsbury Glover Hering and Sard Verbinnen & Co to form a leading global strategic communications firm. As a part of this transaction, certain management acquired shares in the Company and a put option was granted which allows the equity partners to require the Group to purchase these shares. This resulted in additions to liabilities in respect of put options in the year of £219.6 million.

The fair values of financial assets and liabilities are based on quoted market prices where available. Where the market value is not available, the Group has estimated relevant fair values on the basis of available information from outside sources. There have been no movements between level 3 and other levels.

Payments due to vendors and liabilities in respect of put options

Future anticipated payments due to vendors in respect of contingent consideration (earnout agreements) are recorded at fair value, which is the present value of the expected cash outflows of the obligations. Liabilities in respect of put option agreements are initially recorded at the present value of the redemption amount in accordance with IAS 32 and subsequently measured at fair value in accordance with IFRS 9. Both types of obligations are dependent on the future financial performance of the entity and it is assumed that future profits are in line with Directors' estimates. The Directors derive their estimates from internal business plans together with financial due diligence performed in connection with the acquisition.

As of 31 December 2022, the potential undiscounted amount of future payments that could be required under the earnout agreements for acquisitions completed in the current year and for all earnout agreements ranges from £nil to £226 million (2021: £nil to £124 million) and £nil to £695 million (2021: £nil to £595 million), respectively. The decrease in the maximum potential undiscounted amount of future payments for all earnout agreements is due to earnout

Notes to the consolidated financial statements (continued)

26. Financial Instruments (continued)

arrangements that have completed and payments made on active arrangements during the year, and exchange adjustments, partially offset by earnout arrangements related to new acquisitions.

At 31 December 2022, the weighted average growth rate in estimating future financial performance was 12.4% (2021: 16.7%). The weighted average of the risk-adjusted discount rate applied to these obligations at 31 December 2022 was 7.6% (2021: 6.5%).

A one percentage point increase or decrease in the growth rate in estimated future financial performance would increase or decrease the combined liabilities due to earnout agreements and put options by approximately £9.1 million (2021: £6.0 million) and £6.9 million (2021: £6.6 million), respectively.

A 0.5 percentage point increase or decrease in the risk-adjusted discount rate would decrease or increase the combined liabilities by approximately £7.3 million (2021: £8.6 million) and £7.4 million (2021: £8.9 million), respectively. An increase in the liability would result in a loss in the revaluation of financial instruments, while a decrease would result in a gain.

Other investments

The fair value of other investments included in level 1 is based on quoted market prices. Other investments included in level 3 are unlisted securities, where market value is not readily available. The Group has estimated relevant fair values on the basis of information from outside sources using the most appropriate valuation technique, including all external funding rounds, revenue and EBITDA multiples, the share of fund net asset value and discounted cash flows. The sensitivity to changes in unobservable inputs is specific to each individual investment. A change to one or more of these unobservable inputs to reflect a reasonably possible alternative assumption would not result in a significant change to the fair value.

During the year, Imagina stepped down from interests in associates to other investments and this investment has been designated as fair value through other comprehensive income. The fair value of Imagina as at 31 December 2022 was £61.6 million.

27. Authorised and issued share capital

	Equity Ordinary Shares	Nominal Value £m
Authorised		
At 1 January 2020	1,750,000,000	175.0
At 31 December 2020	1,750,000,000	175.0
At 31 December 2021	1,750,000,000	175.0
At 31 December 2022	1,750,000,000	175.0

	Equity Ordinary Shares	Nominal Value £m
Issued and fully paid		
At 1 January 2020	**1,328,167,813**	**132.8**
Exercise of share options	1,000	—
Share cancellations	(32,088,571)	(3.2)
At 31 December 2020	**1,296,080,242**	**129.6**
Exercise of share options	534,800	—
Share cancellations	(72,155,492)	(7.2)
At 31 December 2021	**1,224,459,550**	**122.4**
Exercise of share options	125,700	—
Share cancellations	(83,157,954)	(8.3)
At 31 December 2022	**1,141,427,296**	**114.1**

Company's own shares

The Company's holdings of own shares are stated at cost and represent shares held in treasury and purchases by the Employee Share Ownership Plan (ESOP) trusts of shares in the Company for the purpose of funding certain of the Group's share-based incentive plans.

The trustees of the ESOP purchase the Company's ordinary shares in the open market using funds provided by the Company. The Company also has an obligation to make regular contributions to the ESOP to enable it to meet its administrative costs. The number and market value of the ordinary shares of the Company held by the ESOP at 31 December 2022 was 1,211,974 (2021: 5,803,641, 2020: 4,863,244), and £9.9 million (2021: £65.0 million, 2020: £38.9 million) respectively. The number and market value of ordinary shares held in treasury at 31 December 2022 was 70,489,953 (2021: 70,489,953, 2020: 70,748,100) and £578.2 million (2021: £789.1 million, 2020: £566.0 million) respectively.

Notes to the consolidated financial statements (continued)

27. Authorised and issued share capital (continued)

Share options

WPP Worldwide Share Ownership Programme (WWOP)

As at 31 December 2022, unexercised options over ordinary shares of 897,900 and unexercised options over ADRs of 148,225 have been granted under the WPP Worldwide Share Ownership Programme as follows:

Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
696,975	13.145	2017-2024
3,625	13.145	2018-2024
196,675	13.505	2016-2023
625	13.505	2017-2023

Number of ADRs under option	Exercise price per ADR ($)	Exercise dates
80,265	102.670	2017-2024
67,960	110.760	2016-2023

WPP Share Option Plan 2015 (WSOP)

As at 31 December 2022, unexercised options over ordinary shares of 13,567,625 and unexercised options over ADRs of 1,546,280 have been granted under the WPP Share Option Plan as follows:

Number of ordinary shares under option	Exercise price per share (£)	Exercise dates
10,125	7.344	2023-2027
2,045,200	7.344	2023-2030
7,875	8.372	2021-2025
1,017,925	8.372	2021-2028
232,625	8.684	2025-2029
3,150,575	8.684	2025-2032
9,375	9.600	2022-2026
1,618,875	9.600	2022-2029
2,581,000	11.065	2023-2030
8,250	13.085	2020-2024
1,141,850	13.085	2020-2027
802,475	15.150	2018-2025
4,375	15.150	2019-2025
6,750	17.055	2019-2023
930,350	17.055	2019-2026

Number of ADRs under option	Exercise price per ADR ($)	Exercise dates
226,670	48.950	2023-2030
366,420	52.600	2025-2032
136,260	53.140	2021-2028
189,600	62.590	2022-2029
294,270	73.780	2023-2030
131,040	88.260	2020-2027
111,770	105.490	2020-2026
90,250	115.940	2018-2025

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Notes to the consolidated financial statements (continued)

27. Authorised and issued share capital (continued)

The aggregate status of the WPP Share Option Plans during 2022 was as follows:

Movements on options granted (represented in ordinary shares)

	1 January 2022	Granted	Exercised	Forfeited	Outstanding 31 December 2022	Exercisable 31 December 2022
WPP	6,741	—	—	(6,741)	—	—
WWOP	2,049,299	—	(2,575)	(407,699)	1,639,025	—
WSOP	19,608,150	5,224,050	(123,125)	(3,410,050)	21,299,025	3,188,675
	21,664,190	5,224,050	(125,700)	(3,824,490)	22,938,050	3,188,675

	1 January 2021	Granted	Exercised	Forfeited	Outstanding 31 December 2021	Exercisable 31 December 2021
WPP	6,741	—	—	—	6,741	6,741
WWOP	2,499,674	—	(54,050)	(396,325)	2,049,299	184,124
WSOP	17,940,725	5,155,800	(480,750)	(3,007,625)	19,608,150	14,287,525
	20,447,140	5,155,800	(534,800)	(3,403,950)	21,664,190	14,478,390

Weighted average exercise price for options over

	1 January 2022	Granted	Exercised	Forfeited	Outstanding 31 December 2022	Exercisable 31 December 2022
Ordinary shares (£)						
WPP	9.355	—	—	9.355	—	—
WWOP	12.923	—	8.458	11.565	13.224	—
WSOP	10.854	8.684	8.357	10.530	10.356	7.344
ADRs ($)						
WWOP	101.693	—	—	85.706	106.379	—
WSOP	72.228	52.600	53.270	71.674	67.910	48.950

	1 January 2021	Granted	Exercised	Forfeited	Outstanding 31 December 2021	Exercisable 31 December 2021
Ordinary shares (£)						
WPP	9.355	—	—	—	9.355	9.355
WWOP	12.631	—	7.304	11.803	12.923	8.458
WSOP	10.596	11.065	8.372	10.116	10.854	9.322
ADRs ($)						
WWOP	98.509	—	49.313	89.225	101.693	67.490
WSOP	70.363	73.780	53.248	66.257	72.228	61.479

Options over ordinary shares
Outstanding

Range of exercise prices £	Weighted average exercise price £	Weighted average contractual life Months
7.344-17.055	10.534	84

Options over ADRs
Outstanding

Range of exercise prices $	Weighted average exercise price $	Weighted average contractual life Months
48.950-115.940	71.275	82

As at 31 December 2022 there was £11.1 million (2021: £10.2 million) of total unrecognised compensation costs related to share options. The cost is expected to be recognised over a weighted average period of 20 months (2021: 21 months).

Notes to the consolidated financial statements (continued)

27. Authorised and issued share capital (continued)

Share options are satisfied out of newly issued shares.

The weighted average fair value of options granted in the year calculated using the Black-Scholes model was as follows:

	2022	2021	2020
Fair value of UK options (shares)	177.0p	220.0p	128.0p
Fair value of US options (ADRs)	$11.48	$14.89	$8.95
Weighted average assumptions			
UK risk-free interest rate	2.92%	0.63%	-0.02%
US risk-free interest rate	4.09%	1.16%	0.31%
Expected life (months)	48	48	48
Expected volatility	32%	34%	34%
Dividend yield	3.9%	3.4%	4.2%

Options are issued at an exercise price equal to market value on the date of grant.

The average share price of the Group for the year ended 31 December 2022 was £9.13 (2021: £9.64, 2020: £6.96) and the average ADR price for the same period was $56.80 (2021: $66.44, 2020: $44.56). The average share price of the Group for year ended 31 December 2022 approximates the weighted average share price during the periods of exercise throughout the year.

Expected volatility is sourced from external market data and represents the historical volatility in the Company's share price over a period equivalent to the expected option life.

Expected life is based on a review of historical exercise behaviour in the context of the contractual terms of the options, as described in more detail below.

Terms of share option plans

In 2015, the Group introduced the Share Option Plan 2015 to replace both the "all-employee" Worldwide Share Ownership Plan and the discretionary Executive Stock Option Plan. Two kinds of options over ordinary shares can be granted, both with a market value exercise price. Firstly, options can be granted to employees who have worked at a company owned by WPP plc for at least two years which are not subject to performance conditions. Secondly, options may be granted on a discretionary basis subject to the satisfaction of performance conditions.

The Worldwide Share Ownership Programme was open for participation to employees with at least two years' employment in the Group. It was not available to those participating in other share-based incentive programmes or to Executive Directors. The vesting period for each grant is three years and there are no performance conditions other than continued employment with the Group.

The Executive Stock Option Plan has historically been open for participation to WPP Group Leaders, Partners and High Potential Group. It is not currently offered to Parent Company Executive Directors. The vesting period is three years and performance conditions include achievement of various TSR (Total Shareholder Return) and EPS (Earnings Per Share) objectives, as well as continued employment. The terms of these stock options are such that if, after nine years and eight months, the performance conditions have not been met, the stock option will vest automatically.

The Group grants stock options with a life of ten years, including the vesting period.

28. Other reserves

Other reserves comprise the following:

	Capital redemption reserve £m	Equity reserve £m	Hedging reserve £m	Translation reserve £m	Total other reserves £m
Balance at 1 January 2020	3.2	(478.1)	—	300.2	(174.7)
Foreign exchange differences on translation of foreign operations[1]	—	—	—	79.3	79.3
Gain on net investment hedges	—	—	—	9.7	9.7
Cash flow hedges:[1]					
Fair value loss arising on hedging instruments	—	—	(5.9)	—	(5.9)
Less: gain reclassified to profit or loss	—	—	5.9	—	5.9
Share of other comprehensive loss of associate undertakings	—	—	—	(61.5)	(61.5)
Exchange adjustments recycled to the income statement on disposal of discontinued operations	—	—	—	(20.6)	(20.6)
Share cancellations	3.2	—	—	—	3.2
Recognition and remeasurement of financial instruments	—	103.5	—	—	103.5
Share purchases – close period commitments	—	252.3	—	—	252.3
Balance at 31 December 2020	6.4	(122.3)	—	307.1	191.2
Foreign exchange differences on translation of foreign operations[1]	—	—	—	(132.7)	(132.7)
Gain on net investment hedges	—	—	—	45.5	45.5
Cash flow hedges:[1]					
Fair value loss arising on hedging instruments	—	—	(38.0)	—	(38.0)
Less: gain reclassified to profit or loss	—	—	38.0	—	38.0
Share of other comprehensive income of associate undertakings	—	—	—	7.3	7.3
Share cancellations	7.2	—	—	—	7.2
Recognition/derecognition of liabilities in respect of put options	—	(242.7)	—	—	(242.7)
Share purchases – close period commitments	—	(211.7)	—	—	(211.7)
Balance at 31 December 2021	13.6	(576.7)	—	227.2	(335.9)
Foreign exchange differences on translation of foreign operations	—	—	—	409.0	409.0
Loss on net investment hedges	—	—	—	(141.5)	(141.5)
Cash flow hedges:					
Fair value gain arising on hedging instruments	—	—	38.5	—	38.5
Less: loss reclassified to profit or loss	—	—	(38.5)	—	(38.5)
Share of other comprehensive income of associate undertakings	—	—	—	31.9	31.9
Share cancellations	8.3	—	—	—	8.3
Recognition/derecognition of liabilities in respect of put options	—	101.7	—	—	101.7
Share purchases – close period commitments	—	211.7	—	—	211.7
Balance at 31 December 2022	**21.9**	**(263.3)**	**—**	**526.6**	**285.2**

Note

1 Balances for the year ended 31 December 2021 and 31 December 2020 have been re-presented following a reclassification between the hedging reserve and translation reserve of £38.0 million and £5.9 million, respectively.

The capital redemption reserve relates entirely to share cancellations.

The equity reserve primarily relates to the recognition of liabilities in respect of put options agreements entered into by the Group as part of a business combination that allows non-controlling shareholders to sell their shares to the Group in the future. During 2021, the Company entered into an agreement with a third party to conduct share buybacks on its behalf in the close period commencing on 16 December 2021 and ending on 18 February 2022, in accordance with UK listing rules. The commitment resulting from this agreement constituted a liability at 31 December 2021 and was also recognised as a movement in the equity reserve in the year ended 31 December 2021. After the close period ended on 18 February 2022, the liability was settled and the amount in other reserves was reclassified to retained earnings.

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedges less amounts reclassified to profit or loss.

The translation reserve contains the accumulated gains/(losses) on currency translation of foreign operations arising on consolidation.

Notes to the consolidated financial statements (continued)

28. Other reserves (continued)

The translation reserve comprises:

	2022 £m	2021 £m	2020 £m
Balance relating to continuing net investment hedges	(143.8)	(2.3)	9.7
Balance relating to discontinued net investment hedges	(85.0)	(85.0)	(142.5)
Balance related to foreign exchange differences on translation of foreign operations[1]	755.4	314.5	439.9
	526.6	**227.2**	**307.1**

Note

[1] Balances for the year ended 31 December 2021 and 31 December 2020 have been re-presented following a reclassification between the hedging reserve and translation reserve of £38.0 million and £5.9 million, respectively.

29. Acquisitions

The Group accounts for acquisitions in accordance with IFRS 3 Business Combinations. IFRS 3 requires the acquiree's identifiable assets, liabilities and contingent liabilities (other than non-current assets or disposal groups held for sale) to be recognised at fair value at acquisition date. In assessing fair value at acquisition date, management make their best estimate of the likely outcome where the fair value of an asset or liability may be contingent on a future event. In certain instances, the underlying transaction giving rise to an estimate may not be resolved until some years after the acquisition date. IFRS 3 requires the release to profit of any acquisition reserves which subsequently become excess in the same way as any excess costs over those provided at acquisition date are charged to profit. At each period end management assess provisions and other balances established in respect of acquisitions for their continued probability of occurrence and amend the relevant value accordingly through the consolidated income statement or as an adjustment to goodwill as appropriate under IFRS 3.

The Group acquired a number of subsidiaries in the year. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The fair value adjustments for certain acquisitions have been determined provisionally at the balance sheet date.

	Book value at acquisition £m	Fair value adjustments £m	Fair value to Group £m
Intangible assets	1.2	46.5	47.7
Property, plant and equipment	1.3	—	1.3
Cash and cash equivalents	38.8	—	38.8
Trade receivables due within one year	27.0	—	27.0
Other current assets	13.1	1.1	14.2
Total assets	**81.4**	**47.6**	**129.0**
Current liabilities	(49.4)	(5.3)	(54.7)
Trade and other payables due after one year	(10.3)	(27.3)	(37.6)
Deferred tax liabilities	(0.1)	(12.4)	(12.5)
Long-term lease liabilities	(0.1)	—	(0.1)
Provisions	(0.1)	(1.2)	(1.3)
Total liabilities	**(60.0)**	**(46.2)**	**(106.2)**
Net assets	**21.4**	**1.4**	**22.8**
Non-controlling interests			(2.1)
Fair value of equity stake in associate undertakings before acquisition of controlling interest			(9.0)
Goodwill			249.3
Consideration			261.0
Consideration satisfied by:			
Cash			218.3
Payments due to vendors			42.7

Goodwill arising from acquisitions represents the value of synergies with our existing portfolio of businesses and skilled staff to deliver services to our clients. Goodwill that is expected to be deductible for tax purposes is £42.7 million.

Non-controlling interests in acquired companies are measured at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. There continues to be no subsidiaries with non-controlling interests that are individually material to the Group.

The contribution to revenue and operating profit of acquisitions completed in the year was not material. There were no material acquisitions completed between 31 December 2022 and the date the financial statements have been authorised for issue. There were no material acquisitions completed in the year ended 2020.

Notes to the consolidated financial statements (continued)

29. Acquisitions (continued)

Acquisitions in 2021
The Group acquired a number of subsidiaries in the year. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The fair value adjustments for certain acquisitions have been determined provisionally at the balance sheet date.

	Book value at acquisition £m	Fair value adjustments £m	Fair value to Group £m
Intangible assets	—	97.7	97.7
Right-of-use assets	36.6	(3.4)	33.2
Property, plant and equipment	4.0	—	4.0
Cash and cash equivalents	(2.3)	—	(2.3)
Trade receivables due within one year	40.0	—	40.0
Other current assets	5.9	0.9	6.8
Total assets	**84.2**	**95.2**	**179.4**
Current liabilities	(28.5)	(0.3)	(28.8)
Trade and other payables due after one year	(2.3)	(5.8)	(8.1)
Deferred tax liabilities	—	(22.5)	(22.5)
Long-term lease liabilities	(34.2)	—	(34.2)
Total liabilities	**(65.0)**	**(28.6)**	**(93.6)**
Net assets	**19.2**	**66.6**	**85.8**
Non-controlling interests			(3.0)
Goodwill			331.9
Consideration			414.7
Consideration satisfied by:			
Cash			225.9
Equity instruments of subsidiary company			110.8
Payments due to vendors			78.0

Equity instruments of the subsidiary company relate to shares issued by FGH SVC Holdco Inc. and represent 16.5% ownership of this subsidiary company. WPP retains a 57.9% stake in FGH SVC Holdco Inc. following this transaction.

Increases in non-controlling interests in the period arising from the acquisition of subsidiaries are due to changes in ownership of existing subsidiaries and both increases in the non-controlling interests that arise on acquisition of a new subsidiary, as noted in the table above, along with the impact of share issuances in subsidiaries that contain non-controlling interests as a part of the overall acquisition arrangement, but occurring immediately prior to the acquisition of a new subsidiary.

Goodwill arising from acquisitions represents the value of synergies with our existing portfolio of businesses and skilled staff to deliver services to our clients. Goodwill that is expected to be deductible for tax purposes is £83.9 million.

Non-controlling interests in acquired companies are measured at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

The contribution to revenue and operating profit of acquisitions completed in the year was not material.

30. Related party transactions

The Group enters into transactions with its associate undertakings. The Group has continuing transactions with Kantar, including sales, purchases, the provision of IT services, subleases and property related items.

In the year ended 31 December 2022, revenue of £88.3 million (2021: £117.2 million) was reported in relation to Compas, an associate in the USA, and revenue of £42.7 million (2021: £11.3 million) was reported in relation to Kantar. All other transactions in the years presented were immaterial.

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30. Related party transactions (continued)

The following amounts were outstanding at 31 December:

	2022	2021
	£m	£m
Amounts owed by related parties		
Kantar	**26.1**	30.3
Other	**62.4**	45.7
	88.5	76.0
Amounts owed to related parties		
Kantar	**(10.5)**	(6.2)
Other	**(65.2)**	(51.4)
	(75.7)	(57.6)

31. Reconciliation of profit/(loss) before taxation to headline operating profit

Reconciliation of profit/(loss) before taxation to headline operating profit:

	2022	2021	2020
	£m	£m	£m
Profit/(loss) before taxation	**1,159.8**	950.8	(2,790.6)
Finance and investment income	**145.4**	69.4	82.7
Finance costs	**(359.4)**	(283.6)	(312.0)
Revaluation and retranslation of financial instruments	**76.0**	(87.8)	(147.2)
Profit/(loss) before interest and taxation	**1,297.8**	1,252.8	(2,414.1)
Earnings/(loss) from associates - after interest and tax	**60.4**	(23.8)	136.0
Operating profit	**1,358.2**	1,229.0	(2,278.1)
Goodwill impairment	**37.9**	1.8	2,822.9
Amortisation and impairment of acquired intangible assets	**62.1**	97.8	89.1
Investment and other impairment charges/(reversals)	**48.0**	(42.4)	296.2
Intangible asset impairment	**29.0**	—	—
Restructuring and transformation costs	**203.7**	145.5	80.7
Restructuring costs in relation to COVID-19	**15.1**	29.9	232.5
Property related costs	**18.0**	—	—
Losses/(gains) on disposal of investments and subsidiaries	**36.3**	10.6	(7.8)
Gains on remeasurement of equity interests arising from a change in scope of ownership	**(66.5)**	—	(0.6)
Litigation settlement	**—**	21.3	25.6
Headline operating profit	**1,741.8**	1,493.5	1,260.5

Headline operating profit is one of the metrics that management uses to assess the performance of the business. Reconciling items in the above table are components of operating profit/(loss), which are included in Note 3: Costs of services and general and administrative costs.

32. Events after the reporting period

There are no material events after the reporting period that require an adjustment or a disclosure within the financial statements.

Linklaters

Rules of the WPP PLC Executive Performance Share Plan

WPP PLC

Approved by shareholders	12 June 2013
Adopted by the directors	15 April 2013
Amended	7 June 2016
Renewal and amendment approved by shareholders	24 May 2022
Expiry	24 May 2032

By Order of the Board

Balbir Kelly-Bisla
Company Secretary, WPP plc

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1 Introduction

These rules apply to Awards granted after the date on which shareholders approved the renewal and amendment of the Plan. Awards granted before that date are governed by the rules applicable at that time.

Within the parameters set out in these rules, these rules may be used to grant long-term incentive awards, Executive Share Award / "ESA" or Performance Share Award / "PSA" awards, or any other type of incentive as the Compensation Committee determines from time to time.

2 How the Plan works and how Awards are granted

2.1 How the Plan works

The Plan gives a Participant the right to receive Shares subject to the satisfaction of certain conditions and continued employment and, in the case of an Option, payment of any Option Price.

2.2 Who can participate

An Award may be granted to any employee (including an executive director) of any Member of the Group selected by the Compensation Committee.

However, unless the Compensation Committee considers that special circumstances exist, an Award may not be granted to an employee who, on the Award Date, has given or received notice of termination of employment, whether or not that termination is lawful.

2.3 When Awards can be granted

Awards can only be granted within 42 days starting on any of the following:

2.3.1 the Business Day after the announcement of the Company's results through a Regulatory Information Service for any period;

2.3.2 the Business Day after any general meeting of the Company;

2.3.3 any day on which the Company decides that exceptional circumstances exist which justify the grant of Awards (such as in connection with a recruitment);

2.3.4 any day on which changes to the legislation or regulations affecting the Plan are announced, effected or made;

2.3.5 if the Award is granted in lieu of some or all of a bonus, the date on which the bonus is or would otherwise have been payable; or

2.3.6 the lifting of Dealing Restrictions which prevented the granting of Awards during any period specified above.

Awards cannot be granted after 24 May 2032.

2.4 Terms to be set at grant

The Compensation Committee will determine the following terms when each Award is granted:

2.4.1 whether the Award will take the form of:

(i) a Conditional Award;

(ii) an Option; or

(iii) a combination of these;

2.4.2 the number of Shares subject to the Award or the basis on which it will be determined;

2.4.3 the Award Date;

2.4.4 the terms of any Performance Condition or other condition set under rule 2.9 (*Conditions*);

2.4.5 the Normal Vesting Date(s) and, if more than one, the number of Shares Vesting on each such date or how that will be determined;

2.4.6 whether or not the Award carries a Dividend Equivalent and if so the basis on which the amount of the Dividend Equivalent will be calculated (see rule 2.8 (*Dividend Equivalents*));

2.4.7 whether or not a Holding Requirement will apply and, if so, when the Holding Period will normally end; and

2.4.8 in the case of an Option, the Option Price (which may be nil) and the Final Exercise Date (if it is not 10 years from the Award Date).

If a Holding Requirement applies to an Award, Schedule 3 will apply.

2.5 Personal limit

An Award granted to an executive director of the Company, must not exceed any limit set in the Directors' Compensation Policy as at the Award Date.

2.6 Other limits

There are also limits on the number of Shares which can be issued under the Plan – see rule 9.1 (*Company limits*).

2.7 Effect of the limits in rules 2.5 (*Personal limit*) and 2.6 (*Other limits*)

If the Company purports to grant an Award which is inconsistent with either rules 2.5 (*Personal limit*) or rule 2.6 (*Other limits*), the Award will be limited on a basis consistent with those rules with effect from the Award Date.

2.8 Dividend Equivalents

2.8.1 If an Award carries a Dividend Equivalent, the Participant will be entitled, on Vesting, to an amount based on dividends in respect of a Share paid (or the record date for which falls) between the Award Date and the date of Vesting, multiplied by the number of Shares Vesting.

2.8.2 The Compensation Committee will set the basis on which a Dividend Equivalent will be determined for each Award. It may, for example, allow for notional reinvestment of the dividend in Shares or for the Dividend Equivalent to be determined on the basis of the value of Shares at the time of Vesting.

2.8.3 The Dividend Equivalent will be paid in additional Shares unless the Compensation Committee decides that it will be paid in cash.

2.8.4 In the case of an Option, the Compensation Committee may decide, when the Option is granted, that the Dividend Equivalent:

(i) will be paid on exercise instead of Vesting; and/or

(ii) will relate to dividends from the Award Date to the date of exercise instead of the date of Vesting; and/or

(iii) will be paid in respect of the number of Shares in respect of which the Option is exercised.

2.9 Conditions

2.9.1 The Compensation Committee may decide that Vesting of an Award will be conditional on the satisfaction of one or more conditions linked to the performance of the Company, the Participant or the business or Member of the Group in which the Participant works (a “**Performance Condition**”).

2.9.2 The Compensation Committee may impose other conditions when granting an Award.

2.9.3 A Performance Condition or other condition may provide that an Award will lapse to the extent that it is not satisfied.

2.10 Documentation

Awards must be granted by deed or other legally binding document. The terms of the Award, as determined by the Compensation Committee under rule 2.4 (*Terms to be set at grant*) will be specified in the deed or other document.

2.11 Malus and Clawback

Each Award is subject to Malus and Clawback. If there is any discrepancy between the Malus and Clawback provisions and the Plan, the Malus and Clawback provisions will prevail.

2.12 No requirement to pay for an Award

A Participant is not required to pay for the grant of an Award.

2.13 Right to decline

Participants will be notified of the grant of Awards. A Participant may decline their Award within 30 days after the Award Date by notice in writing to any person nominated by the Compensation Committee (or during such longer period as the Compensation Committee may allow if the Participant is prevented from declining the Award by any Dealing Restriction). If this happens, the Award will be treated as if it had never been granted. A Participant is not required to make any payment to decline an Award.

3 Rights of a Participant after Grant but before Vesting

3.1 No transfer of Awards

Subject to rule 3.2 (*Transfer on death*), a Participant may not transfer, assign, charge or otherwise dispose of an Award or any rights in respect of it. If a Participant does, whether voluntarily or involuntarily, then the Award will lapse immediately unless the Compensation Committee decides to the contrary.

3.2 Transfer on death

Rule 3.1 (*No transfer of Awards*) does not apply to the transfer of an Award on the death of a Participant to their personal representatives.

3.3 Share rights before Vesting or exercise

A Participant cannot vote and is not entitled to receive dividends or have any other rights of a shareholder in respect of the Shares subject to their Award until after the issue or transfer of Shares, as described in rule 4.8 (*Share rights after Vesting or exercise*).

4 Vesting of Awards

4.1 Determining Vesting

As soon as reasonably practicable after the end of the Performance Period and subject to rule 4.4 (*Adjustments to formulaic outcomes*), the Compensation Committee will determine the extent to which any Performance Condition or any other condition set under rule 2.9 (*Conditions*) has been satisfied and the number of Shares which would Vest under it.

4.2 Timing of Vesting

Subject to the rest of these rules, an Award will normally Vest on the later of:

4.2.1 the Business Day after the date on which the Compensation Committee makes its determination under rule 4.1 (*Determining Vesting*);

4.2.2 any other date that the Compensation Committee sets for Vesting when making the determination under rule 4.3 (*Timing of Vesting – investigation*);

4.2.3 the Normal Vesting Date; and

4.2.4 the first date on which Vesting is not prevented by a Dealing Restriction.

4.3 Timing of Vesting – investigation

Notwithstanding any other provision of this Plan, if an investigation commences or is ongoing regarding whether Malus and/or Clawback should be invoked in respect of a Participant then, unless otherwise determined by the Compensation Committee, any unvested Awards held by that Participant will not Vest, if at all, until after such investigation has been concluded.

4.4 Adjustments to formulaic outcomes

Notwithstanding any other provision of this Plan, the Compensation Committee, acting reasonably and in good faith, may adjust (upwards or downwards and including to zero) the amount of an Award which would otherwise Vest if the formulaic outcome of any

Performance Condition or other condition set under rule 2.9 (*Conditions*) does not reflect overall corporate performance and the experience of shareholders, as a whole, in terms of value creation.

To the extent that an Award is reduced under this discretion, the Award (or part thereof) will lapse immediately.

4.5 Consequences of Vesting for Conditional Awards

Subject to any Holding Requirement, as soon as reasonably practicable after the Vesting of a Conditional Award, the Company will arrange (subject to rules 4.9 (*Payment of cash equivalent*), 4.10 (*Responsibility for tax*), 4.11 (*Methods for paying the tax*) and 9.11 (*Consents*)) for the transfer or issue to, or to the order of, the Participant of the number of Shares in respect of which the Conditional Award has Vested, including any Dividend Equivalent.

4.6 Consequences of Vesting for Options

4.6.1 A Participant may only exercise an Option to the extent that it has Vested.

4.6.2 To exercise the Option, the Participant must give notice (in such form as the Compensation Committee may prescribe) to the Company or any person nominated by the Compensation Committee and pay the Option Price (if any) or make arrangements satisfactory to the Compensation Committee for its payment.

4.6.3 As soon as reasonably practicable after a valid exercise of an Option, the Company will arrange (subject to any Holding Requirement, rules 4.9 (*Payment of cash equivalent*), 4.10 (*Responsibility for tax*), 4.11 (*Methods for paying the tax*) and 9.11 (*Consents*)) for the transfer or issue to, or to the order of, the Participant of the number of Shares in respect of which the Option is exercised, including any Dividend Equivalent.

4.6.4 To the extent that an Option has not been exercised by the close of business on the Final Exercise Date, the Participant will, unless they have given notice in writing to the contrary and subject to the condition set out below being satisfied, be deemed to have given a valid exercise notice at the close of business on the Final Exercise Date, together with a direction to sell sufficient of the Shares issued or transferred on the exercise of the Option to fund any Option Price and any taxation or social security contributions payable under rule 4.11 (*Methods of paying the tax*). The remaining Shares subject to the Option will be transferred as set out in rule 4.6.3.

The condition referred to above is that the expected sale proceeds of the Shares resulting from the exercise of the Option is more than the Option Price plus the expected costs of any sale (including any actual or estimated liability to taxation, social security contributions and any other related costs in respect of the Option).

4.6.5 The Option will lapse, at the latest, on the close of business on the Final Exercise Date.

4.6.6 If an Option lapses under more than one provision of the rules of the Plan, the provision resulting in the shortest exercise period will prevail.

4.7 Delivery – investigation

Notwithstanding any other provision of this Plan, if an investigation commences or is ongoing regarding whether Malus and/or Clawback should be invoked in respect of a Participant then, unless otherwise determined by the Compensation Committee, any Vested but as yet unsatisfied Awards held by that Participant will not be satisfied, if at all, until after such investigation has been concluded.

4.8 Share rights after Vesting or exercise

The Participant will be entitled to all rights attaching to the Shares which are transferred or issued following Vesting by reference to a record date on or after the date of the transfer or issue.

4.9 Payment of cash equivalent

Instead of the transfer or issue of Shares after Vesting of an Award, the Company may (subject to rules 4.10 (*Responsibility for tax*) and 4.11 (*Methods of paying the tax*)) pay to, or to the order of, the Participant an amount equal to the Cash Value of the Shares that have Vested under the Award (less the Option Price, if applicable). The Company can decide to do this at the Award Date or at any time before satisfaction of the Award, including after Vesting.

For the avoidance of doubt, an Award which is subject to a Holding Requirement may only be satisfied as described above at or after the end of the Holding Period.

4.10 Responsibility for tax

The Participant will be responsible for all taxes, employee or (to the extent lawful) employer social security contributions and other levies or charges arising in respect of any Award or the acquisition, holding or disposal of Shares or any interest in them.

4.11 Methods of paying the tax

If any Member of the Group or the trustee of any employee benefit trust has any liability to pay or account for any item referred to in rule 4.10 (*Responsibility for tax*), the Participant must pay or repay that amount on demand.

However, the Member of the Group or trustee can do any one or more of the following:

4.11.1 sell sufficient of the Shares subject to the Award on behalf of the Participant and retain the proceeds or pay them to any tax authority;

4.11.2 reduce the number of Shares subject to the Award or to which the Participant is entitled following Vesting; and/or

4.11.3 deduct the amount from any amount to which the Participant is entitled under the Plan, their employment contract or otherwise.

Where requested to do so by any Member of the Group, the Participant will enter into any elections in the form required by the Compensation Committee, including elections under Part 7 of the Income Tax (Earnings and Pensions) Act 2003 and/or elections to transfer any liability, or agreements to pay social security contributions.

Notwithstanding anything else in these rules, the Vesting of an Award or the issue or transfer of Shares or any payment of cash may be delayed until the Participant has done all things reasonably required by the Compensation Committee or any Member of the Group to give effect to this rule 4.11.

5 Leaving Employment

5.1 General rule when leaving employment

Subject to the rest of this rule 5, if a Participant leaves employment before the date on which their Award Vests, the Award will lapse on the date the Participant leaves employment.

5.2 Reduction in working hours

If a Participant's working hours are materially reduced before the date on which their Award Vests, the Compensation Committee may reduce the number of Shares in respect of which an Award Vests, as it considers appropriate.

5.3 Exceptions to the general rule[1]

If the Participant leaves employment in the special circumstances listed in rule 5.4 (*Special circumstances*), the Award will not lapse but, unless the Compensation Committee decides otherwise, will continue and will Vest at the normal time to the extent that any Performance Condition or other condition set under rule 2.9 (*Conditions*) has been satisfied over the Performance Period.

Unless the Compensation Committee decides otherwise, the number of Shares in respect of which the Award Vests will be reduced to reflect the portion of the pro-rating period still to run after the date of leaving. In exceptional circumstances, the Compensation Committee may determine that the Award will Vest on a different basis.

The "**pro-rating period**" is:

5.3.1 where the Award is subject to a Performance Condition or other condition set under rule 2.9 (*Conditions*), the Performance Period; and

5.3.2 where it is not, the period from the Award Date to the Normal Vesting Date[2].

5.4 Special circumstances

The special circumstances referred to in rule 5.3 (*Exceptions to the general rule*) are leaving employment because of:

5.4.1 ill-health, injury or disability, established to the satisfaction of the Compensation Committee;

5.4.2 retirement either pursuant to a Participant's employment contract which has been approved by the Compensation Committee or on any other basis acceptable to the Compensation Committee;

5.4.3 the Participant's employing company ceasing to be a Member of the Group;

5.4.4 a transfer of the undertaking, or the part of the undertaking, in which the Participant works to a person which is not a Member of the Group; or

[1] This rule will not apply in relation to an Award granted to a director of the Company in 2023 where the director leaves employment within the first year of the Performance Period of the Award.

[2] Where an Award has multiple Normal Vesting Dates, proration will be calculated on a per tranche basis.

5.4.5 any other reason if the Compensation Committee so decides generally or in any particular case within 20 Business Days of the Participant leaving employment.

5.5 What happens on death

If the Participant dies, the Award will Vest on the date of death.

The Award will Vest to the extent determined by the Compensation Committee, having regard to the extent to which any Performance Condition or other condition set under rule 2.9 (*Conditions*) has been satisfied to the date of death.

Unless the Compensation Committee decides otherwise, the number of Shares in respect of which the Award Vests will be reduced to reflect the portion of the pro-rating period still to run after the date of death.

In accordance with rules 4.5 (*Consequences of Vesting for Conditional Awards*) or 4.6.3 (*Consequences of Vesting for Options*), Shares will be issued or transferred (or cash paid) under the Plan to the Participant's personal representatives (in place of the Participant) as soon as reasonably practicable once the personal representatives provide evidence satisfactory to the Compensation Committee of their status as such.

5.6 Exercise period for Options

An Option which does not lapse when the Participant leaves employment will be exercisable for six months from the date of leaving (or 24 months in the case of death) or, if later, from the date on which it Vests. The Compensation Committee may extend the period for exercise but not beyond the Final Exercise Date. The Option will lapse at the end of the exercise period or any earlier period in accordance with these rules.

5.7 What leaving employment means

A Participant will be treated as "leaving employment" only when they are no longer either an employee or a director of any Member of the Group and will not be treated as leaving if they recommence an employment or office with a Member of the Group within seven days.

6 Transactions affecting the Company

6.1 Early Vesting

Subject to rules 6.2 (*Extent of Vesting*) to 6.4 (*Exchanging Awards rather than early Vesting*), Awards will Vest under this rule 6 if:

6.1.1 a person (or a group of persons acting in concert) obtains Control of the Company as a result of making an offer to acquire Shares;

6.1.2 the court sanctions a scheme of arrangement under Part 18A of the Companies (Jersey) Law 1991 involving the acquisition of Shares; or

6.1.3 the Company passes a resolution for its voluntary winding up or an order is made for its compulsory winding up.

6.2 Extent of Vesting

Where an Award Vests under rule 6.1 (*Early Vesting*), it will Vest to the extent determined by the Compensation Committee, having regard to the extent to which any Performance Condition or other condition set under rule 2.9 (*Conditions*) has been satisfied to that date.

Unless the Compensation Committee decides otherwise, the number of Shares in respect of which it Vests will be reduced to reflect the portion of the pro-rating period (as defined in rule 5.3 (*Exceptions to the general rule*)) still to run after the date of Vesting.

Any Holding Requirement will cease to apply, as set out in paragraph 6(c) of Schedule 3.

6.3 Effect on Options

Subject to rule 6.4 (*Exchanging Awards rather than early Vesting*):

6.3.1 Options will become exercisable as described in rule 6.1 (*Early Vesting*) for one month and all Options will lapse at the end of that period to the extent not exercised or exchanged.

6.3.2 If an Option Vests under rule 6.1.2, the Compensation Committee may decide, at any time before the court sanction, that the Option will be deemed exercised with effect from court sanction if they consider that the consideration receivable under the scheme of arrangement for the resulting Shares is likely to be more than the Option Price. If the Compensation Committee determines that Options will be deemed exercised in accordance with this rule 6.3.2, the Company will:

(i) notify each affected Participant of this decision;

(ii) where the consideration receivable under the scheme of arrangement is not wholly cash, give the Participant a reasonable opportunity to direct the Company that the Option should not be deemed exercised (in which case rule 6.3.1 (*Effect on Options*) will apply); and

(iii) deem each Participant as having given a valid exercise notice at court sanction to exercise their Option, together with a direction to:

(a) sell sufficient of the Shares issued or transferred on the exercise of the Option to fund any Option Price and any taxation or social security contributions payable under rule 4.11 (*Methods of paying the tax*), with the remaining Shares subject to the Option to be transferred as set out in rule 4.6.3 (*Consequences of Vesting for Options*); or

(b) transfer the Shares subject to the Option as set out in rule 4.6.3 (*Consequences of Vesting for Options*) and deduct from any consideration receivable under the scheme of arrangement by the Participant sufficient cash to fund any Option Price and any taxation or social security contributions payable under rule 4.11 (*Methods of paying the tax*),

as determined by the Company.

6.4 Exchanging Awards rather than early Vesting

An Award will not Vest under rule 6.1 (*Early Vesting*) and a Vested Option will not be exercisable after an event described in rule 6.1 (*Early Vesting*) to the extent that:

6.4.1 an offer to exchange the Award is made and accepted by a Participant; or

6.4.2 the Compensation Committee, with the consent of the Acquiring Company, decides, before the person obtains Control or the court sanctions the scheme of arrangement, that the Award will be automatically exchanged.

6.5 What happens when Awards are exchanged

Where an Award is to be exchanged under rule 6.4 (*Exchanging Awards rather than early Vesting*), the exchange will take place as soon as practicable after the relevant event and the Participant will be granted a new award in exchange for their existing Award. The new award:

6.5.1 must confer a right to acquire shares in the Acquiring Company or another body corporate determined by the Acquiring Company;

6.5.2 subject to rule 6.8 (*Malus and Clawback*) and paragraph 6 of Schedule 3, must be broadly equivalent to the existing Award;

6.5.3 will be treated as having been acquired at the same time as the existing Award and will Vest in the same manner and at the same time;

6.5.4 may, at the discretion of the Compensation Committee, be subject to a Performance Condition or other condition set under rule 2.9 (*Conditions*) which will be, so far as possible, equivalent to any Performance Condition or condition applying to the existing Award; and

6.5.5 will be governed by the Plan as if references to Shares were references to the shares over which the new award is granted and references to the Company were references to the Acquiring Company or the body corporate determined under this rule.

6.6 Demergers and other transactions

If the Company is affected by a demerger (in whatever form), a special dividend or distribution (other than an ordinary dividend), delisting or other transaction, which, in the opinion of the Compensation Committee, might affect the current or future value of any Award, the Compensation Committee may decide that:

6.6.1 Awards will Vest, in which case rules 6.2 (*Extent of Vesting*) and 6.3 (*Effect on Options*) will apply as if the Awards had Vested under rule 6.1 (*Early Vesting*); or

6.6.2 Awards will be exchanged, in which case rules 6.4 (*Exchanging Awards rather than early Vesting*) and 6.5 (*What happens when Awards are exchanged*) will apply as if the event was an event within rule 6.1 (*Early Vesting*).

6.7 Variations of capital

If the Company is affected by:

6.7.1 a rights issue (or similar transaction); or

6.7.2 a demerger (in whatever form) or exempt distribution by virtue of Section 1075 of the Corporation Tax Act 2010; or

6.7.3 a special dividend or distribution; or

6.7.4 a variation in the equity share capital of the Company, including a capitalisation or sub-division, consolidation or reduction of share capital; or

6.7.5 any other corporate event which the Compensation Committee considers might affect the current or future value of any Award,

the Compensation Committee may adjust the number, class and/or or identity of Shares comprised in an Award (and/or, in the case of an Option, the Option Price).

6.8 Malus and Clawback

If this rule 6 (*Transactions affecting the Company*) applies to the Award, the Compensation Committee may determine that Malus and Clawback will no longer apply to the Award (or any new Award granted in exchange for it) or will be varied in its application to the Award.

In relation to any cash or Shares acquired pursuant to the Award prior to the relevant event, the Compensation Committee may determine that Malus and Clawback will no longer apply to the Award or will be varied in its application to the Award.

6.9 Restrictive Covenants

Restrictive Covenants, applicable to an Award or Shares that have been or will be acquired following Vesting of an Award, will continue to apply following the date that Awards Vest under any provision in this rule 6 (*Transactions affecting the Company*), unless the Compensation Committee determines otherwise.

7 Restrictive Covenants

An Award will be subject to the Restrictive Covenants.

8 Changing the Plan, conditions and the terms of Awards

8.1 Compensation Committee's right to change the Plan or Awards

Except as described in the rest of this rule 8, the Compensation Committee may, at any time, change the Plan, any Performance Condition or other condition set under rule 2.9 (*Conditions*) or the terms of any Award in any way (including changes which may be to the disadvantage of the Participant).

8.2 Limitations on the right to make changes

Except as provided in rule 8.3 (*Exceptions to the requirement for shareholder approval*), the Company must approve by ordinary resolution in general meeting any proposed change to the Plan or Award to the advantage of present or future Participants, which relates to the following:

8.2.1 the persons to or for whom Shares may be provided under the Plan;

8.2.2 the limitations on the number of Shares which may be issued under the Plan;

8.2.3 the individual limit for each Participant under the Plan;

8.2.4 the basis for determining a Participant's entitlement to, and the terms of, Shares provided under the Plan;

8.2.5 the rights of a Participant in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital of the Company; or

8.2.6 the terms of this rule 8.2.

8.3 Exceptions to the requirement for shareholder approval

The Compensation Committee may, without the approval of the Company in general meeting:

8.3.1 amend the terms of any Award if the rules would have permitted the grant of a new Award on those amended terms;

8.3.2 amend any condition (including, for the avoidance of doubt, any Performance Condition) set under rule 2.9 (*Conditions*) if anything happens which causes it to consider that the condition is no longer appropriate, provided that the amended condition is not materially less difficult to satisfy than the original condition; and

8.3.3 make minor amendments to the Plan or the terms of any Award:

(i) to benefit the administration of the Plan;

(ii) to comply with or take account of the provisions of any proposed or existing legislation;

(iii) to take account of any changes to legislation; and

(iv) to obtain or maintain favourable tax, exchange control or regulatory treatment of any Member of the Group or any present or future Participant.

9 General

9.1 Company limits

The Company must not grant an Award if the number of Shares issued and committed to be issued under that Award exceeds:

9.1.1 10 per cent. of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Shares which have been issued or committed to be issued to satisfy Awards under the Plan, or options or awards under any other employee share plan operated by the Company, granted in the previous 10 years; or

9.1.2 5 per cent. of the ordinary share capital of the Company in issue immediately before that day, when added to the number of Shares which have been issued or committed to be issued to satisfy Awards under the Plan, or options or awards under any other discretionary employee share plan adopted by the Company, granted in the previous 10 years.

For the purposes of determining the limits in this rule 9.1:

9.1.3 for so long as required by the Investment Association, Shares that have been or may be transferred out of treasury to satisfy awards or options will be treated as Shares issued or committed to be issued for the purposes of this rule 9.1; and

9.1.4 Shares subject to awards or options which have lapsed or been surrendered and Shares committed to be issued under a Dividend Equivalent or similar right are ignored.

9.2 How to serve notice on a Participant

Any notice or other document which has to be given to a person who is or will be eligible to be a Participant under or in connection with the Plan may be:

9.2.1 delivered or sent by post to the Participant at their home address according to the records of the employing company; or

9.2.2 sent by e-mail to any e-mail address which according to the records of the employing company is used by the Participant,

or, in either case, any other address that the Compensation Committee considers appropriate or communicated by any other electronic means that the Compensation Committee approves.

9.3 How to serve notice on the Company

Any notice or other document which has to be given to the Company or other duly appointed agent under or in connection with the Plan may be delivered or sent by post to the registered office of the Company (or any other place that the Compensation Committee or duly appointed agent may from time to time decide and notify to Participants) or sent by e-mail to any e-mail address or by other electronic means notified to the Participant.

9.4 When notices are treated as served

Notices sent by post will be deemed to have been given on the second day after the date of posting. However, notices sent by or to a Participant who is working overseas will be deemed to have been given on the seventh day after the date of posting. Notices sent by e-mail or fax, in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

9.5 The effect of Compensation Committee decisions

The decision of the Compensation Committee on the interpretation of the Plan or in any dispute relating to an Award or matter relating to the Plan will be final and conclusive.

9.6 The costs of the Plan

The Company will pay the costs of introducing and administering the Plan. The Company may require a Participant's employer to bear the costs in respect of an Award granted to that Participant.

9.7 Consistency with Directors' Compensation Policy

Nothing in these rules or the terms of any Award will oblige the Company or any other person to make any remuneration payment or payment for loss of office which would be in breach of Chapter 4A of Part 10 of the Companies Act 2006 if the Company were incorporated in the United Kingdom. (The Chapter requires such payments to be within an approved remuneration policy or otherwise approved by shareholders.)

The Company will not be obliged to seek the approval of its shareholders in general meeting for any such payment but may make such changes as are necessary or desirable to the terms of any payment to ensure that it would not be in breach of that Chapter.

9.8 Administering the Plan

The Compensation Committee has the power, from time to time, to make or vary regulations for the administration and operation of the Plan.

9.9 Relationship between the Plan and employment

This rule 9.9 governs the relationship between the Plan and a Participant's employment.

9.9.1 For the purposes of this rule 9.9, "**Employee**" means any employee (including an executive director) or former or prospective employee of a Member of the Group.

9.9.2 This rule 9.9 applies during an Employee's employment and after the termination of an Employee's employment, whether or not the termination is lawful.

9.9.3 Nothing in the rules or the operation of the Plan forms part of the contract of employment of an Employee. The rights and obligations arising from the employment relationship between the Employee and the Member of the Group are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.

9.9.4 No Employee has a right to participate in the Plan. Participation in the Plan or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Awards on the same basis, or at all, in any future year. Awards granted under the Plan are not pensionable.

9.9.5 The terms and operation of the Plan do not entitle the Employee to the exercise of any discretion in their favour.

9.9.6 The Employee will have no claim or right of action in respect of any decision, omission or exercise of discretion relating to the Plan, and an Award which may operate to the disadvantage of the Employee even if it is unreasonable, irrational or might otherwise be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the Employee and the employer.

9.9.7 No Employee has any right to compensation for any loss in relation to the Plan, including any loss in relation to:

(i) any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);

(ii) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision; or

(iii) the operation, suspension, termination or amendment of the Plan.

9.9.8 Participation in the Plan is permitted only on the basis that the Participant accepts all the provisions of the rules, including this rule 9.9. By participating in the Plan, an Employee waives all rights under the Plan, other than the right to acquire Shares subject to and in accordance with the express terms of the Plan and any conditions set under rule 2.9 (*Conditions*), in consideration for, and as a condition of, the grant of an Award under the Plan.

9.10 Personal data

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant to any Member of the Group, trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to:

9.10.1 administering and maintaining Participant records;

9.10.2 providing information to any Member of the Group, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;

9.10.3 providing information to future purchasers of the Company or the business in which the Participant works; and

9.10.4 transferring information about the Participant to a country or territory outside the European Economic Area that may not provide the same statutory protection for the information as the Participant's home country.

Notwithstanding the above, the basis for any processing of personal information about the Participant under the EU's General Data Protection Regulation (2016/679) ("**GDPR**") (or any successor laws, including its incorporation into UK law as the UK GDPR) is set out in the privacy notice provided to Participants when they access e-comp and not the consent referred to above. That notice also contains details about how the Participant's personal information is processed and the Participant's rights in relation to that information. The Participant has a right to review the notice.

9.11 Consents

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant legislation or regulations for the time being in force in Jersey, the United Kingdom, the United States of America or elsewhere. The Participant will be responsible for complying with any requirements that they need to fulfil in order to obtain or avoid the need for that consent.

9.12 Shares subject to the articles of association

Any Shares acquired under the Plan are subject to the articles of association of the Company from time to time in force.

9.13 Application for listing on the London Stock Exchange

If and so long as the ordinary shares of the Company are listed on the Official List and traded on the London Stock Exchange, the Company will apply for listing of any ordinary shares issued under the Plan as soon as practicable.

9.14 Application for listing on the New York Stock Exchange

If and so long as the ADSs of the Company are listed and traded on the New York Stock Exchange, the Company will apply for any necessary listing of any ADSs created for the purpose of satisfying Awards as soon as practicable.

9.15 Governing law

The laws of England and Wales govern the Plan and all Awards and their construction. The courts of England and Wales have exclusive jurisdiction in respect of disputes arising under or in connection with the Plan or any Award.

10 Glossary

"**Acquiring Company**" means the person or persons who obtain Control, the person who acquires Shares as a result of a transaction mentioned in rule 6.1 (*Early Vesting*) or any related company nominated by them.

"**ADSs**" means depositary instruments representing a beneficial holding in fully paid ordinary shares in the capital of the Company.

"**Award**" means a Conditional Award or an Option.

"**Award Date**" means the date set by the Compensation Committee for the Award under rule 2.4 (*Terms to be set at grant*) or, if no such date is set, the date on which the Award is granted.

"**Business Day**" means a day on which both the London Stock Exchange and the New York Stock Exchange are open for the transaction of business.

"**Cash Value**" means:

(a) in the case of an ordinary share in the Company, the middle market quotation of an ordinary share in the Company (taken from the Daily Official List of the London Stock Exchange); and

(b) in the case of an ADS, the average of the highest and lowest price of an ADS on the New York Stock Exchange,

in either case taken on the Business Day before Vesting.

"**Company**" means WPP plc, a public limited company incorporated in Jersey with registered number 111714.

"**Compensation Committee**" means the board of directors of the Company or any person or persons to whom they may delegate any of their functions under the Plan from time to time or, where any discretion has to be exercised under rule 6 (*Transactions affecting the Company*), the people who comprised the Compensation Committee immediately before the transaction by virtue of which that rule applies.

"**Conditional Award**" means a conditional right to acquire Shares for free following Vesting which is granted under the Plan.

"**Control**" means the power of a person, or persons acting in concert, to secure that at least 50 per cent of the voting rights in relation to the Company's share capital are exercised in accordance with its or their wishes.

"**Dealing Restrictions**" means any restriction on dealing in securities imposed by statute, order, regulation, directive or any code adopted by the Company as varied from time to time.

"**Directors' Compensation Policy**" means, at any time, the directors' remuneration policy approved by the shareholders of the Company.

"**Dividend Equivalent**" means an entitlement to an amount referable to dividends on the number of Shares in respect of which the Award Vests or is exercised as described in rule 2.8 (*Dividend Equivalents*).

"**Final Exercise Date**" means the 10th anniversary of the date on which an Option is granted or any earlier date set under rule 2.4.8 (*Terms to be set at grant*).

"**Holding Period**" means the period during which a Holding Requirement applies.

"**Holding Requirement**" means a requirement that Shares be held during the Holding Period as described in Schedule 3.

"**Holding Shares**" means Shares which are subject to a Holding Requirement.

"**London Stock Exchange**" means London Stock Exchange plc or its successor.

"**Malus and Clawback**" means the malus and clawback provisions as set out in an Award agreement and/or in the WPP plc Group Malus and Clawback Policy (as amended from time to time) and "Malus" and "Clawback" will have the meanings given in the Award agreement and/or the WPP plc Malus and Clawback Policy, as the case may be.

"**Member of the Group**" means:

(a) the Company; or

(b) any Subsidiary from time to time; or

(c) any other company which is designated by the Compensation Committee as associated with the Company for some or all purposes of the Plan,

and "**Group**" will be understood accordingly.

"**Normal Vesting Date**" means a date set by the Compensation Committee for Vesting of an Award under rule 2.4.4 (*Terms to be set at grant*).

"**Official List**" means the list maintained by the Financial Conduct Authority for the purposes of section 74(1) of the Financial Services and Markets Act 2000.

"**Option**" means a right to acquire Shares on exercise and payment of any Option Price granted under the Plan.

"**Option Price**" means the amount (which may be nil) payable on the exercise of an Option set by the Compensation Committee under rule 2.4.8 (*Terms to be set at grant*).

"**Participant**" means a person holding (or who previously held) an Award or their personal representatives.

"**Performance Condition**" has the meaning given in rule 2.9 (*Conditions*).

"**Performance Period**" means the period in respect of which a condition set under rule 2.9 (*Conditions*) is to be satisfied.

"**Plan**" means these rules known as the "WPP plc Executive Performance Share Plan" as changed from time to time.

"**Regulatory Information Service**" means a service that is approved by the Financial Conduct Authority as meeting the Primary Information Provider criteria and is on the list of Regulatory Information Services maintained by the Financial Conduct Authority.

"**Restrictive Covenants**" means the terms set out in Schedule 2 (Restrictive Covenants) to this Plan.

"**Section 409A**" means Section 409A of the United States Internal Revenue Code, including Treasury Regulations issued thereunder.

"**Shares**" means fully paid ordinary shares (including treasury shares) in the capital of the Company or ADSs.

"**Subsidiary**" means a company which is a subsidiary of the Company within the meaning of Articles 2 and 2A of the Companies (Jersey) Law 1991.

"**Vesting**" means:

(a) in relation to a Conditional Award, the Participant becoming entitled to have the Shares issued or transferred to them as described in rule 4.5; and

(b) in relation to an Option, means the Option becoming exercisable, as described in rule 4.6, and

"**Vest**", "**Vested**" and "**unvested**" will be understood accordingly.

Schedule 1
For Participants subject to Section 409A

The purpose of this Schedule 1 is to alter the provisions of the Plan solely for Awards granted to US Taxpayers to reflect the terms necessary or advisable for such Awards to qualify for an exemption from the requirements of Section 409A. References to the Plan, or to the rules, in the main rules of the Plan shall be interpreted to include this Schedule 1 in relation to US Taxpayers.

1 Application

This Schedule 1 shall apply to all employees and Participants who are US Taxpayers. If a Participant becomes a US Taxpayer after grant of an Award under the Plan, then it will immediately be amended in a manner consistent with this Schedule 1.

References in this Schedule 1 to Awards granted to US Taxpayers shall include Awards held by a Participant who becomes a US Taxpayer after an Award is granted.

2 Definitions

2.1 The definitions in the Plan shall have the same meaning in this Schedule 1 unless expressly stated otherwise.

2.2 For the purposes of this Schedule 1 the following additional definitions will also apply:

"**Award Short-Term Deferral Period**" means the period starting on the date that a Conditional Award (or portion thereof) first is no longer subject to a "substantial risk of forfeiture" for the purposes of Section 409A and ending on the 15th day of the third month following the end of the Taxable Year in which such Conditional Award first is no longer subject to the substantial risk of forfeiture;

"**Code**" means the US Internal Revenue Code of 1986, as amended.

"**Option Short-Term Deferral Period**" means the period starting on the date that an Option (or portion thereof) first is no longer subject to a "substantial risk of forfeiture" for the purposes of Section 409A and ending on the immediately following 31 December;

"**Section 409A**" means Section 409A of the Code and the Treasury Regulations promulgated and other official guidance issued thereunder, collectively;

"**Taxable Year**" means the calendar year, or, if later, the end of the taxable year of the Member of the Group that employs the US Taxpayer, in which the Conditional Award first is no longer subject to a substantial risk of forfeiture for the purposes of Section 409A;

"**Treasury Regulations**" means the regulations, including proposed or temporary regulations, promulgated under the Code.

"**US**" means the United States of America; and

"**US Taxpayer**" means an employee or Participant who is subject to US federal income taxation on the date on which an Award is granted, is expected to become subject to US federal income taxation following that date or does become subject to US federal income taxation following that date but before the date on which any part of the Award Vests.

3 Consequences of Vesting for Conditional Awards

3.1 Subject to paragraph 3.2 below, but notwithstanding any other provision of the Plan (including, but not limited to, rule 4.3 (Timing of Vesting – investigation), rule 4.5

(Consequences of Vesting for Conditional Awards), rule 4.7 (Delivery – investigation) and rule 5.3 (Exceptions to the general rule)), the satisfaction of a Conditional Award (or portion thereof) granted to a US Taxpayer, whether in Shares or in cash, shall be made no later than the end of the Award Short-Term Deferral Period.

3.2 If a Conditional Award (or portion thereof) granted to a US Taxpayer has not been satisfied by the end of the Award Short-Term Deferral Period because such satisfaction would have violated applicable law, then to the extent permissible under Section 1.409A-1(b)(4)(ii) of the proposed Treasury Regulations, the satisfaction may be delayed so long as the Conditional Award is then satisfied at the earliest date at which it is reasonably anticipated that such law no longer prevents the satisfaction.

3.3 If, as a result of paragraph 3.1 or 3.2 of this Schedule 1, a Conditional Award (or portion thereof) granted to a US Taxpayer has to be satisfied before the Conditional Award (or portion thereof) Vests then, subject to rule 4.10 (responsibility for tax) and unless the Compensation Committee provides otherwise, the US Taxpayer may not transfer, assign, charge or create any other security interest over or otherwise dispose of the Shares or cash received from the settlement of the Conditional Award (or portion thereof) or any rights in respect thereof until the Conditional Award (or portion thereof) Vests. If after the end of the Award Short-Term Deferral Period, the Conditional Award (or portion thereof) does not Vest, then the Shares or cash received from the settlement of the Conditional Award (or portion thereof) which did not Vest will be immediately forfeited and the Participant must immediately pay the cash or transfer their interest in the Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Compensation Committee..

3.4 For the avoidance of doubt, nothing in this paragraph 3 (Consequences of Vesting for Conditional Awards) shall limit or impair any Holding Requirement applicable to the Shares or cash received from the satisfaction of a Conditional Award.

3.5 If a Conditional Award (or portion thereof) granted to a US Taxpayer includes a right to a Dividend Equivalent under rule 2.8 (Dividend Equivalents), payment of the Dividend Equivalent (in cash or Shares) must be made no later than the end of the Award Short-Term Deferral Period applicable to such Dividend Equivalent, or, if later, the end of the extended period provided by paragraph 3.2 of this Schedule 1.

4 Consequences of Vesting for Options

4.1 Subject to paragraph 4.2 below, but notwithstanding any other provision of the Plan (including, but not limited to, rule 4.6 (Consequences of Vesting for Options), rule 5.3 (Exceptions to the general rule) and rule (Exercise period for Options)), an Option granted to a US Taxpayer must be exercised no later than the end of the applicable Option Short-Term Deferral Period.

4.2 If an Option (or portion thereof) granted to a US Taxpayer has not been exercised by the end of the Option Short-Term Deferral Period because such exercise would have violated applicable law, then to the extent permissible under Section 1.409A-1(b)(4)(ii) of the proposed Treasury Regulations, the Option may be exercised later, so long as it is exercised at the earliest date at which it is reasonably anticipated that such law no longer prevents the exercise.

4.3 If, as a result of paragraph 4.1 or 4.2 of this Schedule 1, an Option (or portion thereof) granted to a US Taxpayer has to be exercised before the Option (or portion thereof) Vests, then subject to rule 4.10 (responsibility for tax) and unless the Compensation Committee provides otherwise, the US Taxpayer may not transfer, assign, charge or create any other security interest over or otherwise dispose of the Shares or cash received from the exercise of the Option (or portion thereof) or any rights in respect thereof until the Option (or portion thereof) Vests. If after the end of the Option Short-Term Deferral Period, the Option (or portion thereof) does not Vest, then the Shares or cash received from the exercise of the Option (or portion thereof) which did not Vest will be immediately forfeited and the Participant must immediately pay the cash or transfer their interest in the Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Compensation Committee.

4.4 For the avoidance of doubt, nothing in this paragraph 4 (Consequences of Vesting for Options) shall limit or impair any Holding Requirement applicable to the Shares or cash received from the exercise of an Option.

4.5 If an Option (or portion thereof) granted to a US Taxpayer includes a right to a Dividend Equivalent under rule 2.8 (Dividend Equivalents), payment of the Dividend Equivalent (in cash or Shares) must be made no later than the end of the Option Short-Term Deferral Period applicable to such Dividend Equivalent

5 Changes to conditions

5.1 Other than to waive it, a Performance Condition or other condition applicable to an outstanding Award granted to a US Taxpayer may not be amended pursuant to rule 8.1 (Compensation Committee's right to change the Plan or Awards), or any other provision of the Plan, if and to the extent that the amendment of the condition would result in the earlier ending of the applicable Award Short-Term Deferral Period or Option Short-Term Deferral Period.

5.2 An Award granted to a US Taxpayer may not be amended pursuant to rule 8.1 (Compensation Committee's right to change the Plan or Awards), or any other provision of the Plan, if and to the extent that the amendment of the condition would result in violation of Section 409A.

6 Exchange of Awards

Where there is to be an exchange of a US Taxpayer's Award pursuant to rule 6.4 (Exchanging Awards rather than early Vesting) and rule 6.5 (What happens when Awards are exchanged), the Compensation Committee shall attempt to structure the terms of the exchange and the new award such that neither the exchange nor the new award violate Section 409A.

7 Interpretation and administrative intent

7.1 Awards granted, and Dividend Equivalents payable, to US Taxpayers are intended to be exempt from the requirements of Section 409A under the short-term deferral exception described in Section 1.409A-1(b)(4) of the US Treasury Regulations, and the Plan and this Schedule 1 shall be interpreted and administered consistent with such intention.

7.2 For the avoidance of doubt, any delay in the Vesting of an Award pursuant to rule 4.3 (Timing of Vesting – investigation), or the fact that a Holding Requirement pursuant to rule 2.4.7 or Schedule 3 (Holding Requirement), or clawback provisions pursuant to rule 2.11 (Malus and Clawback) or rule 7 (Restrictive Covenants) or Schedule 2 (Restrictive Covenants) may be applied to an Award, will not impose an additional, or extend the existing, substantial risk of forfeiture applicable to such Award for the purposes of Section 409A.

7.3 In the event of any conflict between an applicable provision of the Plan and an applicable provision of this Schedule 1 with respect to an Award granted to a US Taxpayer, the provision of this Schedule 1 shall apply.

8 No liability

Without limiting rule 4.10, each US Taxpayer is solely responsible and liable for the satisfaction of all taxes, penalties and interest that may be imposed on the US Taxpayer in connection with the Plan and/or this Schedule 1 (For Participants subject to Section 409A) or any Award, including any taxes, penalty and/or interest under Section 409A. No Member of the Group shall have any obligation to indemnify or otherwise hold the US Taxpayer harmless from any or all of such taxes, penalty or interest.

Schedule 2
Restrictive Covenants

This Schedule 2 (Restrictive Covenants) sets out the Restrictive Covenants that will apply to a Participant if notified to the Participant following the grant of the Award.

By participating in the Plan, a Participant may profit from and participate in the equity value of the Company. The purpose of this Schedule 2 (Restrictive Covenants) is to protect the legitimate business interests of the Company and the Group.

1 Covenants

By participating in the Plan, a Participant undertakes with the Company, on behalf of itself and as agent for each Relevant Group Company, that the Participant will not in any Relevant Capacity at any time during the Restricted Period:

1.1 within or in relation to the Restricted Territory take any steps preparatory to or be directly or indirectly engaged, employed, interested or concerned in:

(i) any Competing Business; and/or

(ii) any Target Business Entity; or

1.2 within or in relation to the Restricted Territory acquire a substantial or controlling interest directly or by or through any nominee or nominees in any Competing Business, Target Business Entity or in any Person owning or controlling a Competing Business or Target Business Entity; or

1.3 solicit or attempt to solicit, canvass, interfere with or entice away from the Company or any Relevant Group Company the custom or any prospective custom of any Client or any Prospect with a view to providing to that Client or Prospect any products or services which are the same as or materially similar to any Restricted Business in competition with the Company or any Relevant Group Company; or

1.4 provide or agree to provide any products or services which are the same as or materially similar to any Restricted Business to any Client or any Prospect in competition with the Company or any Relevant Group Company; or

1.5 solicit, entice or encourage or attempt to solicit, entice or encourage any Key Individual to leave the employment of the Company or any Relevant Group Company (whether or not such person would commit any breach of their contract of employment by doing so); or

1.6 employ, engage, appoint, enter into partnership or association with or in any way cause to be employed, engaged or appointed any Key Individual in relation to any Competing Business or any Person which is or is proposed to be directly or indirectly owned by or controlling any Competing Business; or

1.7 provide or agree to provide any products or services which are the same as or materially similar to any Restricted Business in respect of any Competitor Account; or

1.8 be employed or engaged by any Client or Prospect if as a result the Client or Prospect will cease to use or materially reduce its usage of the products or services of the Company or any Relevant Group Company or, in the case of a Prospect, will not use the products or services of the Company or any Relevant Group Company or use them to a materially lesser extent; or

1.9 solicit or try to solicit or place orders for the supply of products or services from any Supplier if as a result the Supplier will cease supplying, materially reduce its supply or vary detrimentally the terms on which it supplies products or services to the Company or any Relevant Group Company; or

1.10 encourage, assist or procure any Person to do anything which if done by that Participant would be a breach of paragraphs 1.1 to 1.9 of this Schedule 2 (Restrictive Covenants) (or any of them).

2 Social Media

Connecting or reconnecting to Clients, Suppliers or Prospects using Social Media during the Restricted Period may amount to a breach of paragraphs 1.1 to 1.10 of this Schedule 2 (Restrictive Covenants).

3 Reasonable and Severable

By participating in the Plan, a Participant agrees that the restrictions (whether taken individually or as a whole) in paragraph 1 of this Schedule 2 (Restrictive Covenants) are reasonable, having regard to the legitimate protectable interests of the Company and each Relevant Group Company, and that each such restriction is intended to be separate and severable. In the event that any restriction is held to be void but would be valid if part of its wording was deleted, that restriction will apply with whatever deletions are necessary to make it valid and effective.

4 Equitable Relief

By participating in the Plan, a Participant agrees that:

4.1 damages shall be an inadequate remedy in the event of a breach by that Participant of any of the restrictions contained in paragraph 1 of this Schedule 2 (Restrictive Covenants) and that any such breach by that Participant or on that Participant's behalf will cause the Company and any Relevant Group Company great and irreparable injury and damage; and

4.2 the Company and/or any Relevant Group Company will therefore be entitled, without waiving any additional rights or remedies otherwise available to them at law or in equity or by statute, to injunctive and other equitable relief in the event of a breach or intended or threatened breach by that Participant, or on that Participant's behalf, of any of the restrictions contained in paragraph 1 of this Schedule 2 (Restrictive Covenants).

5 Conflict

If there is any conflict between a paragraph in this Schedule 2 (Restrictive Covenants) and a rule of the Plan, or the terms of a Participant's employment contract, the paragraph in this Schedule 2 (Restrictive Covenants) will take precedence.

6 Definitions

The definitions in the Plan shall have the same meaning in this Schedule 2 (Restrictive Covenants), unless expressly stated otherwise. For the purposes of this Schedule 2 (Restrictive Covenants) the following additional definitions will also apply:

“**Client**” means any Person with whom or which the Company or any Relevant Group Company has arrangements in place for the provision of any Restricted Business and with whom or which a Participant had material involvement or for whose business a Participant was responsible or about which a Participant acquired material Confidential Information, in the course of the Participant’s office or employment, at any time during the Relevant Period;

“**Competing Business**” means any Person providing or proposing to provide any products or services which are the same as or materially similar to and competitive with any Restricted Business;

“**Competitor Account**” means any account, product or brand which competes with any Client’s account, product or brand in respect of which a Participant had material dealings or responsibility on behalf of the Company or any Relevant Group Company or about which a Participant acquired material Confidential Information, during the course of the Participant’s office or employment, at any time during the Relevant Period;

“**Confidential Information**” means trade secrets and confidential information;

“**Effective Date**” means the Termination Date or (if earlier) the date on which a Participant commences Garden Leave;

“**Garden Leave**” means any period during which the Company or Relevant Group Company exercises its discretion to require a Participant not to work;

“**Key Individual**” means any individual who was employed by the Company or any Relevant Group Company to provide services personally at the Effective Date and who, in the course of their duties, during the Relevant Period had material dealings with the Participant and either:

(i) reported directly to the Participant and had material contact with clients or suppliers of the Company or any Relevant Group Company in the course of their employment; or

(ii) was a member of the board of directors or the senior management team of the Company or any Relevant Group Company or reported to any such board of directors or senior management team;

“**Person**” means any individual, firm, company or other entity;

“**Prospect**” means any Person who was at any time during the Relevant Period negotiating or discussing (which shall include for these purposes a pitch or presentation) with the Company or any Relevant Group Company the provision of any Restricted Business where a Participant was materially involved or had responsibility for such negotiations or discussions or acquired material Confidential Information in relation to such negotiations or discussions, in the course of the Participant’s office or employment, at any time during the Relevant Period;

“**Recognised Investment Exchange**” means an investment exchange recognised by the Financial Conduct Authority under Part XVIII of the UK Financial Services and Markets Act 2000, such that a recognition order is in force in respect of it;

“**Relevant Capacity**” means either alone or jointly with another or others, whether as principal, agent, consultant, director, partner, shareholder, independent contractor, employee or in any other capacity, whether directly or indirectly, through any Person and whether for a Participant’s own benefit or that of others (other than as a shareholder holding directly or indirectly by way of bona fide investment only, and subject to prior disclosure to the Company, up to 1% in nominal value of the issued share capital or other securities of any class of any company listed or dealt in on any Recognised Investment Exchange);

"**Relevant Group Company**" means any Member of the Group to which a Participant rendered services or for which a Participant had management or operational responsibility during the course of that Participant's office or employment at any time during the Relevant Period;

"**Relevant Period**" means the twelve-month period ending with the Effective Date;

"**Restricted Business**" means and includes any of the products or services provided by the Company or any Relevant Group Company at any time during the Relevant Period with which a Participant had a material involvement or about which a Participant acquired material Confidential Information at any time during the Relevant Period;

"**Restricted Period**" means:

(i) In relation to Participants who have ceased to be employed within the Group (as set out in rule 5.7 (What leaving employment means) due to retirement, the period commencing on the Effective Date and ending on the later of the Vesting Date and:

  (a) in relation to paragraphs 1.1, (ii) and 1.7 of this Schedule 2 (Restrictive Covenants), the date that is 6 months after the Effective Date; and

  (b) in relation to all other sub-paragraphs of paragraph 1 of this Schedule 2 (Restrictive Covenants), the date that is 12 months after the Effective Date; and

(ii) in relation to all other Participants, the 6 month period commencing on the Effective Date in relation to paragraphs 1.1, (ii) and 1.7 of this Schedule 2 (Restrictive Covenants) and the 12 month period commencing on the Effective Date in relation to all remaining sub-paragraphs of paragraph 1 (Covenants) of this Schedule 2 (Restrictive Covenants);

"**Restricted Territory**" means England and such other countries in which the Company and any Relevant Group Company provided any Restricted Business at the Effective Date;

"**Social Media**" means any online communication tool which facilitates the creation, publication, storage and/or exchange of user-generated content, including (but not limited to) Twitter, Skype, Facebook, Myspace, YouTube, Flickr, LinkedIn, Wikis, Google+ and Tumblr;

"**Supplier**" means any Person who at any time during the Relevant Period provided products or services to the Company or any Relevant Group Company being a Person with whom a Participant had material dealings or for whom a Participant had responsibility or about whom a Participant acquired material Confidential Information, in the course of the Participant's office or employment, at any time during the Relevant Period;

"**Target Business Entity**" means any business howsoever constituted (whether or not providing a Restricted Business) which was at the Effective Date or at any time during the Relevant Period a business which the Company or any Relevant Group Company had entered into negotiations with or had approached or had identified as:

(i) a potential target with a view to its acquisition by the Company or any Relevant Group Company; and/or

(ii) a potential party to any joint venture with the Company or any Relevant Group Company,

in either case where such approach or negotiations or identity were known to a material degree by a Participant or about which a Participant acquired material Confidential Information, in the course of the Participant's office or employment, during the Relevant Period; and

"**Termination Date**" means the date on which the Participant ceases to be employed within the Group, as set out in rule 5.7 (What leaving employment means).

Schedule 3
Holding Requirement

This Schedule will apply if the Compensation Committee determines that a Holding Requirement will apply to the Award.

1 Effect of Holding Requirement

1.1 If an Award is subject to a Holding Requirement, it will Vest at the time and to the extent determined under rule 4.1 (*Determining Vesting*) or 5.3 (*Exceptions to the general rule*), as the case may be, but:

1.1.1 if the Award is a Conditional Award, the Holding Shares will be issued or transferred to the Participant or to another person to be held for the benefit of the Participant (as the Compensation Committee may determine) on the basis set out in this Schedule; and

1.1.2 if the Award is an Option and it is exercised during the Holding Period, the Holding Shares will be issued or transferred as described above to be held for the balance of the Holding Period, on the basis set out in this Schedule.

1.2 If required to do so by the Compensation Committee, the Participant must enter into an agreement setting out the basis on which the Holding Shares will be held under this Schedule. If the Participant does not do so in the manner and within the timeframe specified by the Compensation Committee, the Award will lapse and the Holding Shares will not be issued or transferred (or will be forfeited if already issued or transferred).

1.3 If the Holding Shares have already been transferred to the Participant or to another person to be held for the benefit of the Participant, the Participant will immediately transfer their interest in the Holding Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Compensation Committee.

2 Tax

2.1 Where tax is payable before the end of the Holding Period, rules 4.10 (*Responsibility for tax*) and 4.11 (*Methods of paying the tax*) will apply. Shares may be issued or transferred and sold to the extent necessary to satisfy the liability under that rule. The Holding Requirement will apply in respect of the remainder of the Shares.

2.2 The Participant must enter into any elections in relation to Holding Shares required by the Compensation Committee, including elections under Part 7 of the Income Tax (Earnings and Pensions) Act 2003. If the Participant does not do so within any period specified by the Compensation Committee, the Award will lapse at the end of that period and the Holding Shares will not be issued or transferred (or they will be forfeited if already issued or transferred).

3 Rights during the Holding Period

3.1 Except as described below, the Participant will be entitled to vote (or give instructions as to voting) and to receive dividends and have all other rights of a shareholder in respect of the Holding Shares from the date the Shares are issued or transferred.

3.2 The Participant may not transfer, assign or otherwise dispose of the Holding Shares or any interest in them (or instruct anyone to do so) except in the case of:

3.2.1 a sale of sufficient entitlements nil-paid in relation to a Holding Share to take up the balance of the entitlements under a rights issue or similar transaction;

3.2.2 on forfeiture of the Holding Shares as described in paragraph 5 (*Forfeiture of Holding Shares*) of this Schedule;

3.2.3 to fund any tax in accordance with paragraph 2 (*Tax*) of this Schedule; or

3.2.4 an irrevocable undertaking to accept or vote in favour of a transaction contemplated by rule 6.1 (*Early Vesting*); or

3.2.5 in any other circumstances if the Compensation Committee so allows.

3.3 Any securities which the Participant receives in respect of Holding Shares as a result of an event described in rule 4.4 (*Adjustments to formulaic outcomes*) during the Holding Period will, unless the Compensation Committee decide otherwise, be subject to the same restrictions as the corresponding Holding Shares. This will not apply to any Shares which a Participant acquires on a rights issue or similar transaction to the extent that they exceed the number they would have acquired on a sale of sufficient rights under the rights issue nil-paid to take up the balance of the rights.

3.4 For the avoidance of doubt, Malus and Clawback will apply to the Holding Shares during the Holding Period.

4 Leaving employment during the Holding Period

Rule 5 (*Leaving Employment*) will not apply to any Holding Shares during the Holding Period and the Holding Requirement will continue to apply after the Participant has left employment.

However, if the Participant leaves employment during the Holding Period in circumstances in which their employment could have been terminated without notice or otherwise due to the Participant's misconduct, the Holding Shares will be forfeited unless the Compensation Committee decides otherwise.

5 Forfeiture of Holding Shares

Where any Holding Shares are forfeited, the Participant must immediately transfer their interest in the Holding Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Compensation Committee.

6 End of the Holding Period

The Holding Period will end on earliest of the following:

(a) the date on which the Holding Period would normally end, as set by the Compensation Committee under rule 2.4.6 (*Terms to be set at grant*);

(b) the date on which the Participant dies;

(c) the date of an event under rule 6.1 (*Early Vesting*) (and, for the avoidance of doubt no Holding Requirement will apply to Awards which Vest under rule 6.1 (*Early*

Vesting) or which are exchanged under rule 6.4 (*Exchanging Awards rather than early Vesting*)); and

(d) any other date determined by the Compensation Committee.

At the end of the Holding Period, the restrictions relating to Holding Shares in this Schedule will cease to apply and the Holding Shares will be transferred to the Participant or as they may direct.

Exhibit 8.1

Subsidiaries of Registrant

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
United States		
AKQA, Inc.	California	100
CBA Partners North America, Inc.	California	82.98
Landor Associates International Ltd.	California	100
Mirum LLC	California	100
Avon Group, Inc.	Connecticut	66.67
Global Strategies International, LLC	Connecticut	70
141 Hawaii, LLC	Delaware	100
A. Eicoff & Company, Inc.	Delaware	100
Absolute Color LLC	Delaware	100
Acceleration eMarketing, Inc.	Delaware	100
ADLAB, LLC	Delaware	100
ArcTouch LLC	Delaware	100
BCW LLC	Delaware	100
BDG Design LLC	Delaware	100
Benenson Strategy Group, LLC	Delaware	100
Blue State Digital Inc	Delaware	100
Bottle Rocket LLC	Delaware	100
Breakwater Strategy LLC	Delaware	58.04
Catalyst Online LLC	Delaware	100
Chi Wunderman Partnership, LLC	Delaware	85.57
Choreograph LLC	Delaware	100
CMI Media, LLC	Delaware	100
David Miami Inc.	Delaware	70
DeepLocal Inc.	Delaware	100
Design Bridge New York, LLC	Delaware	100
Dewey Square Group, LLC	Delaware	100
DIFF INC.	Delaware	100
EssenceMediacom LLC	Delaware	100
Fenom Digital, LLC	Delaware	100
FGS Global (US) LLC	Delaware	58.04
FGS Global Inc.	Delaware	58.04
FGS Holdings LLC	Delaware	58.04
Financeplus USA, LLC	Delaware	100
Gain Theory, LLC	Delaware	100
Grey Global Group LLC	Delaware	100
Grey IFC 2 LLC	Delaware	100
Grey Maryland LLC	Delaware	100
Group M Worldwide, LLC	Delaware	100
Group SJR LLC	Delaware	100
GroupM Holdings Inc.	Delaware	100
GTB Agency, LLC	Delaware	100
Hill and Knowlton Strategies, LLC	Delaware	100
Hogarth California LLC	Delaware	100
Hogarth Worldwide Inc.	Delaware	100
Intercom Americas LLC	Delaware	100
International Meetings & Science LLC	Delaware	100
J. Walter Thompson Company Peruana LLC	Delaware	100
J. Walter Thompson Venture Company, Limited	Delaware	100
KBM Group LLC	Delaware	100
Landor & Fitch LLC	Delaware	100
Made Thought Design Inc.	Delaware	75
ManvsMachine Inc.	Delaware	75
Marketing Direct LLC	Delaware	100
mSIX Communications, LLC	Delaware	83.46
Nectar Acquisition LLC	Delaware	100
Ogilvy & Mather Venture Company, Limited	Delaware	100
Ogilvy CommonHealth Worldwide LLC	Delaware	100
Ogilvy Public Relations Worldwide LLC	Delaware	100
OpenMindWorld, LLC	Delaware	100
Passport Brand Design, LLC	Delaware	75
Peclers Paris North America, Inc.	Delaware	100
Pierry, Inc.	Delaware	100
Poster Publicity LLC	Delaware	100
Potato Inc.	Delaware	75.30
Prime Policy Group, LLC	Delaware	100
Promotion Execution Partners, LLC	Delaware	100
Promotion Mechanics, Inc.	Delaware	100
PSB Insights LLC	Delaware	100
Real Growth Advisory LLC	Delaware	100
Spafax Networks LLC	Delaware	100
Sudler & Hennessey, LLC	Delaware	100
Swift + POSSIBLE LLC	Delaware	100
SYZYGY DIGITAL MARKETING INC	Delaware	50.33
Tank Advertising LLC	Delaware	100
Taxi Inc.	Delaware	100
TDM Acquisition Co., Inc	Delaware	100
Team Garage LLC	Delaware	100
Ted Bates Worldwide, Inc	Delaware	100
The And Partnership Holdings, Inc.	Delaware	66.87
The And Partnership North America LLC	Delaware	94
The Brand Power Company LLC	Delaware	100
The Brand Union Company LLC	Delaware	100
The GCI Group LLC	Delaware	100
The Lacek Group LLC	Delaware	100
The Ogilvy Group, LLC	Delaware	100
The PBN Company	Delaware	100
The Pharm US LLC	Delaware	100
THJNK LLC	Delaware	100
Verticurl LLC	Delaware	60
Village Marketing Agency LLC	Delaware	100
Wavemaker Global LLC	Delaware	100
Whatcraft LLC	Delaware	51
WPP Clapton Square, LLC	Delaware	100
WPP CP LLC	Delaware	100
WPP Diamond Head LLC	Delaware	100
WPP Dotcom Holdings (Fourteen) LLC	Delaware	100
WPP Group U.S. Finance LLC	Delaware	100
WPP Group USA, Inc.	Delaware	100
WPP Pershing Square, LLC	Delaware	100
WPP Properties	Delaware	100
WPP Team Chemistry LLC	Delaware	100
WPPIH 2001, Inc.	Delaware	100
Wunderman Thompson Data Consulting LLC	Delaware	100
Wunderman Thompson LLC	Delaware	100
Wunderman Thompson Technology, LLC	Delaware	100
Xaxis, LLC	Delaware	100
Y&R Properties Holding One LLC	Delaware	100
York Merger Square 2004 LLC	Delaware	100
York Merger Square 2009 LLC	Delaware	100
Young & Rubicam LLC	Delaware	100
Intercom Americas USA, LLC	Florida	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
The Jeffrey Group, LLC	Florida	100
TJG Holdings, LLC	Florida	100
Cardinal Blue, LLC	Illinois	100
Gorilla, LLC	Illinois	100
Triad Digital Media, LLC	Michigan	100
VML, LLC	Missouri	100
Chimera Square Insurance Company	New York	100
Food Group, Inc	New York	100
Geometry Global LLC	New York	100
GWE LLC	New York	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Iconmobile, Inc	New York	67
J. Walter Thompson Company Fund, Inc.	New York	100
Mindshare USA, LLC	New York	100
MJM Creative Services, Inc.	New York	100
Ogilvy & Mather Worldwide, LLC	New York	100
S&S MCC and MCC, Inc.	New York	100
The Ogilvy Foundation, Inc	New York	100
WPP Montagu Square LLC	New York	100
Set Management, LLC	Oregon	65
Public Strategies, LLC	Texas	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Non-US		
AKQA MEDIA PTY LTD	Australia	100
AKQA PTY LTD	Australia	100
Astus APAC Australia Pty Ltd	Australia	50
BARTON DEAKIN PTY LIMITED	Australia	100
BLAZE ADVERTISING PTY LTD	Australia	100
Boxlink Pty Ltd	Australia	100
BRAND COMMUNICATIONS PTY LTD	Australia	87
Brand Power Pty Ltd	Australia	100
BURSON COHN & WOLFE PTY LTD	Australia	100
CANNINGS ADVISORY SERVICES PTY LIMITED	Australia	100
Essence Global Australia Pty Ltd	Australia	100
EssenceMediacom Australia Pty Ltd	Australia	100
ETHNIC COMMUNICATIONS PTY LIMITED	Australia	100
EVOCATIF PTY LTD	Australia	100
GEORGE PATTERSON PARTNERS PTY LIMITED	Australia	100
GROUPM COMMUNICATIONS PTY LTD	Australia	100
GTB AUSTRALIA PTY LIMITED	Australia	100
HAWKER BRITTON GROUP PTY LIMITED	Australia	100
HILL AND KNOWLTON AUSTRALIA PTY. LIMITED	Australia	100
HOGARTH AUSTRALIA PTY LTD	Australia	100
HUMAN COMMUNICATIONS PTY LTD	Australia	100
IKON COMMUNICATIONS (MELBOURNE) PTY LIMITED	Australia	100
LANDOR & FITCH PTY LTD	Australia	100
LIFE AGENCY PTY LTD	Australia	100
M MEDIA GROUP PTY LTD	Australia	100
MARKETING COMMUNICATIONS HOLDINGS AUSTRALIA PTY LIMITED	Australia	100
MEDIACOM AUSTRALIA PTY LIMITED	Australia	100
Mirum Pty Ltd	Australia	100
MOTIVATOR MEDIA PTY LTD	Australia	100
OGILVY ACTION 2012 PTY LTD	Australia	100
OGILVY AUSTRALIA PTY LTD	Australia	100
OGILVY BHD PTY LTD	Australia	100
OGILVY HEALTH PTY LTD	Australia	100
OGILVY PR PTY LTD	Australia	100
OUTRIDER AUSTRALIA PTY LTD	Australia	100
PRISM TEAM AUSTRALIA PTY LTD	Australia	100
RESEARCH INTERNATIONAL AUSTRALIA PTY LTD	Australia	100
Salmon Asia Pacific Pty Limited	Australia	100
SIBLING AGENCY PTY LTD	Australia	100
STW GEOMETRY HOLDINGS PTY LTD	Australia	100
STW MEDIA SERVICES PTY LIMITED	Australia	100
The & Partnership Australia Pty Limited	Australia	71.12
The Brand Agency Pty Ltd ATF Brand Agency Unit Trust	Australia	87
THE STORE WPP AUNZ PTY LTD	Australia	100
Verticurl Marketing Services Pty Limited	Australia	60
VMLY&R PTY LIMITED	Australia	100
WAVEMAKER AUSTRALIA PTY LTD	Australia	100
whiteGREY Pty Ltd	Australia	100
WPP AUNZ Analytics Pty Ltd	Australia	100
WPP AUNZ GR PTY LTD	Australia	100
WPP AUNZ Pty Ltd	Australia	100
WPP LARGE FORMAT PRODUCTION PTY LTD	Australia	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
WPPAUNZ TEAM RED PTY LTD	Australia	100
WUNDERMAN THOMPSON PTY LTD	Australia	100
YOUNG & RUBICAM GROUP PTY LIMITED	Australia	100
BURSON COHN & WOLFE SRL/BV	Belgium	100
Famous Relations NV	Belgium	75
FamousGrey NV	Belgium	75
GroupM Belgium SA	Belgium	100
GroupM Trading Belgium SA	Belgium	100
Hill & Knowlton International Belgium SA	Belgium	100
LDV United NV	Belgium	100
Maxus Belgium SA	Belgium	100
MediaCom Belgium SA	Belgium	100
Mindshare SA (Belgium)	Belgium	100
Ogilvy Social Lab SA	Belgium	95.20
OPENMINDWORLD SA	Belgium	100
So.Zen SRL	Belgium	87.06
Space SA	Belgium	50
Wavemaker SA	Belgium	100
WPP Group Services SNC	Belgium	100
WPP Holdings Brussels S.N.C.	Belgium	100
Wunderman Thompson Brussels NV	Belgium	100
Wunderman Y&R NV	Belgium	100
Ação Produção e Comunicação Ltda	Brazil	92.48
Agência Ideal de Comunicação Ltda.	Brazil	70
AKQA Brasil Comunicacao Ltda	Brazil	100
ArcTouch Brasil Desenvolvimento de Software Ltda	Brazil	100
BLAH Participações Ltda.	Brazil	100
Burson Cohn & Wolfe Comunicação Ltda.	Brazil	99.99
Cairos Usabilidade Ltda	Brazil	60
Concept Agencia de Comunicacao Ltda	Brazil	70
Corebiz Nacional Participações Ltda.	Brazil	99.99
David Brasil Comunicação Ltda	Brazil	69.92
DCSNET Comunicações Ltda.	Brazil	60.10
DFX – Design for X Cursos e Treinamentos Ltda.	Brazil	60.03
DTI Sistemas Ltda.,	Brazil	75
FBIZ Comunicacao Ltda	Brazil	51.11
FBZ Participações Ltda	Brazil	71.44
Foster Informatica Ltda	Brazil	70
Fulano Marketing e Tecnologia Ltda	Brazil	51.69
Geometry Global Brasil Comunicação Ltda.	Brazil	99.98
GPAT S.A. - Propaganda e Publicidade	Brazil	50.99
Grey Publicidade do Brasil Ltda	Brazil	97.86
Hill and Knowlton Brasil Agência de Comunicação Ltda	Brazil	70
Hogarth Worldwide Publicidade Brasil Ltda	Brazil	100
ICherry Publicidade E Propoganda Ltda	Brazil	100
Ideal WPP Participações Ltda.	Brazil	70
Intuitive Serviços de Inteligência e Análise Digital Ltda	Brazil	56.07
Jeffrey Serviços Jornalísticos Sociedade Simples	Brazil	97.50
JG Comunicações Brasil Ltda.	Brazil	100
Jüssi Intention Marketing Ltda.	Brazil	90
Máquina da Notícia Comunicação Ltda	Brazil	97
Marketdata Solutions Brasil Ltda	Brazil	74.99
Mídia 123 Serviços de Publicidade Via Internet Ltda.	Brazil	80
Mirum Digital do Brasil Ltda	Brazil	100
Mobfiq Software Ltda.	Brazil	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Mutato Entretenimento, Conteúdo, Publicidade e Serviços Ltda	Brazil	78
Mutato Produção Ltda	Brazil	78
MUV Brasil Comunicação Móvel Ltda.	Brazil	71.44
Next Target Consultoria e Serviços de Internet Ltda.	Brazil	75
Ogilvy & Mather Brasil Comunicação Ltda	Brazil	100
OgilvyOne Brasil Comunicação Ltda	Brazil	100
P2All Serviços Temporários Ltda	Brazil	50.99
PM Comunicação Ltda	Brazil	70
Possible Worldwide Comunicação Ltda	Brazil	100
PTR Comunicações Ltda	Brazil	100
Santa Mônica Criação de Sites e Lojas Virtuais Ltda.	Brazil	100
Soho Square Comunicação Ltda.	Brazil	100
Spafax Publicidade Ltda.	Brazil	100
Studio Click Produção e Comunicação Ltda	Brazil	92.48
Summer Paulistana Participações Ltda.	Brazil	100
Supermirella Participações Ltda	Brazil	100
Superunion Brasil Comunicação Ltda.	Brazil	59.99
Trinto Soluções Digitais Para Comércio Eletrônico Ltda.	Brazil	100
UNICH Criação e Planejamento Ltda.	Brazil	71.44
VMLY&R Brasil Propaganda Ltda	Brazil	92.48
WPP do Brasil - Participações Ltda	Brazil	100
WPP Media Services Comunicações Ltda.	Brazil	100
Wunderman Thompson Comunicação Ltda.	Brazil	100
Wunderman Thompson Produção Ltda	Brazil	100
Ben Crudo Consulting Inc.	Canada	100
Buchanan Advertising (Canada) Inc.	Canada	100
Entreprise de Communications Tank Inc. / Tank Communications Enterprise Inc.	Canada	100
EssenceMediacom Canada ULC	Canada	100
GCI Communications Inc. / Communication GCI Inc.	Canada	100
Gorilla Canada, Inc.	Canada	100
Grey Advertising ULC / Publicite Grey ULC	Canada	100
GroupM Canada Inc.	Canada	100
Hill and Knowlton Ltee	Canada	100
Hogarth Worldwide Canada Production Ltd / Hogarth Canada Production Mondial Ltee	Canada	100
John Street Inc	Canada	100
Midas Exchange Canada Inc.	Canada	100
MindShare Canada	Canada	100
MSIX Communications Canada Ltd.	Canada	85.59
Neo Worldwide Ltd	Canada	100
Ogilvy Montréal Inc.	Canada	100
OpenMind Media Canada Inc.	Canada	100
SJR Canada Ltd. / SJR Canada Ltée	Canada	100
Spafax Canada Inc.	Canada	100
Taxi Canada Ltd. / Taxi Canada Ltée	Canada	100
The Young & Rubicam Group of Companies ULC	Canada	100
The&Partnership Inc.	Canada	94
Wavemaker Canada ULC	Canada	100
WPP Group Canada Communications Limited	Canada	100
WPP Group Canada Finance, Inc.	Canada	100
WPP IT Inc.	Canada	100
WPP Simcoe Square ULC	Canada	100
Wunderman Thompson Canada ULC	Canada	100
Y&R Canada Investments LP	Canada	100
Agenda (Beijing) Ltd	China	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
AKQA (Shanghai) Ltd.	China	100
BCW Public Relations (Guangdong) Co., Ltd.	China	100
Beijing Benpao Century Technology Development Co.,Ltd.	China	100
Beijing Contract Advertising Co. Ltd	China	100
Beijing Ogilvyone Marketing Co., Ltd	China	100
Beijing Redworks Advertising Co. Ltd	China	100
Beijing Soho Square Advertising Co. Ltd	China	100
Beijing Soho Square Marketing Co Ltd	China	100
Beijing WDT Advertising Co. Ltd	China	100
Cohn & Wolfe Marketing Communications Consulting (Shanghai) Co Ltd	China	100
David Communications (Beijing) Group Co. Ltd	China	100
DAYI (Shanghai) Consulting Co Ltd	China	100
Decode Co., Ltd	China	100
Finsbury Glover Hering (FGH) Public Relations Consulting (Shanghai) Co., Ltd.	China	58.04
G2 Star Echo Marketing Communications Co. Ltd	China	51
Grey China Marketing Communications Co Ltd	China	100
Grey DPI (Guangzhou) Limited	China	60
GroupM (Shanghai) Advertising Co. Ltd	China	100
GroupM Market Advertising Co. Ltd.	China	100
GTB Shanghai Advertising Co., Ltd	China	100
Guangzhou Bates Dahua Advertising Co., Ltd	China	100
Guangzhou Bates Dahua Advertising Co., Ltd (Shanghai Branch)	China	70
Guangzhou Dawson Human Resources Service Co. Ltd	China	51
Guangzhou Dawson Marketing Communication Co. Ltd	China	51
Guangzhou Hommie Marketing Communications Co., Ltd.	China	51
Guangzhou Win-Line Marketing Communications Co. Ltd	China	51
Guangzhou Win-line Ogilvy Management Consulting Co Ltd	China	51
Hill & Knowlton (China) Public Relations Co Ltd	China	100
H-Line Ogilvy Communications Company Ltd	China	100
Hogarth (Shanghai) Image Video Design & Production Co.Ltd	China	100
Kinetic Advertising (Shanghai) Co. Ltd	China	100
Landor Associates Designers and Consultants Limited	China	100
Midas Media Limited	China	100
Neo@ogilvy	China	100
Ogilvy (Fujian) Advertising Co. Ltd	China	51
Ogilvy Fashion and Lifestyle Co. Limited	China	100
Ogilvy Raynet Communications Co Ltd	China	100
Red Wasabi Marketing Consulting (Shanghai) Co., Ltd	China	100
RMG Relationship Marketing Group Ltd	China	100
Salmon Software Technology (Beijing) Co. Ltd.	China	100
Shanghai Astus Advertising Co., Ltd.	China	50
Shanghai Bates MeThinks Marketing Communications Co. Ltd	China	70
Shanghai Easycom Advertising Co., Ltd.	China	75
Shanghai Evision Digital Marketing Consulting Co Ltd	China	100
Shanghai Iconmobile Co Ltd	China	67.90
Shanghai Methinks Ogilvy Advertising Co. Ltd	China	70

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Shanghai Mjoule Advertising Co., Ltd	China	100
Shanghai Ogilvy & Mather Advertising Ltd	China	100
Shanghai Ogilvy & Mather Marketing Communications Consulting Co Ltd	China	100
Shanghai SocialThink Advertising Co., Ltd.	China	100
Shanghai Star Echo Marketing & Communication Co., Ltd	China	51
Shanghai Sudler MDS Healthcare Communications Co., Ltd	China	60
Shanghai Yuhai Advertising Co Ltd	China	70
Shenzhen Black Arc Ogilvy Advertising Media Limited	China	60
Soho Square Advertising Co Ltd	China	100
Superunion China Co, Ltd	China	100
WPP (China) Management Co., Ltd.	China	100
Wunderman Thompson Beijing Advertising Co. Ltd	China	100
ADPeople A/S	Denmark	100
AKQA Denmark A/S	Denmark	75
GroupM Denmark A/S	Denmark	100
Mannov A/S	Denmark	50
MediaCom Danmark A/S	Denmark	100
Mindshare A/S	Denmark	100
Molecule Holding A/S	Denmark	50
Timed ApS	Denmark	51
Unclegrey A/S	Denmark	100
Wavemaker A/S	Denmark	100
WPP Holding Denmark A/S	Denmark	100
Wunderman A/S	Denmark	51
AKQA SASU	France	100
AxiCom Communications SARL	France	100
Bates SAS	France	100
BCW SAS	France	100
Choreograph SAS	France	100
CT Finances SA	France	82.98
CUBING SAS	France	86.01
Group M France SAS	France	100
H&O	France	100
HK Strategies	France	100
Keyade SAS	France	100
KR Wavemaker SAS	France	100
Landor Associates SAS	France	100
Mediacom Paris SAS	France	100
Mindshare SAS	France	100
Neo Media World SAS	France	100
Ogilvy Paris	France	100
Peclers Paris SAS	France	100
Poster Conseil	France	95
Professional Public Relations SAS	France	100
Quisma France SAS	France	100
Ray Productions SARL	France	100
Regional Management Group SAS	France	100
Screenbase SAS	France	95
Studio M France SAS	France	100
Sub Design SA	France	82.98
The&Partners SARL	France	71.12
Velvet Consulting SAS	France	95.11
VMLY&R France SAS	France	100
VMLY&Rx France SAS	France	100
WPP Finance SA	France	100
WPP France Holdings SAS	France	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Wunderman Thompson	France	100
(m)SCIENCE GmbH	Germany	100
(m)STUDIO GmbH	Germany	100
AKQA GmbH	Germany	100
argonauten GmbH	Germany	100
AxiCom Axiom Communications GmbH	Germany	100
banbutsu dcp GmbH	Germany	67.90
BCW GmbH	Germany	100
Best of Media GmbH 52111	Germany	100
Blumberry GmbH	Germany	100
Brand Pier GmbH	Germany	60
Buchanan Advertising (Deutsche) GmbH	Germany	100
deepblue networks AG	Germany	100
Dorland Werbeagentur GmbH	Germany	100
Essence Global Germany GmbH	Germany	100
EssenceMediacom München GmbH	Germany	100
FGS Global (Europe) GmbH	Germany	58.04
FGS Global (Europe Holding) GmbH	Germany	58.04
GCI Germany GmbH	Germany	100
GCI Health Unternehmensberatung für Kommunikation GmbH (40477) 175963	Germany	80
gkk Bremen GmbH	Germany	100
gkk DialogGroup GmbH	Germany	100
gkk Hannover GmbH Agentur für Dialogmarketing	Germany	100
gkk München GmbH	Germany	100
Global Team Ogilvy All Stars GmbH	Germany	100
Grey Famously Effective GmbH	Germany	100
GREY germany GmbH	Germany	100
Grey Holding Central Europe GmbH	Germany	100
Grey Shopper GmbH	Germany	100
greyhealth group GmbH	Germany	100
GroupM Competence Center GmbH 76816	Germany	100
GroupM Digital Germany GmbH	Germany	100
groupm Germany GmbH & Co. KG	Germany	100
groupm Germany Verwaltungs GmbH	Germany	100
GroupM Technology GmbH	Germany	100
Hill+Knowlton Strategies GmbH	Germany	100
Hogarth Worldwide GmbH (56984) 177587	Germany	100
i Premium Service München GmbH	Germany	100
Icon Impact GmbH	Germany	50.93
icon incar GmbH	Germany	67.90
iconmobile GmbH	Germany	67.90
iconmobile technologies GmbH	Germany	67.90
INGO Hamburg GmbH	Germany	100
Instant Data GmbH	Germany	100
IntraMedic GmbH	Germany	100
Kinetic Germany GmbH	Germany	100
Lambie-Nairn & Company Limited 193069	Germany	100
Landor & Fitch GmbH	Germany	100
loved gmbh	Germany	70
Media Consult WPP GmbH	Germany	100
MediaCom Agentur für Media-Beratung GmbH	Germany	100
MediaCom Hamburg GmbH	Germany	100
MediaCom Holding Central and Eastern Europe GmbH	Germany	100
MediaCom TWENTYFIVE GmbH	Germany	100
metagate GmbH (63549)	Germany	100
MindShare GmbH	Germany	100
Ogilvy GmbH	Germany	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Ogilvy Public Relations GmbH	Germany	74.80
OgilvyFinance AG	Germany	100
PATH GmbH	Germany	100
plista GmbH	Germany	100
RessourcenReich GmbH	Germany	66.50
Sales Port GmbH	Germany	60
SCHOLZ & FRIENDS Berlin GmbH	Germany	100
SCHOLZ & FRIENDS BuyQ GmbH	Germany	100
Scholz & Friends Commerce GmbH (77625) 157736	Germany	100
SCHOLZ & FRIENDS Digital Media GmbH	Germany	50.10
SCHOLZ & FRIENDS Düsseldorf GmbH 39859	Germany	100
SCHOLZ & FRIENDS Family GmbH	Germany	100
SCHOLZ & FRIENDS Group GmbH	Germany	100
SCHOLZ & FRIENDS Hamburg GmbH	Germany	100
Scholz & Friends Health GmbH	Germany	100
SCHOLZ & FRIENDS iDialog GmbH	Germany	100
SCHOLZ & FRIENDS Trademarks GmbH	Germany	100
Social Lab GmbH	Germany	95.20
Superunion Germany GmbH	Germany	100
Syzygy AG	Germany	50.33
syzygy Deutschland GmbH	Germany	50.33
Syzygy Performance Marketing GmbH	Germany	50.33
Team Cosmo GmbH (71558) 128681	Germany	100
TheAndPartnership Germany GmbH	Germany	71.12
thjnk 24/7 GmbH	Germany	100
thjnk ag	Germany	100
thjnk berlin gmbh	Germany	70
thjnk düsseldorf gmbh	Germany	70
thjnk hamburg gmbh	Germany	100
thjnk münchen GmbH	Germany	100
TWENTYFIVE Communications GmbH & Co. KG	Germany	69.30
TWENTYFIVE Verwaltungs GmbH	Germany	69.30
UV Interactive Entertainment GmbH	Germany	100
VMLY&R GmbH	Germany	100
WAVEMAKER GmbH	Germany	100
WPP Deutschland Holding GmbH & Co. KG	Germany	100
WPP Deutschland Verwaltungs GmbH	Germany	100
WPP Finance Deutschland GmbH	Germany	100
WPP Marketing Communications Germany GmbH	Germany	100
WPP media solutions GmbH	Germany	71.33
WPP Shared Services GmbH & Co. KG	Germany	100
Wunderman Thompson GmbH 84045	Germany	100
Agenda (Hong Kong) Ltd	Hong Kong	100
Agenda Group (Asia) Limited	Hong Kong	100
ARBA Holdings Limited	Hong Kong	65
Astus APAC Limited	Hong Kong	50
Bates Hong Kong Limited	Hong Kong	100
BatesAsia Limited	Hong Kong	100
Brand Communications International Limited	Hong Kong	60
Burson-Marsteller (Asia) Limited	Hong Kong	100
Burson-Marsteller (Hong Kong) Limited	Hong Kong	100
Cohn & Wolfe Impact Asia Limited	Hong Kong	100
Conquest Marketing Communications (Hong Kong) Limited	Hong Kong	100
Designercity (HK) Limited	Hong Kong	51
Era Ogilvy Public Relations Co., Limited	Hong Kong	70
essencemediacom Hong Kong Limited	Hong Kong	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
FGS Global (Asia) Limited	Hong Kong	58.04
Freeway Communications Ltd	Hong Kong	100
G2 Hong Kong Ltd	Hong Kong	100
Geometry Global Company Limited	Hong Kong	100
Golden Fame International Holdings Ltd	Hong Kong	60
Grand Wealth International Holdings Limited	Hong Kong	51
Grey Advertising Hong Kong Ltd	Hong Kong	100
Grey Advertising Limited	Hong Kong	100
Grey DPI (Hong Kong) Limited	Hong Kong	60
Grey Healthcare Ltd	Hong Kong	50
Grey Interactive Ltd	Hong Kong	60
Grey International Limited	Hong Kong	100
Grey Public Relations Company Ltd	Hong Kong	100
GroupM Communications Hong Kong Limited	Hong Kong	100
GroupM Limited	Hong Kong	100
Hill and Knowlton Asia Limited	Hong Kong	100
H-Line Worldwide Limited	Hong Kong	100
Hogarth Worldwide (Hong Kong) Limited	Hong Kong	100
Hong Kong Dawson Marketing Communications Company Limited	Hong Kong	100
HWGL Investment (Holding) Company Limited	Hong Kong	100
iPR Ogilvy (China) Limited	Hong Kong	60
iPR Ogilvy Holdings Limited	Hong Kong	60
iPR Ogilvy Limited	Hong Kong	60
J. Walter Thompson Company (North Asia) Limited	Hong Kong	100
Landor & Fitch (Hong Kong) Limited	Hong Kong	100
MEDIACOM COMMUNICATIONS LIMITED	Hong Kong	100
MindShare Communications Limited	Hong Kong	100
MindShare Hong Kong Limited	Hong Kong	100
Mirum Hong Kong Limited	Hong Kong	100
NB Agency Asia Holding Limited	Hong Kong	70
Ogilvy & Mather (China) Limited	Hong Kong	100
Ogilvy & Mather (Hong Kong) Private Limited	Hong Kong	100
Ogilvy & Mather Marketing Communications Limited	Hong Kong	100
Ogilvy & Mather Marketing Services Limited	Hong Kong	100
Ogilvy Public Relations Worldwide Limited (Hong Kong)	Hong Kong	100
OgilvyOne Worldwide Hong Kong Limited	Hong Kong	100
Pulse Communications Ltd	Hong Kong	100
RedWorks Limited	Hong Kong	100
Sard Verbinnen & Co., Limited	Hong Kong	58.04
Shengshi International Media (Group) Limited	Hong Kong	100
Soho Square Hong Kong Limited	Hong Kong	100
Superunion Brand Consulting Limited	Hong Kong	100
Team Y&R Holdings Hong Kong Limited	Hong Kong	100
The Bridge Communications Company Limited	Hong Kong	100
The&Partnership Hong Kong Limited	Hong Kong	100
Wavemaker Hong Kong Limited	Hong Kong	100
Whizzbangart Hong Kong Ltd	Hong Kong	100
WPP Group (Asia Pacific) Limited	Hong Kong	100
WPP Marketing Communications (Hong Kong) Limited	Hong Kong	100
Wunderman Thompson (Taiwan) Limited	Hong Kong	100
Wunderman Thompson Limited	Hong Kong	100
Alphabet Consulting Private Limited	India	80
Astus Media Private Limited	India	50

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Autumn Advertising Private Limited	India	78.50
Bates India Private Ltd	India	79.79
Batey India Private Limited	India	100
Bay99 Studios India Private Limited	India	100
Brand David Communications Private Limited	India	86.13
BU India Private Limited	India	100
Contract Advertising India Pvt Ltd	India	84.40
Eighty Two Point Five Communications Private Limited	India	80.07
Fortuity Communications Pvt. Ltd	India	100
G2 Communications Pvt Ltd	India	100
G2 Rams India Pvt Ltd	India	94.70
Genesis BCW Private Limited	India	100
Glitch Media Private Limited	India	100
Grey Worldwide (India) Pvt.Ltd	India	100
GroupM Media India Pvt Ltd	India	69.50
Hindustan Thompson Advertising Limited	India	73.98
HTA Marketing Services Private Limited	India	74
Hug Digital Private Limited	India	70
Hungama Digital Services Private Limited	India	56.04
Interactive Television Private Limited	India	80
Kinetic Advertising India Private Limited	India	84.40
Matrix Publicities & Media India Pvt Ltd	India	100
MediaCom Communications Pvt Ltd	India	100
Mediaedge:cia India Pvt Ltd	India	95.50
Mirum Digital Private Limited	India	98.96
Ogilvy & Mather Pvt Ltd	India	74
Pennywise Solutions Private Limited	India	99
PPR South Asia Private Limited	India	100
Qais Consulting (India) Pvt Ltd	India	100
Quasar Media Private Ltd	India	100
RC&M Experiential Marketing LLP	India	69.99
Results India Communications Pvt Ltd	India	69.50
Sercon India Private Limited	India	74
Six Degrees BCW Private Limited	India	100
T and P Agency Private Limited	India	79.79
Trikaya Communications Pvt. Ltd	India	100
Verticurl Marketing Private Limited	India	60
WPP Marketing Communications India Pvt. Ltd.	India	100
Wunderman Thompson Commerce Private Limited	India	100
AKQA Srl	Italy	91
AQuest S.r.l.	Italy	85
AxiCom Italia Srl	Italy	100
Burson Cohn & Wolfe Srl	Italy	100
CB'A Srl	Italy	82.98
EssenceMediacom Italia Srl	Italy	100
FAST - Financial Administration Solutions & Technologies Srl	Italy	100
Grey srl	Italy	100
GroupM plus Srl	Italy	100
GroupM Srl	Italy	100
Hill+Knowlton Strategies Italy srl	Italy	100
Hogarth Worldwide Italy srl	Italy	100
Intramed Communications Srl	Italy	100
Landor & Fitch Srl	Italy	100
Maximize Srl	Italy	100
MDC srl	Italy	100
Media Club Srl	Italy	100
Media Insight Srl	Italy	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Mindshare SpA	Italy	100
Ogilvy & Mather Srl	Italy	100
Ogilvy Interactive Srl	Italy	100
OgilvyOne Worldwide SpA	Italy	100
Sentrix Global Health Communications Srl	Italy	100
VMLY & R ITALY S.r.l.	Italy	100
VMLY&R Health Srl	Italy	100
Wavemaker Italia S.r.l.	Italy	100
WPP Marketing Communications (Italy) Srl	Italy	100
Wunderman Thompson S.r.l.	Italy	100
AKQA GK	Japan	100
AKQA Uka, Inc.	Japan	51
Bates Asia Japan Inc.	Japan	100
Burson Cohn & Wolfe Japan Inc.	Japan	100
Essence Global Japan KK	Japan	100
FGS Global (Japan) GK	Japan	58.04
Geometry Ogilvy Japan G.K.	Japan	100
Grey Worldwide Inc (Japan)	Japan	100
GroupM Japan KK	Japan	100
Hogarth Inc.	Japan	100
Hogarth Worldwide Japan GK	Japan	100
Ogilvy Public Relations Worldwide (Japan) KK	Japan	100
Soho Square Japan K.K.	Japan	100
Sudler Japan Inc.	Japan	100
The&Partnership Japan K.K.	Japan	100
Verticurl Japan G.K.	Japan	60
WPP Marketing Communications GK	Japan	100
Wunderman Thompson Tokyo GK	Japan	100
Agencia de Comunicación Interactiva, SA de CV	Mexico	100
Burson Cohn & Wolfe de México, S. de R.L. de C.V.	Mexico	100
CM Connection, S. de R.L. de C.V.	Mexico	100
CM Interactive, S.A. de C.V.	Mexico	100
Compañía Hill and Knowlton México, S. de R.L. de C.V.	Mexico	100
Grey México, S. de R.L. de C.V.	Mexico	100
Hogarth Worldwide de Mexico, S. de R.L. de C.V.	Mexico	100
JeffreyGroup Servicios, S.C.	Mexico	99
Mirum, S.A. de C.V.	Mexico	100
Ogilvy & Mather SA	Mexico	100
PPR Comunicaciones de México, S. de R.L. de C.V.	Mexico	100
Soho Square México, S.A. de C.V	Mexico	100
The Cocktail America, SA DE CV	Mexico	79.99
The Jeffrey Group Mexico. S. de R.L. de C.V.	Mexico	100
Triad Media Retail, S. de R.L. de C.V.	Mexico	100
Walter Landor y Asociados, S de RL de CV	Mexico	100
WPP Business Services, S. de R.L. de C.V.	Mexico	100
WPP CAC, S. de R.L. de C.V.	Mexico	100
WPP Consulting México, S. de R.L. de C.V.	Mexico	100
WPP Media Management, S. de R.L. de C.V.	Mexico	100
WPP Second, S. de R.L. de C.V	Mexico	100
WT Marketing Integral, S. de R.L. de C.V.	Mexico	100
Wunderman Thompson México, S. de R.L. de C.V.	Mexico	100
AKQA B.V.	Netherlands	100
Axicom BV	Netherlands	100
Berkeley Square Holding BV	Netherlands	100
Blast Radius B.V.	Netherlands	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Burson Cohn & Wolfe B.V.	Netherlands	100
Cavendish Square Holding BV	Netherlands	100
Centrale Holding Du Bois Ording B.V.	Netherlands	100
Chafma B.V.	Netherlands	100
CIA Holding B.V.	Netherlands	100
Conversion Company B.V.	Netherlands	100
Design Bridge Nederland BV	Netherlands	100
Dolphin Square Holding B.V.	Netherlands	100
Du Bois Ording Design B.V.	Netherlands	100
EBSI Holding BV	Netherlands	100
Emark International B.V.	Netherlands	100
Geometry Global Benelux B.V.	Netherlands	100
Greenhouse Group B.V.	Netherlands	100
Grey Amsterdam B.V.	Netherlands	90
Grey Netherlands Holding B.V.	Netherlands	100
GreyPOSSIBLE Benelux B.V.	Netherlands	90
GreyPOSSIBLE Holding B.V.	Netherlands	100
Groundfloor BV	Netherlands	100
Group M India Holding B.V.	Netherlands	100
GroupM B.V.	Netherlands	100
GroupM Korea Digital B.V.	Netherlands	100
Healthworld Communications Group (Netherlands) B.V.	Netherlands	100
Hill+Knowlton Strategies B.V.	Netherlands	100
Hogarth Nederland B.V.	Netherlands	100
In Domo Consulting B.V.	Netherlands	56
Institute for Real Growth B.V.	Netherlands	100
JWT (Netherlands) Holding BV	Netherlands	99.20
JWT Rotterdam	Netherlands	99.52
LdB Ogilvy & Mather B.V.	Netherlands	51
Leicester Square Holding B.V.	Netherlands	100
Lexington International B.V.	Netherlands	100
Marketique Interactieve Marketing Services B.V.	Netherlands	100
Maxus B.V.	Netherlands	100
MediaCom B.V.	Netherlands	100
MindShare B.V.	Netherlands	100
Miniato B.V.	Netherlands	100
Mirum Europe B.V.	Netherlands	100
NEWCRAFT GROUP B.V.	Netherlands	100
OAK B.V.	Netherlands	100
Ogilvy & Mather Africa B.V.	Netherlands	56.25
Ogilvy Groep (Nederland) B.V.	Netherlands	95.20
Russell Square Holding BV	Netherlands	100
Superunion B.V.	Netherlands	100
Ubachs Wisbrun BV	Netherlands	100
Unfoldr B.V.	Netherlands	100
UnfoldX B.V.	Netherlands	100
VBAT Group B.V.	Netherlands	100
Vincent Square Holding BV	Netherlands	100
Wavemaker BV	Netherlands	100
Witgoud Investments B.V.	Netherlands	100
WPP Claremont Square B.V.	Netherlands	100
WPP Go One B.V.	Netherlands	100
WPP Group Holdings B.V.	Netherlands	100
WPP Holdings (Holland) B.V.	Netherlands	100
WPP Interflow Holding B.V.	Netherlands	100
WPP Japan Holding B.V.	Netherlands	100
WPP Kraken 2 B.V.	Netherlands	100
WPP Kraken B.V.	Netherlands	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
WPP Management Services (Holland) B.V.	Netherlands	100
WPP Minotaur B.V.	Netherlands	100
WPP Netherlands B.V.	Netherlands	100
WPP Rio Square BV	Netherlands	100
WPP Sheridan Square B.V.	Netherlands	100
WPP Socrates BV	Netherlands	100
WPP Summer Square B.V.	Netherlands	100
WPP Superior Square BV	Netherlands	100
WPP Times Square B.V.	Netherlands	100
WPP US Investments BV	Netherlands	100
Wunderman Thompson Amsterdam VOF	Netherlands	99.52
Wunderman Thompson Commerce B.V.	Netherlands	100
Wunderman Thompson Technology B.V.	Netherlands	100
WVI Marketing Communications Group B.V.	Netherlands	100
Y & R Minority Holdings C.V.	Netherlands	100
Young & Rubicam International Group B.V.	Netherlands	100
Brand Fibres sp. z o.o.	Poland	75
Grey Worldwide Warszawa Sp. z.o.o	Poland	100
GroupM Sp.z.o.o.	Poland	100
Heureka Huge Idea sp. z o.o. sp.k.	Poland	74
Hill and Knowlton Poland Sp. z o.o	Poland	100
Huge Idea sp. z o.o.	Poland	75
JWT Warszawa Sp. z.o.o	Poland	100
Lemon Sky Poland Sp. z o.o.	Poland	100
MediaCom - Warszawa Sp.z.o.o.	Poland	100
METS Sp. z.o.o.	Poland	100
MindShare Polska Sp. z.o.o.	Poland	100
Ogilvy PR Sp z.o.o.	Poland	100
Ogilvy Sp. z o.o.	Poland	100
Pride and Glory Huge Idea sp. z o.o. S.K.A.	Poland	74
Testardo Gram Sp. z.o.o.	Poland	100
The & Partnership Limited Spółka z ograniczona odpowiedzialnością	Poland	71.12
The Media Insight Polska Sp. z.o.o.	Poland	100
VMLY&R Europe Holding sp. z o.o.	Poland	100
Wavemaker Sp.z.o.o	Poland	100
Webola Huge Idea sp. z o.o. sp.k.	Poland	74
Wunderman Thompson Technology Sp.z o.o.	Poland	100
Aleph Pte Ltd	Singapore	86.50
BCW (SG) PTE. LTD	Singapore	100
Buchanan Licencing Singapore Pte Ltd	Singapore	100
Comwerks Pte Ltd	Singapore	90
Contract Advertising Services Singapore Pte. Ltd.	Singapore	100
Demand Interactive Pte Ltd	Singapore	100
Design Bridge Asia PTE Limited	Singapore	100
Essence Global Media Singapore Pte. Ltd.	Singapore	100
FGS GLOBAL (SEA) PTE. LIMITED	Singapore	58.04
FINSBURY SG LLP	Singapore	100
Fitch Design Pte Ltd	Singapore	100
GCI Health Singapore PTE. Ltd	Singapore	100
Geometry Global Pte Limited	Singapore	100
Grey Group PTE Ltd	Singapore	100
GroupM Asia Pacific Holdings Pte Ltd	Singapore	100
GroupM Singapore Pte Ltd	Singapore	100
Hill & Knowlton (SEA) Pte Ltd	Singapore	100
HOGARTH WORLDWIDE PTE. LIMITED	Singapore	100
J Walter Thompson (Singapore) Pte Ltd	Singapore	100
Landor & Fitch Pte. Ltd.	Singapore	100
M Globe Pte. Ltd	Singapore	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Ogilvy Singapore Pte. Ltd.	Singapore	100
Ogilvy Social Lab Singapore Pte Ltd	Singapore	95.2
Qais Consulting Pte Ltd	Singapore	100
Scotts Road Management Services LLP	Singapore	100
Soho Square Pte Ltd	Singapore	100
Spafax Airline Network (Singapore) Pte Ltd	Singapore	100
STW Group Asia Holdings Pte Ltd	Singapore	100
Superunion Brand Consulting Pte Ltd	Singapore	100
The Brand Power Company Pte Ltd	Singapore	100
The Partners (Brand Consultants) LLP	Singapore	100
The&Partnership Pte. Ltd.	Singapore	100
Verticurl Pte. Ltd.	Singapore	60
Vocanic Pte. Ltd.	Singapore	80.65
WPP Holdings (S) Pte. Ltd	Singapore	100
WPP Singapore Pte Ltd	Singapore	100
Wunderman Asia Holdings Pte Ltd	Singapore	66.66
Wunderman Pte Ltd	Singapore	66.66
Xaxis Asia Pacific Pte Ltd	Singapore	100
Y&R Yangon Pte. Ltd	Singapore	60
Young & Rubicam Pte Ltd	Singapore	100
Acceleration Digital Marketing (Pty) Limited	South Africa	54.95
Acceleration eMarketing (Pty) Limited	South Africa	54.95
Base Two Digital (Proprietary) Limited	South Africa	54.95
BCW Africa (Pty) Ltd	South Africa	54.95
Cerebra Communications Proprietary Limited	South Africa	54.95
Collective ID (PTY) Ltd	South Africa	52.47
Essencemediacom Communications (Pty) Ltd	South Africa	54.95
GroupM SA Media Holdings Proprietary Limited	South Africa	54.95
GroupM South Africa (Proprietary) Limited	South Africa	54.95
Hamilton Russell South Africa (Proprietary) Limited	South Africa	100
Hogarth Worldwide (Pty) Limited	South Africa	54.95
J Walter Thompson Cape Town (Proprietary) Limited	South Africa	54.95
J Walter Thompson Company South Africa	South Africa	91.6
Maxus Communications Proprietary Limited	South Africa	52.14
Mindshare South Africa (Cape) (Proprietary) Limited	South Africa	54.95
Mindshare South Africa (Gauteng) (Proprietary) Limited	South Africa	54.95
MindShare South Africa (Proprietary) Limited	South Africa	54.95
Mirum Cape Town Proprietary Limited	South Africa	54.95
Mirum Johannesburg Proprietary Limited	South Africa	54.95
Mirum Proprietary Limited	South Africa	54.95
Mirum South Africa Proprietary Limited	South Africa	54.95
Nota Bene Media Planning Agency (Proprietary) Limited	South Africa	54.95
Ogilvy and Mather South Africa (Pty) Ltd	South Africa	55.8
OgilvyOne Worldwide Johannesburg (Proprietary) Limited	South Africa	100
Optimum Media (Proprietary) Limited	South Africa	54.95
The Brand Union	South Africa	79.99
Wavemaker (Pty) Ltd	South Africa	54.95
WPP Blue Crane (RF) (Pty) Ltd	South Africa	76.6
WPP South Africa Holdings Proprietary Limited	South Africa	54.95
Wunderman Marketing (Pty) Ltd	South Africa	54.95
Wunderman Thompson Proprietary Limited	South Africa	54.95
Wunderman Thompson Technology SA (Pty) Ltd	South Africa	100
Y & R Holdings (S.A.) (Pty) Limited	South Africa	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Young & Rubicam South Africa (Proprietary) Limited	South Africa	54.95
Young and Rubicam Hedley Byrne (Proprietary) Limited	South Africa	54.95
Axicom Spain SL	Spain	100
BSB Publicidad SA	Spain	100
Burson Cohn & Wolfe S.L.	Spain	100
CB'a Graell Design, SL	Spain	78.5
David the Agency Madrid S.L.	Spain	70
Grey Espana SLU	Spain	100
GroupM Publicidad Worldwide SA	Spain	100
Hill & Knowlton Espana SA	Spain	51
Hogarth Worldwide Production Services, SL	Spain	100
Mediacom Iberia SA	Spain	100
Mindshare Spain SA	Spain	100
Neo Media Technologies Spain, S.A.,	Spain	100
Ogilvy & Mather Publicidad Barcelona S.A.	Spain	100
Ogilvy & Mather Publicidad Madrid S.A.	Spain	100
OgilvyOne Worldwide SA	Spain	100
Sra Rushmore SA	Spain	74
Superunion Brand Consulting, S.L.	Spain	100
The & Partnership Iberia Publicidad, S.L.	Spain	71.12
The Cocktail America, S.L.U.	Spain	80
The Cocktail Experience, S.L.U.	Spain	80
The Cocktail Global, S.L.	Spain	80
VML Young & Rubicam, S.L.	Spain	100
VMLY&Rx S.L.	Spain	100
Wavemaker Publicidad Spain S.L.	Spain	100
WPP Holdings Spain, S.L.	Spain	100
Wunderman Thompson, S.L.	Spain	100
Agenda (Taiwan) Ltd	Taiwan	100
David Advertising (Taiwan) Co. Ltd	Taiwan	70
Hogarth & Ogilvy (Taiwan) Co., Ltd	Taiwan	100
Ogilvy & Mather (Taiwan) Co Ltd	Taiwan	70
Ogilvy Public Relations Worldwide Co Ltd	Taiwan	95
OgilvyOne Worldwide (Taiwan) Co Ltd	Taiwan	95
Wavemaker Taiwan Ltd	Taiwan	100
Wunderman Thompson (Taiwan) Ltd., Taiwan Branch	Taiwan	100
Acceleration eMarketing Middle East FZ-LLC	United Arab Emirates	100
ADVERTISING & MARKETING RESULTES - AL BAHETH (A.M.R.B) L.L.C.	United Arab Emirates	81.39
AKQA FZ-LLC	United Arab Emirates	76
Asdaa Advertising FZ LLC	United Arab Emirates	80
Classic Advertising FZ LLC	United Arab Emirates	91.28
Cleartag Holding Limited	United Arab Emirates	58.43
EssenceMediacom Communications L.L.C	United Arab Emirates	79
FGS Global FZ LLC	United Arab Emirates	58.04
FITCH FZ-LLC	United Arab Emirates	87
Geometry Global Advertising L.L.C.	United Arab Emirates	60
Grey Worldwide Co. LLC	United Arab Emirates	100
Group M MENA FZ-LLC	United Arab Emirates	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Media Insight LLC	United Arab Emirates	53.5
Memac Ogilvy & Mather LLC	United Arab Emirates	60
Mindshare Advertising LLC	United Arab Emirates	64
Mirum FZ-LLC	United Arab Emirates	58.43
PSB Middle East & Africa FZ-LLC	United Arab Emirates	80
Raee Public Relations FZ-LLC	United Arab Emirates	59
RMG Heathwallace FZE	United Arab Emirates	67
Social Lab Middle East FZ-LLC	United Arab Emirates	60
Squad Digital Middle East FZ-LLC	United Arab Emirates	50.13
Tattoo FZ LLC	United Arab Emirates	100
Team Gulf Advertising -FZ- LLC	United Arab Emirates	91.28
WAVEMAKER MENA FZ LLC	United Arab Emirates	69.41
Wunderman WCJ FZ LLC	United Arab Emirates	100
Young and Rubicam FZ LLC	United Arab Emirates	71.6
Acceleration eMarketing Limited	United Kingdom	100
AKQA Limited	United Kingdom	100
Ambassador Square	United Kingdom	100
Axicom Limited	United Kingdom	100
Bates Overseas Holdings Limited	United Kingdom	100
BDG architecture + design Limited	United Kingdom	100
Beaumont Square	United Kingdom	100
Belgrave Square	United Kingdom	100
Blue State Digital UK Limited	United Kingdom	100
Bookmark Content Ltd	United Kingdom	100
Box of Vegetables Limited	United Kingdom	75.3
Brand Power Limited	United Kingdom	100
Buchanan Communications Limited	United Kingdom	100
Carl Byoir (UK) Limited	United Kingdom	100
CBA London Limited	United Kingdom	82.98
CHI Wunderman UK Limited	United Kingdom	74.95
Choreograph Limited	United Kingdom	100
Clarion Communications (P.R.) Limited	United Kingdom	100
CLOUD COMMERCE GROUP LTD	United Kingdom	100
Cockpit Holdings Limited	United Kingdom	100
Code Computer Love Limited	United Kingdom	76.27
Cognifide Limited	United Kingdom	100
Coley Porter Bell Limited	United Kingdom	100
Cordiant Communications Group Limited	United Kingdom	100
Creative Strategy Limited	United Kingdom	100
Design Bridge and Partners Worldwide Limited	United Kingdom	100
Design Bridge Limited	United Kingdom	100
DNX Limited	United Kingdom	100
Essence Global Group Limited	United Kingdom	100
Essence Global Limited	United Kingdom	100
Everymile Limited	United Kingdom	100
FGS Global (UK Holdco) Limited	United Kingdom	58.04
FGS Global (UK) Limited	United Kingdom	58.04
Fictioneers Limited	United Kingdom	86.76
Finecast Limited	United Kingdom	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Fitch Design Consultants Limited	United Kingdom	100
Fitch Digital Limited	United Kingdom	100
Fitch Worldwide Limited	United Kingdom	100
Gain Theory Limited	United Kingdom	100
Garrott Dorland Crawford Holdings Limited	United Kingdom	100
Geometry Global (UK) Limited	United Kingdom	100
Geometry Global Limited	United Kingdom	100
Grey Advertising Limited	United Kingdom	100
Grey Communications Group Limited	United Kingdom	100
Grey Saudi Limited	United Kingdom	100
GroupM UK Digital Limited	United Kingdom	100
GROUPM UK Ltd	United Kingdom	100
Hill & Knowlton Limited	United Kingdom	100
Hogarth Worldwide Limited	United Kingdom	100
iconmobile Limited	United Kingdom	67.9
Ignite JV Limited	United Kingdom	50
J. Walter Thompson U.K. Holdings Limited	United Kingdom	100
Kinetic Worldwide Limited	United Kingdom	100
Lambie-Nairn & Company Limited	United Kingdom	100
Made Thought Creative Limited	United Kingdom	75
Made Thought Design Limited	United Kingdom	75
Man vs Machine Limited	United Kingdom	75
Mando Corporation Limited	United Kingdom	100
Map Project Office Limited	United Kingdom	75
Maxus Communications (UK) Limited	United Kingdom	100
MediaCom Holdings Limited	United Kingdom	100
Mediacom North Limited	United Kingdom	100
MediaCom Scotland Limited	United Kingdom	100
MediaCom UK Limited	United Kingdom	100
Mediaedge:CIA (UK) Holdings Limited	United Kingdom	100
Mediaedge:CIA Worldwide Limited	United Kingdom	100
Mediahead Communications Limited	United Kingdom	100
Metro Production Group Limited	United Kingdom	100
Mindshare Media UK Limited	United Kingdom	100
Mirum Agency UK Limited	United Kingdom	100
Motion Content Group Limited	United Kingdom	100
MSIX Communications Limited	United Kingdom	71.12
No Need 4 Mirrors Limited	United Kingdom	100
NPCOMPLETE LTD	United Kingdom	100
Oakhill Communications Limited	United Kingdom	58.04
Ogilvy & Mather Group (Holdings) Limited	United Kingdom	100
Ogilvy Health Limited	United Kingdom	100
P.O.A. Holdings Limited	United Kingdom	100
Partners (Design Consultants) Limited (The)	United Kingdom	100
Partnership SPV 1 Limited	United Kingdom	50.15
Poster Publicity Holdings Ltd	United Kingdom	100
Potato London Ltd	United Kingdom	75.3
Prophaven Limited	United Kingdom	100
Public Relations and International Sports Marketing Limited	United Kingdom	100
Pulse Creative London Limited	United Kingdom	71.12
Quill Communications Limited	United Kingdom	100
S.H.Benson International Limited	United Kingdom	100
S.H.Benson(India)Limited	United Kingdom	100
Sard Verbinnen & Co., Limited	United Kingdom	58.04
Set Creative UK Limited	United Kingdom	65
Set Live Limited	United Kingdom	65
Soclab UK Limited	United Kingdom	100
Spafax Airline Network Limited	United Kingdom	100
SponsorCom Limited	United Kingdom	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
Stickleback Limited	United Kingdom	100
Superunion Limited	United Kingdom	100
Syzygy UK Limited	United Kingdom	50.33
Tempus Group Limited	United Kingdom	100
The & Partners Group Limited	United Kingdom	71.12
The Tempus Group Trust Company (1990) Limited	United Kingdom	100
THE&PARTNERS LONDON LIMITED	United Kingdom	71.12
Thistleclub Limited	United Kingdom	100
TWW Group Limited	United Kingdom	100
Ultimate Square	United Kingdom	100
Unique Digital Marketing Limited	United Kingdom	51.78
Universal Design Studio Limited	United Kingdom	75
Verticurl Marketing UK Limited	United Kingdom	60
VMLY&R Health Limited	United Kingdom	100
VMLY&R KOL INSIGHTS & DIGITAL SOLUTIONS LIMITED	United Kingdom	75
Voluntarily United Creative Agencies Limited	United Kingdom	100
Wavemaker Global Limited	United Kingdom	100
Wavemaker Limited	United Kingdom	100
What Do You Know Limited	United Kingdom	71.12
Wire & Plastic Products Limited	United Kingdom	100
Wise Conclusion	United Kingdom	100
WPP 1178	United Kingdom	100
WPP 2005 Limited	United Kingdom	100
WPP 2008 Limited	United Kingdom	100
WPP 2020 IAS Limited	United Kingdom	100
WPP 2323 Limited	United Kingdom	100
WPP Brands (Europe) Limited	United Kingdom	100
WPP Brands (UK) Limited	United Kingdom	100
WPP Brands Development Holdings (UK) Limited	United Kingdom	100
WPP Brands Holdings (UK) Limited	United Kingdom	100
WPP Compete	United Kingdom	100
WPP Consulting Limited	United Kingdom	100
WPP CP Finance plc	United Kingdom	100
WPP Dolphin UK Limited	United Kingdom	100
WPP DORSET SQUARE LIMITED	United Kingdom	100
WPP Finance 2010	United Kingdom	100

COMPANY NAME	JURISDICTION UNDER WHICH ORGANISED	OWNERSHIP INTEREST
WPP Finance 2013	United Kingdom	100
WPP Finance 2016	United Kingdom	100
WPP Finance Co. Limited	United Kingdom	100
WPP Fitzroy Square	United Kingdom	100
WPP Flame	United Kingdom	100
WPP Global	United Kingdom	100
WPP Golden Square Limited	United Kingdom	100
WPP Group (Nominees) Limited	United Kingdom	100
WPP Group (UK) Ltd	United Kingdom	100
WPP Group Holdings Limited	United Kingdom	100
WPP Headline	United Kingdom	100
WPP Jubilee Limited	United Kingdom	100
WPP Knowledge	United Kingdom	100
WPP Manchester Square Limited	United Kingdom	100
WPP Montreal Ltd	United Kingdom	100
WPP MR OVERSEAS MEDIA HOLDINGS LIMITED	United Kingdom	100
WPP MR UK Limited	United Kingdom	100
WPP MR US	United Kingdom	100
WPP North Atlantic Limited	United Kingdom	100
WPP Opal Limited	United Kingdom	100
WPP Open	United Kingdom	100
WPP Rocky Ltd	United Kingdom	100
WPP Samson Limited	United Kingdom	100
WPP Samson Two Limited	United Kingdom	100
WPP Sigma Limited	United Kingdom	100
WPP Sphinx Limited	United Kingdom	100
WPP Toronto Ltd	United Kingdom	100
WPP UK Germany Holdings	United Kingdom	100
WPP UK Torre	United Kingdom	100
WPP Unicorn Limited	United Kingdom	100
WPP US Investments Limited	United Kingdom	100
WPP Vancouver Ltd	United Kingdom	100
Wunderman Thompson (UK) Limited	United Kingdom	100
Wunderman Thompson Commerce UK Limited	United Kingdom	100
Wunderman Thompson MAP UK Limited	United Kingdom	51

Exhibit 12.1

Certification

I, Mark Read, certify that:

1. I have reviewed this annual report on Form 20-F of WPP plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: 23 March 2023

/s/ Mark Read

Mark Read
Chief Executive Officer
(principal executive officer)

Exhibit 12.2

Certification

I, John Rogers, certify that:

1. I have reviewed this annual report on Form 20-F of WPP plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and

5. The company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company’s auditors and the audit committee of the company’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company’s internal control over financial reporting.

Date: 23 March 2023

/s/ John Rogers
John Rogers
Chief Financial Officer
(principal financial officer)

Exhibit 13.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of WPP plc (the "Company") on Form 20-F for the period ended 31 December 2022 (the "Report"), I, Mark Read, Chief Executive Officer of the Company, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the Company's financial position and results of operations.

Date: 23 March 2023

/s/ Mark Read
Mark Read
Chief Executive Officer
(principal executive officer)

Exhibit 13.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of WPP plc (the "Company") on Form 20-F for the period ended 31 December 2022 (the "Report"), I, John Rogers, Chief Financial Officer of the Company, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the Company's financial position and results of operations.

Date: 23 March 2023

/s/ John Rogers
John Rogers
Chief Financial Officer
(principal financial officer)

Exhibit 14.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-06378, 333-103888, 333-108149, 333-129640, 333-129733, 333-152662, 333-157729, 333-185886, 333-185887, 333-185889, 333-185890, 333-208658, 333-208660, 333-208661 and 333-232174 on Form S-8 of our reports dated 23 March 2023, relating to the financial statements of WPP plc and the effectiveness of WPP plc’s internal control over financial reporting appearing in this Annual Report on Form 20-F for the year ended 31 December 2022.

/s/ Deloitte LLP
London, United Kingdom
23 March 2023

Exhibit 16.1

23 March 2023

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-7561

Dear Sirs/Madams:

We have read Item 16F of WPP plc's Form 20-F dated 23 March 2023, and have the following comments:

1. We agree with the statements made in the first, third and fourth paragraphs.
2. We have no basis on which to agree or disagree with the statements made in the second and fifth paragraphs.

/s/ Deloitte LLP
London, United Kingdom
23 March 2023

Exhibit 17.1

Subsidiary Guarantors and Issuers of Guaranteed Registered Securities

Registered U.S. Bonds	Subsidiary Issuer	Parent Guarantor	Subsidiary Guarantor
5.125% bonds due September 2042	WPP Finance 2010	WPP plc	WPP Air 1 Limited, WPP 2008 Limited, WPP 2005 Limited, WPP 2012 Limited, WPP Jubilee Limited
3.750% bonds due September 2024 5.625% bonds due November 2043	WPP Finance 2010	WPP plc	WPP Jubilee Limited, WPP 2005 Limited