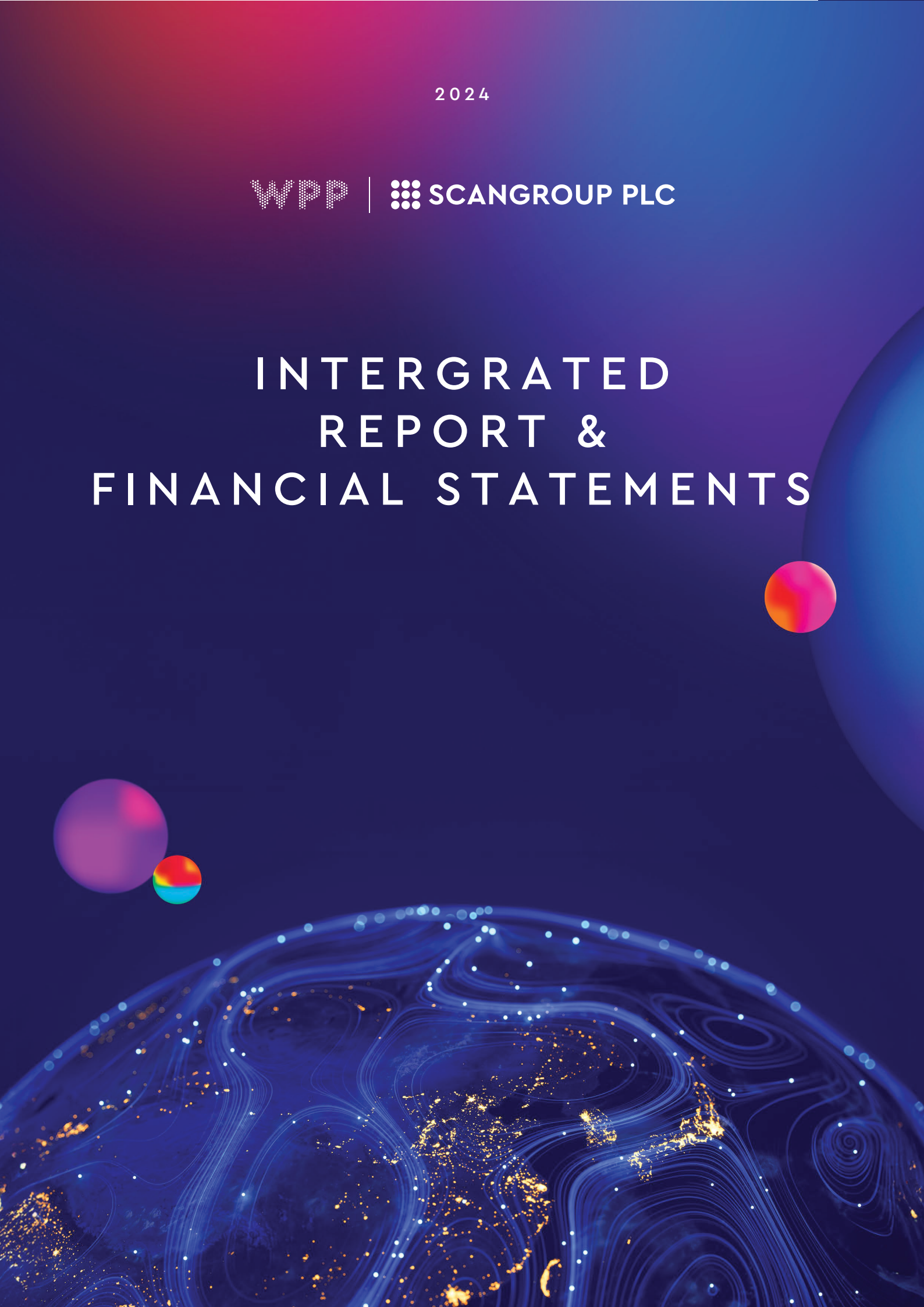


2024

WPP | SCANGROUP PLC

# INTERGRATED REPORT & FINANCIAL STATEMENTS





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# PURPOSE & SCOPE OF THE REPORT

## Purpose of the Report

The 2024 Integrated Report of WPP Scangroup PLC ("the Company") offers a transparent assessment of our financial, operational, and environmental, social, and governance (ESG) performance for the period 1 January 2024 to 31 December 2024. Aligned with our goals of driving creative transformation, leveraging AI and technology, and fostering sustainable growth across Africa, it illustrates value creation across the six integrated reporting (IR) capitals—Financial, Intellectual, Human, Social, Natural, and Manufactured. The report meets stakeholder expectations for innovative and responsible marketing solutions, complies with regulatory frameworks including the Nairobi Securities Exchange (NSE) ESG guidelines and the UN Sustainable Development Goals (SDGs), and adheres to International Financial Reporting Standards (IFRS) for financial disclosures. Informed by Global Reporting Initiative (GRI) guidelines, it fosters trust, guides strategic decisions, and affirms our commitment to shared value for clients, employees, investors, communities, and regulators.

## Scope of the Report

### 1. Geographical and Operational Boundaries

The report encompasses the Company and its subsidiaries (together the "Group"), operating across 39 African countries through owned offices, affiliate networks and collaborations. The primary focus is on Kenya, Ghana, Uganda, Rwanda, Zambia and Tanzania. The operational scope covers our core services—creative services, digital media, public relations, and influence—powered through Centres of Excellence (CoEs) in Tech, Digital, and Influence. It also includes our supply chain, client engagements, and regional operational impacts.

### 2. ESG Obligations and Impacts Addressed

The report addresses environmental, social and governance (ESG) covered in our five ESG pillars informed by stakeholder engagement and a structured materiality assessment, critical to our value creation. These include:

- **Environmental:** Promoting natural capital through ESG-focused campaigns and reducing operational carbon emissions.
- **Social:** Advancing digital inclusion, fostering community engagement through impactful campaigns, and promoting diversity and

inclusion within our workforce and client deliverables.

- **Governance:** Upholding data privacy, ethical advertising standards, and regulatory compliance, supported by a robust control environment.

These priorities reflect risks and opportunities that shape our strategic imperatives and integrated reporting focus.

## Stakeholder Engagement

We engaged with key stakeholders—clients, employees, shareholders, partners, communities, and regulators—through structured dialogues, surveys, and ongoing business interactions to shape the report's content. Clients prioritized data-driven, sustainable campaigns with measurable Return on investment (ROI). Employees emphasized professional development and a collaborative culture, reflected in the 73% adoption of WPP Open, our AI-powered marketing operating system. We engaged with regulatory bodies to ensure compliance and alignment of our governance and environmental practices with their expectations, and with our communities, which highlighted the importance of inclusive, socially impactful initiatives. These insights ensure the report highlights our performance related to sustainability, ethical practices, and innovation, aligning with stakeholder expectations for transparency and accountability.

## Forward-Looking Statements

This report includes forward-looking statements regarding our strategy, performance, and operations, as well as references to global, regional, and local political, social, and macroeconomic conditions. These statements, by their nature, are inherently uncertain and involve risks, as they depend on future events and circumstances that are difficult to foresee and beyond our control. Therefore, actual outcomes, performance, or results may differ materially from those anticipated or implied in these forward-looking statements.

## Assurance

The Group's Internal Audit function, overseen by the Board Audit, and Risk Committee, evaluates our financial, operational, compliance, and risk management controls. Additionally, our Annual Financial Statements are externally assured by PricewaterhouseCoopers LLP.



# CORPORATE INFORMATION

DIRECTORS	Richard Omwela	Chairman
	Patricia Ithau	Chief Executive Officer
	Jonathan Neil Eggar*	
	Dominic Grainger*	
	Shahid Sadiq*	
	Patricia Kiwanuka	
	Beverley Spencer-Obatoyinbo*	
	Peter M. Kimurwa	
	Federico de Nardis**	Resigned on 30 September 2024
	Tebogo Skwambane***	
	Patricia Helene Nuytemans****	

- \* British
- \*\* Italian
- \*\*\* South African
- \*\*\*\*Belgian

SECRETARY	Winniefred Jumba Certified Public Secretary (Kenya) Stamford Corporate Services LLP 5 <sup>th</sup> Floor, West Wing, ICEA Lion Riverside Park, Chiromo Road P. O. Box 10643 – 00100 Nairobi
REGISTERED OFFICE	The Chancery, 5th Floor Valley Road, Upper Hill P. O. Box 34537- 00100 Nairobi Telephone: +254 (20) 2710021, 2799000
AUDITORS	PricewaterhouseCoopers LLP, Kenya Certified Public Accountant (Kenya) PwC Tower, Waiyaki Way Chiromo road, Westlands P. O. Box 43963 – 00100 Nairobi
PRINCIPAL BANKER	Stanbic Bank Kenya Limited Upper Hill Medical Centre Branch P.O. Box 2492 – 00200 Nairobi
SHARE REGISTRARS	Image Registrars Limited 5th Floor, Absa Towers, Loita Street P.O. Box 9287- 00100 GPO Nairobi



## CORPORATE INFORMATION (continued)

### GROUP COMPANIES, BUSINESS ACTIVITIES AND GEOGRAPHIC PRESENCE

BUSINESS ACTIVITIES	COUNTRY	BUSINESS ACTIVITIES	COUNTRY
<b>Advertising</b>		<b>Media Investment Management</b>	
Scanad Ghana Ltd.	Ghana	GroupM Africa Ltd.	Kenya
Ogilvy Africa Ghana Ltd.	Ghana	MEC Africa Ltd.	Kenya
Scanad Kenya Ltd.	Kenya	Media Compete East Africa Ltd.	Kenya
J Walter Thompson Kenya Ltd.	Kenya	Mindshare Kenya Ltd.	Kenya
Scanad Africa Ltd.	Kenya	Ogilvy Africa Media Ltd.	Kenya
Grey East Africa Ltd.	Kenya	Scangroup (Malawi) Ltd.	Malawi
Ogilvy & Mather (Eastern Africa) Ltd.	Kenya	Scangroup (Mauritius) Ltd.	Mauritius
Geomtery Global Ltd.	Kenya	Scangroup (Mozambique) Ltd.	Mozambique
Ogilvy Africa Ltd.	Kenya	Scangroup (Zambia) Ltd.	Zambia
Ogilvy Kenya Ltd.	Kenya	<b>Public relations</b>	
Scanad Nigeria Ltd.	Nigeria	Hill & Knowlton East Africa Ltd.	Kenya
Scanad Rwanda Ltd.	Rwanda	Ogilvy Public Relations Ltd.	Kenya
O&M Africa B.V. (Branch Office)	South Africa	Hill & Knowlton Strategies Nigeria Ltd.	Nigeria
Scanad Tanzania Ltd.	Tanzania	Hill & Knowlton Strategies Uganda Ltd.	Uganda
J.Walter Thompson Tanzania Ltd.	Tanzania	Hill+Knowlton Strategies SA Pty Ltd.	South Africa
Ogilvy Africa Tanzania Limited	Tanzania	Team Gabon SARL	Gabon
Scanad Uganda Ltd.	Uganda	<b>Digital Advertising</b>	
JWT Uganda Ltd.	Uganda	Squad Digital Ltd.	Kenya
Ogilvy & Mather Zambia Ltd.	Zambia	Squad Digital Nigeria Ltd.	Nigeria
<b>Speciality Communication</b>			
Roundtrip Ltd.	Kenya		

Note: The above list of companies does not include a number of dormant legal entities

# ORGANIZATION OVERVIEW

## Organizational Identity and Purpose

The Company is a leading marketing and communications Company headquartered in Nairobi, Kenya. The Company's largest shareholder, WPP is among the leaders in advertising and communications services. The Company's mission is to deliver innovative, integrated marketing solutions that drive creative transformation, leveraging data, artificial intelligence (AI), and technology to meet client needs across Africa. The Company is committed to fostering creativity, enhancing client experiences, and building sustainable value through a strong regional presence and a culture of collaboration and innovation.

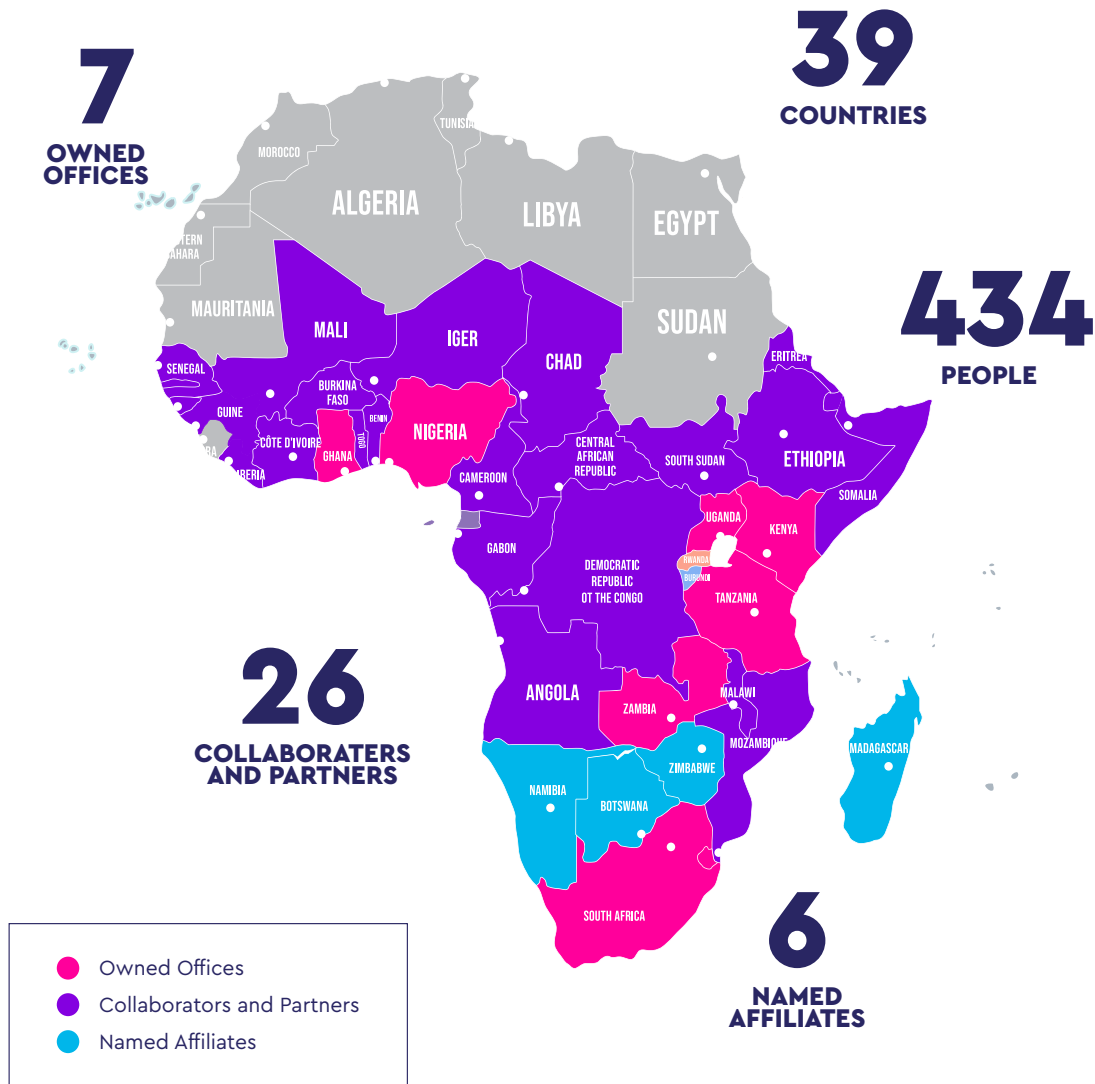
## Business Activities and Markets

The Company unleashes a powerhouse of leading agencies, delivering a bold, integrated suite of services that spark connections, drive engagement, and fuel brand success across communications, experience, commerce, and technology. Here's how our agencies bring your vision to life:

What we do	Who makes it happen
Bold Creative – Crafting unforgettable on and offline campaigns	Ogilvy.africa SCANAD
Experience (including technology solutions)	Ogilvy.africa
Influential PR & Advocacy- Shaping narratives and driving impact	Burson Ogilvy.africa
Digital Media (social and performance marketing)	essencemediacom MINDSHARE Wavemaker Ogilvy.africa
Strategic media – Maximizing reach with smart planning and buying	essencemediacom MINDSHARE Wavemaker
Shopper Engagement – Igniting action at every touchpoint	Ogilvy.africa Wavemaker
Insightful Consulting – Unlocking growth with tailored strategies	Ogilvy.africa



## ORGANIZATION OVERVIEW (continued)



The Company operates across 39 African countries, with 7 offices, 26 collaborators and partners, 6 named affiliates and workforce of 434 people. Our strong Africa footprint is supported by strategic partnerships and named affiliates, allowing us to serve a diverse client base, including major brands across the African continent.

### Integrated Reporting Capitals and Value Creation

Our business activities are designed to create value across six integrated reporting capitals, ensuring sustainable and impactful outcomes for our stakeholders. Below, we connect our operations to these capitals, aligning with our business model's focus on integrated value creation:

- **Financial Capital:** We generate diversified revenue through media commissions, retainers, project fees, tech solutions, content trading, digital media, consulting, and regional affiliate fees. These streams, supported by efficient resource allocation and campaign execution, drive financial resilience and client ROI.
- **Intellectual Capital:** Our proprietary tools, such as WPP Open (73% workforce adoption) InfluenceO,



## ORGANIZATION OVERVIEW (continued)

Obrio, FEED 2.0 Insights Engine, combined with Centres of Excellence (CoEs) in Tech, Digital, and Influence, enhance our ability to deliver data-driven strategies, creative frameworks, and performance analytics. These assets drive innovation and competitive advantage across our service offerings.

- **Human Capital:** Our workforce of 434 professionals, supported by upskilling initiatives and a culture of collaboration, powers the execution of integrated campaigns. Agencies like Ogilvy Africa, Scanad, Hill + Knowlton now trading as Burson, and GroupM leverage diverse talent to deliver creative, PR, and media solutions, fostering creativity and client satisfaction.
- **Social Capital:** We build trust and strengthen relationships with clients, communities, and stakeholders through transparent reporting, stakeholder-aligned strategies, and impactful campaigns. Our PR and influence services, led by Hill + Knowlton now trading as Burson, and community-focused ESG initiatives enhance social value across 39 African countries.
- **Natural Capital:** We aim to contribute to long-term environmental value, aligning with client and community expectations. In 2024, we achieved an 80% reduction in Scope 1 and 2 emissions (page 25), alongside efforts to address Scope 3 emissions through our media decarbonisation programme.
- **Manufactured Capital:** Our infrastructure, including CoEs and a 39-country affiliate network, supports scalable service delivery. Investments in technology, such as WPP Open and programmatic advertising platforms, enhance our ability to execute multimarket campaigns efficiently.

By integrating these capitals into our operations, the Company aims to drive short, medium, and long-term value. Financial and social capitals grow through client trust and revenue diversification; intellectual and manufactured capitals expand via proprietary tools and infrastructure; human capital strengthens through professional development; and natural capital benefits from sustainable practices. This holistic approach, underpinned by our business model's four-stage process (Strategy, Planning, Execution, Measurement), ensures we deliver transformative marketing solutions while creating sustainable value across Africa.

### Operating Context

The Company operates in a dynamic African market characterized by strong GDP growth (5.1% weighted average in 2024) but high inflation (5.7% weighted average). The Company navigates challenges such as currency fluctuations, reduced traditional media spending, and socio-political disruptions presented challenges that impacted the Company's media budgets, which we actively navigated.

Despite these headwinds, the Company has seen digital business growth, strong performance by GroupM (+28%), and Ogilvy (+6%), and the increasing adoption of its AI platform, WPP Open, used by 73% of its workforce.



# CHAIRMAN'S STATEMENT



**Mr. Richard Omwela**  
Group Chairman

## To Our Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the 2024 Integrated Report of WPP Scangroup PLC. This report provides a comprehensive overview of our financial, operational, environmental, social, and governance (ESG) performance, reflecting our commitment to transparency and accountability.

## Navigating Global and Regional Headwinds

In 2024, African economies faced a challenging macroeconomic environment. Despite some regions showing growth, inflation averaging 5.7%, volatile currency fluctuations, and socio-political disruptions in key markets created significant obstacles. With Africa's GDP growth at 5.1%, the operating environment was tough for our clients and, consequently, our Company. In Kenya, our largest market, traditional media spending declined, reflecting a global shift toward digital advertising. These factors reduced client media budgets and influenced investment decisions, requiring us to adapt swiftly and strategically.

## Strategic Resilience and Adaptability

Despite these challenges, the Company demonstrated resilience and adaptability. We focused on strengthening our core capabilities, capitalizing on opportunities in the rapidly evolving digital business sector, and leveraging the strength of our key agencies, GroupM and Ogilvy. Our strategic priorities were centered on navigating the short-term challenges while positioning the Company for long-term sustainable growth.

## Key Strategic Focus Areas

In 2024, our strategic efforts were concentrated on three key areas: driving creative transformation, leveraging data and technology, and fostering sustainable growth across Africa. These strategic pillars guided our decisions and investments throughout the year, enabling us to adapt to the changing market dynamics and position ourselves for future success. More detailed information on specific achievements in these areas can be found in the CEO's report.

## Looking Ahead: Priorities for 2025 and Beyond

As we move into 2025, our strategic goals and key priorities remain focused on profitable growth, enhanced collaboration, and continued innovation. We are committed to delivering value to our clients and shareholders while maintaining the highest standards of corporate governance and sustainability.

## Governance and Sustainability

We remain steadfast in our commitment to the highest standards of corporate governance. We conducted an independent assessment of our performance, Committees, the Chairperson and each individual Director and the Company Secretary during the year. The Board deliberated over the recommended areas for improvement in light of the recent reorganisation. These areas include succession planning, implementation of strategy, alignment of human development plan and human resource matters. We are also committed to implementing the recommendations in the Governance Audit Report.

## CHAIRMAN'S STATEMENT (continued)

We are also committed to our 5 pillars of sustainability: People, Partnerships, Governance, Planet and Communities.

### Appreciation

I extend my sincere gratitude to our dedicated employees, whose talent and commitment are the driving force behind our success. I also thank my fellow Board members for their invaluable guidance and oversight. Finally, I thank you, our shareholders, for your continued trust and support. We are confident that the Company is well-positioned to navigate the evolving market dynamics and deliver sustainable value in the years to come. The CEO's statement will provide further details on our financial performance and operational strategies.



**Richard Omwela**

**Chairman, Board of Directors**



# CEO'S STATEMENT



**Ms. Patricia Ithau**  
CEO, Executive Director

## Dear Shareholders, Partners, and Colleagues,

As CEO, I am pleased to share with you the 2024 Integrated Report of WPP Scangroup PLC. This report reflects a year of significant transformation, resilience, and strategic recalibration in a dynamic and challenging market environment. While the year presented headwinds, we have taken decisive steps to position the Company for future growth and success.

## Navigating a Complex Landscape

2024 was marked by a confluence of factors impacting our business. Macroeconomic pressures, including high inflation and currency volatility across Africa, coupled with socio-political uncertainties, created a challenging environment for our clients and, consequently, for the Company. However, we also witnessed significant opportunities, particularly in the digital space, and we adapted our strategies to capitalize on these trends.

## Financial Performance: A Year of Restructuring and Investment

Our financial results reflect the realities of the market and the strategic decisions we made to navigate it. Gross profit decreased to Sh 2,007m, primarily due the full-year impact of divested assets and reduction in the scope of two key clients. However, we proactively managed operating and administrative expenses, achieving a reduction of Sh 230m through a comprehensive restructuring program. We reported a loss before tax of Sh 427m, impacted by a significant

foreign exchange loss of Sh 248m. This performance was in comparison to a stronger prior year where we delivered a profit of Sh 378m. Loss after tax is at Sh 507m compared to profit after tax of Sh 130m in prior year.

While the numbers reflect the challenges, they also underscore our commitment to efficiency and strategic investment. The cost savings achieved through restructuring are being reinvested in key growth areas, including digital capabilities, talent development, and innovation.

## Strategic Priorities and Key Achievements

Our strategic focus in 2024 centered on three core pillars:

- **Creative Transformation:** We are committed to delivering world-class creative solutions that drive measurable results for our clients. This includes leveraging data and technology to personalize experiences and enhance engagement.
- **Data and Technology:** We are investing heavily in data analytics, AI-powered solutions, and digital platforms to provide our clients with a competitive edge. The launch of WPP Open is a game-changer, enabling us to deliver better work, drive more efficient operations, and scale best practices across the organization.



## CEO'S STATEMENT (continued)

- **Sustainable Growth:** We are committed to building a sustainable business that benefits all stakeholders. This includes fostering a diverse and inclusive workforce, minimizing our environmental impact, and contributing to the communities in which we operate.

Key achievements in 2024 include:

- **Enhanced Business Review:** WPP launched WPP Open, an intelligent marketing system which combines AI, data and technology. WPP Open is driving change across the Company and our clients' businesses by enabling client teams to deliver better work, drive more efficient operations and scale ways of working.
- **Organizational Transformation:** We launched Digital and Influence centers of excellence as a backbone of our client-first approach.
- **Financial reporting excellence:** We were recognized by our peers and financial reporting experts in the Fire Awards, one of the most sought-after financial reporting awards in East Africa.
- **Industry Recognition**
- **Commitment to ESG:** We are committed to long-term environmental value, aligning with client and community expectations. In 2024, we achieved an 80% reduction in Scope 1 and 2 emissions.

### Looking Ahead: A Vision for Growth

As we look to 2025 and beyond, we are focused on accelerating growth and delivering sustainable value for our shareholders. Our priorities include:

- **Client-Centricity:** We are committed to understanding our clients' needs and providing them with innovative solutions that drive their business success.
- **Talent Development:** We are investing in our people, providing them with the skills and opportunities they need to thrive in a rapidly changing industry.
- **Operational Excellence:** We are continuously improving our processes and systems to enhance efficiency and effectiveness.
- **Innovation:** We intend to deliver on the promise of WPP Open to bring more value and efficiencies to our clients, stabilize Scanad Kenya, and to win more pitches through our increasingly integrated proposition to clients.

### Gratitude and Commitment

I want to express my sincere gratitude to our

employees, clients, partners, and shareholders for their continued support. I am confident that the Company is well-positioned to navigate the challenges and opportunities ahead, and I am excited about the future of our Company.

We are committed to transparency, accountability, and delivering sustainable value for all our stakeholders. We believe that by focusing on our strategic priorities and working together, we can achieve our goals and create a brighter future for the Company.



Patricia Ithau

CEO, WPP Scangroup PLC



# OUR CORPORATE STRATEGY

The Company's corporate strategy is built on five strategic imperatives, supported by a unified culture and a robust control environment. These imperatives are designed to create value across the six integrated reporting (IR) capitals—Financial, Intellectual, Human, Social, Natural, and Manufactured—while driving innovation and growth across 39 African countries.

## 1. Back to growth

Our strategy prioritizes organic revenue growth, with 87% of our business achieving growth in 2024, including Ogilvy Africa (+6%) and GroupM (+28%). By securing major clients like Safaricom and Unilever, we strengthened our Financial Capital through diversified income streams such as media commissions and retainers. Simultaneously, we enhanced Social Capital by building client trust through tailored, data-driven campaigns tWFhat align with stakeholder needs, ensuring impactful outcomes across African markets.

## 2. Creativity meets innovation

We lead with data, AI, and technology, leveraging WPP Open—adopted by 73% of our workforce—to drive efficiency and innovation. Our Marketing technology (Martech) stack, including OBrio, bolsters Intellectual Capital by delivering advanced analytics for client Return on Investment (ROI) optimization. Investments in Centres of Excellence (CoEs) for Technology, Digital, and Influence, contributed 20% to 2024 group revenue, enhancing manufactured Capital by standardizing our Ad-Technology ecosystems and scaling content automation among others. This infrastructure supports our ability to incubate new products and maintain a competitive edge.

### Our Martech product stack



## 3. Agile & collaborative organisation

Our 434 professionals across 39 countries are central to our strategy, driving creative transformation through collaboration. The CoEs, established in 2023 and 2024, foster Human Capital by upskilling talent in Technology Partnerships, Content Creation, and Influence, enabling cross-selling of services

like InfluenceO. Our culture of continuous learning and recognition, evidenced by growing creative accolades, ensures our teams deliver high-impact campaigns while advancing professional growth.

#### 4. Africa footprint & partnerships

We strengthen our African footprint through 7 owned offices, part of our manufactured capital, and 20 collaborators, enhancing our social capital. This network ensures seamless service delivery for regional clients. By deepening partnerships, we foster community engagement and stakeholder alignment, amplifying our influence across diverse African markets.

#### 5. Sustainability

We continue focusing on our 5 pillars:



##### 1. People



##### 2. Partnerships



##### 3. Governance



##### 4. Planet



##### 5. Communities

### Our Approach To Sustainability

Our sustainability strategy directs us to use the power of creativity, supported by good governance to build a better future for our people, planet, partners & communities. Our sustainability strategy also recognizes the importance of good governance as the foundation upon which all our other goals are achieved.

Increasingly, our own partners are interested in knowing what we are doing to combat climate change, promote good governance & be a force of good in the communities that we live in.

### Our Sustainability Governance Framework

#### The Board

The Board is accountable for the overall, sustained performance of the Company and for establishing the organization's mission, core values, culture, and strategic orientation, which includes sustainability.

#### The Board Audit & Risk committee:

1. Reviews environmental, social and governance issues that may affect the future development, performance, and position of the Company.
2. Puts in place environmental, social and governance (ESG) frameworks and public disclosure of ESG performance in annual reports.
3. Reviews and recommends changes as appropriate to the Company's Sustainability strategy and policy considering the Company's strategy, purpose, and culture, and ensuring standards of business behaviour are up to date and reflect the best practices of business in this area.
4. Ensures the required actions to affect this strategy are appropriately resourced by Management.
5. Assesses the Company's performance in implementing the Sustainability strategy and policy, by receiving and considering updates from the Company's businesses, and internal and external experts.
6. Reviews the Group's Health & Safety policy arrangements, to ensure that key risks are being identified and that appropriate control measures are put in place by management.
7. Monitors and reviews changes in the Company's reputation and its stakeholders' expectations on sustainability, and ensures the Board is kept appropriately informed.
8. Brings best practice thinking and ongoing awareness of global developments in sustainability.
9. Reviews the ESG reporting process.
10. Provides oversight of internal controls and risk management, including our ESG controls.

#### The Chief Executive Officer (CEO)

The CEO provides overall executive sponsorship for the Company's ESG programme.

#### The Sustainability Manager

The main point of contact and focus point for the ESG activities is the Sustainability Manager. The sustainability manager oversees the activities, reporting procedure, schedule, and scope. He reports to the CEO & provides

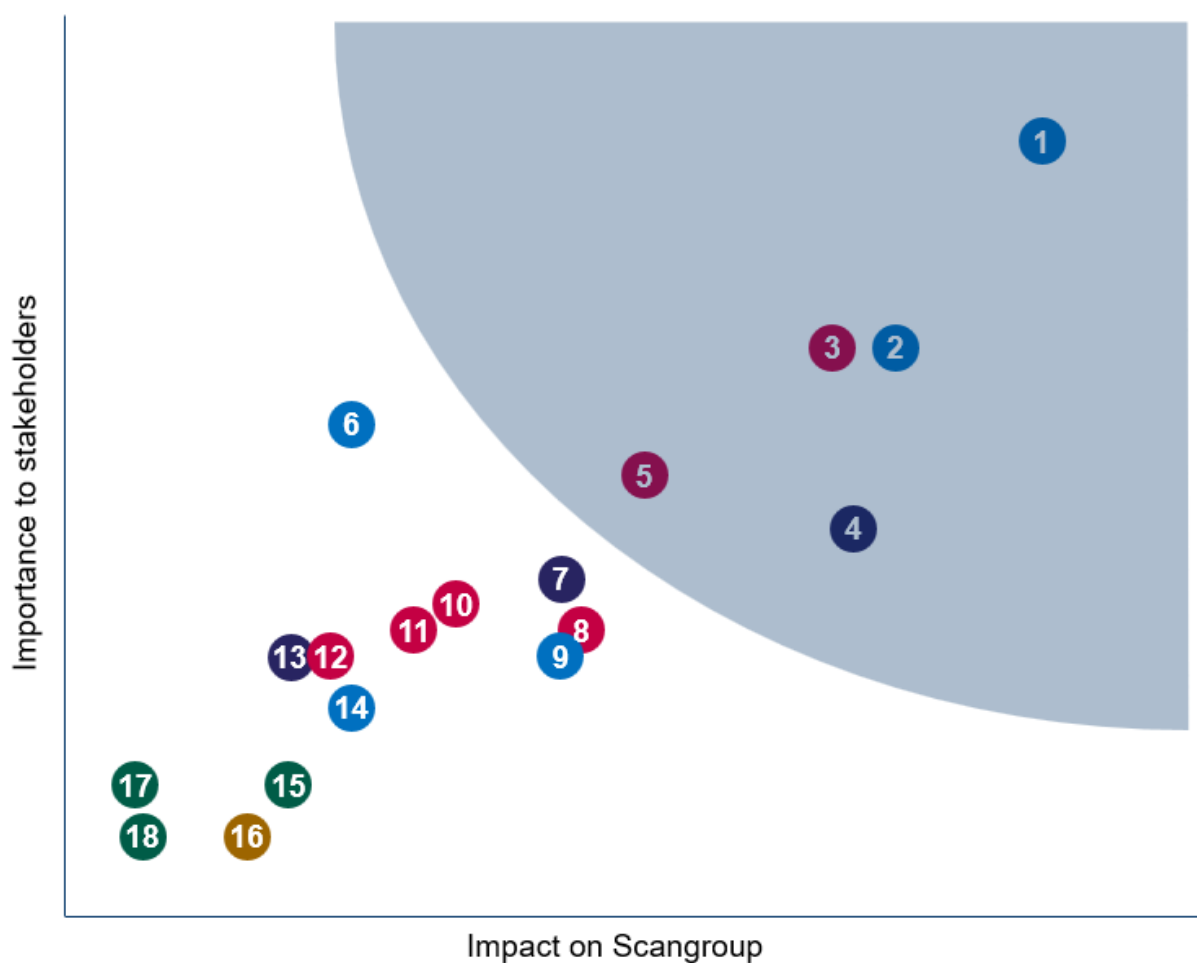


regular updates to the Board Audit & Risk committee on ESG matters.

### Materiality analysis framework

Identifying the most important topics allows us to prioritize our time & efforts to initiatives that will have the greatest impact, including how we manage and invest in our people, client work, and our own operations. The chart below illustrates where we have ongoing activity, along with its comparative importance to our stakeholders.

We assess changing stakeholder priorities through ongoing dialogue while doing business. We conducted our materiality assessment in 2022.





#	Material topic
1	Sustainable and ethical culture in our client relationships and brand strategy
2	Ensuring best-in-class quality of services
3	Attracting, retaining and developing talent
4	Business integrity, anti-bribery and corruption
5	Employee engagement and belonging
6	Fair treatment of our suppliers
7	Regulatory compliance and tax obligations in our different operational geographies
8	People and culture
9	Integration of social data privacy and cybersecurity
10	Employee benefits, remuneration and employment practices
11	Employee wellbeing, health and safety
12	Pay equity
13	Ensuring effective governance structures in sensitive countries and with contractors
14	Human rights and labour practices in our supply chain
15	Climate crisis and carbon footprint reduction
16	Corporate Social Responsibility Activities
17	Energy and resource management



## Our ESG pillars



### People

- People and culture
- Attracting, retaining and developing talent
- Employee engagement and belonging
- Employee benefits, remuneration and employment practices
- Employee wellbeing, health and safety



### Partnerships

- Sustainable and ethical culture in our client relationships and brand strategy
- Ensuring best-in-class quality of services
- Integration of social Data privacy and cybersecurity
- Fair treatment of our suppliers



### Governance

- Regulatory compliance and tax obligations in our different operational geographies
- Business integrity, anti-bribery and corruption



### Planet

- Climate crisis and carbon footprint reduction



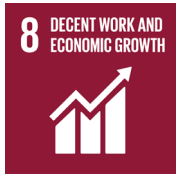

### Communities


- Corporate social responsibility activities

## Our ESG measures


### People

We want to be an employer of choice in the markets that we operate in.

Material topic	Metric	Our Progress	Supported SDG goals & SASB standard
Employee engagement and belonging	<ul style="list-style-type: none"> <li>Employee participation rates in the annual All in survey</li> <li>Employee engagement rates in the annual All in survey</li> </ul>	<p><b>Participation</b>  <b>76%</b>  (+1% from 2023)</p> <p><b>Engagement</b>  <b>68%</b>  (+1% from 2023)</p> <p>Our All In survey enables us to better support our employees, drive accountability, and foster an inclusive and empowering employee engagement. Strong participation ensures we gain a deeper understanding of our employees' experiences and provides meaningful insights to guide our actions. Key areas for improvement are reviewed by the Board Remuneration &amp; Nominations Committee, with actionable steps implemented by the Executive Management Committee.</p>	
Attracting, retaining, and developing talent	<ul style="list-style-type: none"> <li>Hours of training undertaken during the reporting period</li> <li>Percentage of total employees who received a regular performance and career development review during the reporting period</li> </ul>	<p>In 2024, total training hours decreased to 2,878 from 7,000 in 2023, reflecting a shift toward more efficient, in-house training programs tailored to organizational needs and a reduced workforce. Internal mobility declined from 20% in 2023, with one in five positions filled internally, to approximately 5.6% in 2024, with one in 18 positions filled internally. This change was partly due to internal applicants facing challenges in highly competitive job postings, where their existing skills or experience sometimes did not fully align with the evolving requirements of the roles, or they had limited opportunities to acquire new, relevant expertise. Staff performance evaluations dropped slightly from 97% in 2023 to 89% in 2024, likely due to the smaller workforce, resource constraints, or changes in evaluation processes. The organization stopped reporting training costs in 2024, as in-house training minimized external spending while maintaining focus on employee development. Efforts continue to align training with internal needs, enhance effectiveness, support mobility, and ensure comprehensive performance evaluations to foster growth and accountability.</p>	
People & Culture	<ul style="list-style-type: none"> <li>Gender balance across the business</li> </ul>	<p>In 2024, we advanced its commitment to gender diversity, achieving a balanced representation on its Board of Directors and a female-majority Senior Leadership team, reflecting inclusive leadership. While Heads of Department and Creative &amp; Technology roles show a higher male presence, we are actively pursuing initiatives to enhance female representation in these areas. The Senior Managers and overall workforce demonstrate near gender parity, reinforcing a culture of belonging.</p>	

People & Culture	<ul style="list-style-type: none"><li>Gender balance in executive leadership &amp; their direct reports</li><li>Proportion of women in creative &amp; technology</li><li>Ratio of the basic salary and remuneration of women to men by significant location of operation</li></ul>	<b>Gender representation across the Company</b>	<b>Male</b>	<b>Female</b>	<div><div>5 GENDER EQUALITY</div><div></div></div> <p>SASB reference: SV-AD-330a.1.</p> <p>Percentage of gender and racial/ ethnic group representation for (1) management, (2) professionals, and (3) all other employees</p>																					
		Board of directors	50%	50%																						
		Senior leadership	45%	55%																						
		Heads of department	82%	18%																						
		Senior managers	54%	46%																						
		Overall	51%	49%																						
		In creative & technology	67%	33%																						
		<u>Gender Pay Gap by country &amp; population by pay quartiles</u>																								
		The Company's regional gender pay gap shows men's median pay is 28% higher than women's (M:F ratio of 1:0.72). This disparity, most pronounced in Uganda and Zambia at 44%, is driven by men holding a majority of higher-paying roles in management, creative, and technology fields.																								
		<table><tr><th>Country</th><th>Earnings Ratio (M:F)</th><th>Pay Gap (%)</th></tr><tr><td>Kenya</td><td>1:0.73</td><td>27%</td></tr><tr><td>Ghana</td><td>1:0.76</td><td>24%</td></tr><tr><td>Rwanda</td><td>1:0.93</td><td>7%</td></tr><tr><td>Tanzania</td><td>1:0.79</td><td>21%</td></tr><tr><td>Uganda</td><td>1:0.56</td><td>44%</td></tr><tr><td>Zambia</td><td>1:0.56</td><td>44%</td></tr><tr><td>Group</td><td>1:0.72</td><td>28%</td></tr></table>				Country	Earnings Ratio (M:F)	Pay Gap (%)	Kenya	1:0.73	27%	Ghana	1:0.76	24%	Rwanda	1:0.93	7%	Tanzania	1:0.79	21%	Uganda	1:0.56	44%	Zambia	1:0.56	44%
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Group	1:0.72	28%																								
<p>Pay quartiles, dividing employees' pay rates from lowest to highest into four equal groups, show men overrepresented in top pay bands. To address this, we aim to boost female representation in higher paying roles by 20% over three years through targeted upskilling and mentorship, fostering workforce equity and sustainable growth.</p> <div><div><div><div>♀</div><div>41%</div></div><div><div>Upper</div><div><div></div></div></div><div><div>59%</div><div>♂</div></div></div><div><div><div>♀</div><div>47%</div></div><div><div>Upper Middle</div><div><div></div></div></div><div><div>53%</div><div>♂</div></div></div><div><div><div>♀</div><div>50%</div></div><div><div>Lower Middle</div><div><div></div></div></div><div><div>50%</div><div>♂</div></div></div><div><div><div>♀</div><div>61%</div></div><div><div>Lower</div><div><div></div></div></div><div><div>39%</div><div>♂</div></div></div></div>																										



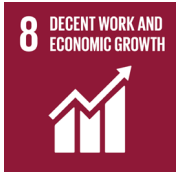
Employee wellbeing, health, and safety	<ul style="list-style-type: none"> <li>• The number/rate of work-related injury</li> <li>• The number/rate of work-related deaths</li> <li>• Number &amp; distribution of employee safety ambassadors</li> </ul>	<p>In 2024, the Company's health and safety ambassadors program continued to strengthen, growing from 34 ambassadors in 2023 to 42, reflecting our ongoing commitment to fostering a safe and supportive workplace. Our robust health and safety procedures, coupled with consistent monitoring, resulted in only two personal health and safety incidents recorded across the Company in 2024, all of which were promptly and effectively addressed. The number of days lost to sickness increased to 1,341 in 2024 from 721 in 2023, potentially due to enhanced reporting mechanisms, while work-related injuries or deaths remained at zero, consistent with prior years. The number of mental health allies grew to three, reinforcing our dedication to employee well-being and mental health support. In contrast to last year's report, which included participation in wellness programs, we have shifted focus to more quantifiable metrics, such as the growth of our ambassadors and allies programs and sickness reporting, as these provide clearer insights into our efforts to promote a healthy and resilient workforce.</p>	
Employee benefits, remuneration and employment practices	Benefits which are standard for fulltime employees of the organization but are not provided to temporary or part-time employees, by significant locations.	<p>Our employee benefits, detailed in section 4.11 of our material accounting policies summary, encompass retirement savings plans, health and wellness programs, employee assistance schemes, and life assurance. The trend in employee benefits from 2023 to 2024 is presented in Note 9 of our financial statements.</p>	






## Partnerships

We seek partners who uphold high standards of ethical business conduct, employment practices, human rights, and environmental stewardship.

Material topic	Metric	Our Progress	Supported SDG goals & SASB standard
Sustainable and ethical culture in our client relationships and brand strategy	Client retention	Our client retention rate is a vital metric influencing our organization's success. In 2024, we recorded a client retention rate of 74% (2023: 72%)	 <p><b>SASB reference:</b></p> <p>SV-AD-220a.1.</p> <p>Discussion of policies and practices relating to behavioural advertising and consumer privacy</p> <p>SV-AD-220a.3</p> <p>Total amount of monetary losses because of legal proceedings associated with consumer privacy</p>
Integration of social data privacy & cybersecurity	<p>Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> <li>i. complaints received from outside parties and substantiated by the organization.</li> <li>ii. complaints from regulatory bodies.</li> </ul>	In 2024, there were 2 substantiated complaints received from outside parties and substantiated by the organization nor from regulatory bodies around breaches to customer privacy (2023: Nil)	
Best-in-class quality of service to our clients	Number of awards/recognitions	Discover our 2024 awards highlighted on the next page.	
Fair treatment of our suppliers	<ul style="list-style-type: none"> <li>• Rate of vendors who have completed vendor due diligence in 2024</li> <li>• Rate of vendors who have signed the vendor code of conduct in 2024</li> </ul>	All contracted suppliers must align with the WPP's Business Code of Conduct – Supplier Version, affirming their commitment to our standards or providing satisfactory evidence of equivalent standards within their own operations. In 2024 and 2023, 100% of vendors completed due diligence and either signed or confirmed equivalence with the vendor code of conduct.	

# Awards & Recognition

  
LOERIES  
**1**

  
DRUM  
**5**

  
LIA  
**2**

  
GERETY  
**1**

  
MSK  
**9**

  
DMA  
**2**

  
SILVER BACK  
**1**

  
LAIF  
**1**

  
FINANCIAL REPORTING AWARD

**campaign** NETWORK OF THE YEAR


**AdAge** NETWORK OF THE YEAR

  
NETWORK OF THE YEAR

  
GLOBAL NETWORK OF THE YEAR


## Governance

We maintain a robust governance framework that ensures accountability, transparency, and compliance with the highest standards of ethical and legal conduct.

Material topic	Metric	Our Progress	Supported SDG goals & SASB standard									
Business integrity, anti-bribery, anti-corruption and anti-fraud.	Policies and procedures for preventing and detecting bribery and corruption	Annually, all board members and senior managers affirm their adherence to the Code of Conduct and WPP Policies, including the AFBAC (Anti-Fraud, Bribery & Corruption) Policy which prohibits any form of bribery, corruption or fraud across WPP and its companies and is supported by the Advisor Payment Policy which restricts the use of advisors and details the due diligence that must be undertaken and approvals needed in the limited cases where advisors may be used. In 2024, 215 of our employees completed the mandatory 'How We Behave and Belonging' training, designed to help our people understand the ethical and business objectives outlined in WPP's Code of Business Conduct, which serves as the Company's Code of Conduct. As the majority shareholder, WPP mandates that all personnel, including freelancers engaged for over four weeks, complete the 'How We Behave and Belonging' online training annually.	<div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div> <div>SASB reference:  SV-AD-220a.1.  Discussion of policies and practices relating to behavioural advertising and consumer privacy.</div>									
Regulatory compliance and tax obligations in our different operational geographies	Fines, penalties and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area	<div>The Company navigates intricate regulatory and tax obligations. We uphold a regulatory register and monitor tax compliance across all markets. Our Board Audit and Risk Committee receives regular updates on regulatory and tax compliance matters. This committee consistently evaluates and oversees our approach to data ethics, privacy, security risks, and overall regulatory and legal compliance.</div> <table><tr><th></th><th>2024</th><th>2023</th></tr><tr><td>Fines &amp; penalties</td><td>Sh 22.3m</td><td>Sh 16.1m</td></tr><tr><td>As a percentage of revenue</td><td>&lt;1%</td><td>&lt;1%</td></tr></table>		2024	2023	Fines & penalties	Sh 22.3m	Sh 16.1m	As a percentage of revenue	<1%	<1%	
	2024	2023										
Fines & penalties	Sh 22.3m	Sh 16.1m										
As a percentage of revenue	<1%	<1%										

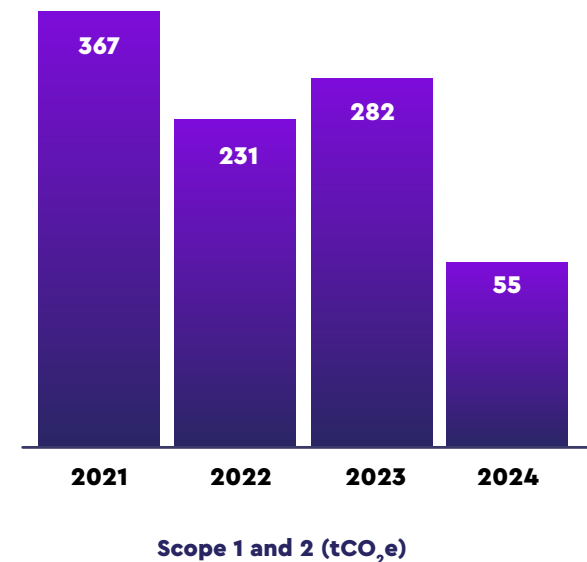
## Planet

We are committed to responsible and sustainable business practices. We take steps to optimize our own environmental impact.

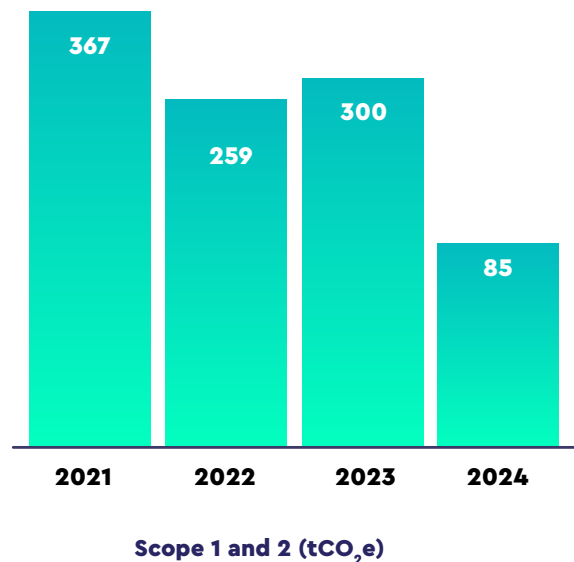
Material topic	Metric	Our Progress	Supported SDG goals & SASB standard
Climate crisis and carbon footprint reduction	<ul style="list-style-type: none"> <li>Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent</li> <li>Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent</li> <li>GHG emissions</li> </ul>	See below on our emissions data	

### Our Emissions data

Market based Scope 1 and 2 CO<sub>2</sub>e emissions  
Tonnes CO<sub>2</sub>e emissions




Location based Scope 1 and 2 CO<sub>2</sub>e emissions  
Tonnes CO<sub>2</sub>e emissions



We're advancing toward our Scope 1 and 2 targets, primarily due to increased renewable electricity purchases in Kenya and South Africa, and the divestiture of our Nigeria operations, a major source of Scope 2 emissions from diesel-based electricity. In 2024, we reduced Scope 1 and 2 emissions by 80% compared to 2023.



## Community

Material topic	Metric	Our Progress	Supported SDG goals & SASB standard
Creativity for social change & action in our local communities	<ul style="list-style-type: none"> <li>Operations with significant actual and potential negative impacts on local communities, including locations and description of significant impacts</li> <li>Total social contribution through investment in pro bono work, corporate giving, and free media space</li> </ul>	Our operations have not had any significant actual & potential negative impact on local communities. The impact of our social contribution through investment in pro-bono work as well as work done for our clients impacting communities is shown in subsequent pages.	

# FIRST BODA



## AGENCY

Ogilvy Africa – Kenya

## CLIENT

My Dawa + Kenya Red Cross

## ABOUT

The FIRST BODA initiative aimed to turn Nairobi's Boda-Boda riders into mobile first responders by leveraging their constant presence and mobility. Through a partnership with the Kenya Red Cross, riders received first-aid training to handle road accident injuries. They were equipped with custom emergency kits designed for easy access and visibly branded to signal their certified status. This innovative approach provided rapid medical response, improved public safety, and empowered the local community.

## IMPACT

**97+** suburbs reached

Upto **30%** Fatality reduction

**800 Hours** of Emergency Triage Training

**280,000** Incidents per year

**3** average weekly responses per Boda

**1.2 million** drivers covered

## AWARDS

### Loeries 2024

OOH – Transit & Air  
Silver

### Drum Global 2024

Social Purpose – Brand Partnership  
Gold

Social Purpose – Big Thinking  
Silver

### LIA 2024

Creative Strategy – Partnership & Collaboration  
Bronze

Non-Traditional – Corporate Purpose/Social  
Responsibility  
Bronze

## SET UP NSUO NE NKWA PROJECT

**AGENCY**

Ogilvy Africa – Ghana

**CLIENT**

Netcentric Campaigns

**ABOUT**

The project aims to establish a Water, Sanitation, and Hygiene (WASH) network with 50,000 members in the Ahafo Region. This initiative is designed to ensure safe water, sanitation, and hygiene access for all residents of the region using sustainable and reliable delivery systems. The project seeks to address the issue of lack of community buy-in by building an intentional network of district residents who can influence, diffuse, and expand WASH literacy and learning. Key activities include training regional and district government employees in network building and communications, setting up WASHDesks and WASH Advisory Committees, and establishing effective communication channels.

**IMPACT**

About **45,000** network members have been onboarded to support in driving WASH actions in the Ahafo Regions.

Target has been extended to **100,000** by December 2025.



# AMPLIFY FISHERMAN'S ANCHOR



## AGENCY

Ogilvy Africa – Ghana

## CLIENT

Tullow Ghana Limited

## ABOUT

The Fisherman Anchor Programme is a microcredit scheme that provides critical financial support to existing and new businesses in the fishing sector within the Sekondi-Takoradi Metropolitan Assembly (STMA) and Shama, Ahanta West, Nzema East, Ellemebelle, and Jomoro districts. Planned over a five-year span, the project commenced in 2019 with a clear mission: to alleviate the financial burdens faced by fisherfolk and enhance their access to finance. Key components include business development, financial literacy, and credit management training for canoe owners and fish processors, as well as the provision of low-interest, short-term loans.

## IMPACT

**1,000+** individuals supported with training and business development since 2019.

**345** people trained in record-keeping and improved business management.

**280** individuals accessed business advice and counseling services.

**USD 300,000+** in loans disbursed.

**980** women fish processors.

**6** women-led MSMEs

**65** canoe owners

**2** agriculture businesses

**100%** loan repayment rate – no defaults recorded.



# AMPLIFY PARTNERSHIP WITH GHANA FORESTRY COMMISSION



## AGENCY

Ogilvy Africa – Ghana

## CLIENT

Tullow Ghana Limited

## ABOUT

Tullow Ghana Limited collaborated with the Government of Ghana through the Ghana Forestry Commission to implement a portfolio of carbon offset projects and or jurisdictional programmes to include a mix of Reduced Emissions from Deforestation and forest Degradation (REDD+) projects with some afforestation and reforestation (ARR) projects. The project will conserve and restore approximately 2 million hectares of land in the Bono and Bono East regions and is designed to generate up to 1 million tonnes of certified carbon offsets annually. Tullow is also focused on decarbonising its operations by eliminating routine flaring in the short term.

## IMPACT

About **45,000** network members have been onboarded to support in driving WASH actions in the Ahafo Regions.

**2 million** hectares of land targeted for conservation and restoration in 14 districts (Bono & Bono East).

Up to **1 million** tonnes of certified carbon offsets projected annually.

**1 million+** people to benefit through alternative livelihoods, forest conservation jobs, long-term employment, and improved local governance for forest management.

First carbon credits expected within three years of project commencement.



# ACTION AGAINST ILLICIT ALCOHOL



**A GOOD DAD  
TEACHES HIS SON:  
JUNTA IS NOT  
YOUR FRIEND.**

Take the pledge, visit our website [noillicitalcohol.org](https://noillicitalcohol.org) to make a difference.

**FRIENDS HELP YOU RISE ABOVE JUNTA.**

**SAY NO.**

## AGENCY

Ogilvy Africa – Zambia & Ogilvy South Africa

## CLIENT

Coalition Against Illicit Alcohol (CAIA) &

AB-InBev

## ABOUT

Globally, 25% of alcoholic beverages consumed are illicit, with Zambia facing an especially severe issue—70% of alcohol consumed there is illicit. The pandemic exacerbated the problem, enabling criminal networks to flood supply chains with dangerous, unregulated alcohol. This illicit alcohol, often made with toxic ingredients, poses serious health risks like blindness and death. Key local terms include “tujiliilji,” “junta,” and “matero,” referring to various types of illegal or counterfeit alcohol. A targeted campaign was launched to combat this issue, focusing on consumers, authorities, and retailers. The campaign promotes safer, affordable, and legally compliant alcohol options that are hygienically made and free of methanol.

## IMPACT

The multi-channel campaign used diverse media and direct community engagement to achieve wide reach and strong impact through relatable messaging and compelling storytelling.

The campaign successfully reached an estimated **15 million** people across Zambia. Post-campaign surveys revealed a notable shift in attitudes and behaviors:

**70%** of respondents expressed their intention to reduce their consumption of junta and other illicit alcohol.

**36%** of respondents indicated a commitment to stop drinking junta completely.

The results showed the campaign successfully influenced public perception and drove meaningful behavioral change.

By integrating education and advocacy, the initiative set the foundation for lasting change toward safer, more responsible alcohol consumption.

# STANBIC SUSTAINABILITY REPORT LAUNCH



## AGENCY

Hill & Knowlton (Burson)

## CLIENT

Stanbic bank Kenya

## ABOUT

We executed a high-profile launch event for Stanbic Bank Kenya's sustainability report, aimed at building awareness around their ESG ambitions. Our support included the development of all speaking notes and the creation of strategic media collateral, such as press releases.

## IMPACT

We successfully positioned Stanbic Bank's core messages, emphasizing their Social, Economic, and Environmental (SEE) agenda.



# SUSTAINABILITY CAMPAIGN TO CREATE AWARENESS



## AGENCY

Hill & Knowlton (Burson)

## CLIENT

LTWP (Lake Turkana Wind Power)

## ABOUT

Crafting, reviewing, and designing the 2023 Sustainability Report for Lake Turkana Wind Power (LTWP).

## IMPACT

Finalist, Corporate Publication of the Year by SABRE Excellence Awards.

<https://ltwp.co.ke/main/wp-content/uploads/2024/07/LTWP-Sustainability-Report.pdf>



# DIGITAL EMPOWERMENT FOR VISUALLY IMPAIRED STUDENTS



## Kilimanjaro Blind Trust Africa

*“Unlocking Literacy for Life”*

### AGENCY

WPP SCANGROUP PLC

### PARTNER

KBTA

### ABOUT

In 2024, we partnered with the Kenya Blind Trust Association (KBTA) to launch an initiative bridging the digital divide for visually impaired students in Kenya. We donated 73 repurposed computers—set for 2025 delivery—to provide adaptive ICT and digital skills, combining educational impact with environmental sustainability.

### IMPACT

The initiative has so far benefited 10 schools by providing both hardware and training to foster inclusive education.

Each of the 10 schools received a DBT-equipped computer from KBTA to create accessible content for visually impaired learners.

KBTA trained lead teachers to cascade adaptive ICT skills across diverse Kenyan schools and one university, expanding the program's impact.

The initiative supports a diverse range of institutions across Kenya, including integrated and special schools, as well as one university.

# OUR BUSINESS MODEL & THE VALUE CREATION JOURNEY

## OUR BUSINESS MODEL

### Our Outputs

- Clients:**
  - A. AI-driven campaigns (WPP Open)
  - B. Regional reach | 39 African markets
  - C. Creative excellence | 26 Awards
- Employees:**
  - A. Training in AI and WPP Open
  - B. 49% women at the work.
- Shareholders:**
  - A. 50% female board representation.
  - B. Digital investment | 40% revenue from COEs
- Communities:**
  - A. Work impacting communities
  - B. Fire Awards for ESG reporting
  - C. Impactful public policy advocacy.
- Suppliers:**
  - Global & regional supplier networks
- Environment:**
  - 80% reduction in scope 1 & 2 emissions from 2023

### Our value creation cycle

#### Strategy



Leverage WPP Open and Group M to develop data-driven strategies



#### Planning



Leverage Centres of Excellence (CoEs) and WPP Open to efficiently translate strategies into actionable creative & media plans



#### Execution



Leverage WPP Open and Group M to develop data-driven strategies



#### Measurement



Deliver ROI & drive value by assessing campaign performance using WPP Open and OBrio

### Our Inputs

**Financial Capital:** We drive financial resilience and client ROI through diverse revenue streams supported by efficient campaign execution.

**Intellectual Capital:** Proprietary tools like WPP Open and GroupM's Insights Engine, alongside Tech, Digital, and Influence CoEs, deliver data-driven strategies and analytics, boosting innovation and competitive advantage.

**Human Capital:** Our 434 professionals, empowered by upskilling and collaboration, drive integrated campaigns enhancing creativity and client satisfaction.

**Social Capital:** We foster trust with clients, communities, and stakeholders through transparent reporting, impactful PR campaigns creating social value.

**Natural Capital:** We embed sustainability in campaigns to promote environmental responsibility and align with client and community expectations.

**Manufactured Capital:** Our CoEs and 39-country affiliate network, supported by technologies like WPP Open and programmatic platforms, enable efficient, scalable multimarket campaign delivery.

### Our bedrock

**Governance:** Robust governance ensures ethical and integrous responses to risks, safeguarding against financial, operational, or reputational harm.

**Controls & Culture:** A strong control environment and collaborative culture foster accountability and innovation, ensuring ethical operations and sustainable value creation across our business.

**Materiality & Risk:** Understanding and prioritizing material matters and risks is essential for developing and executing our strategy effectively.



The Company's business model integrates creativity, technology, and data to deliver value to clients, employees, and shareholders. Key components include:

- **Centres of Excellence:** Established in 2023 and 2024, these centres focus on technology, digital content, and influence, supporting 20% of group revenue and over 100 clients in 2024.
- **WPP Open:** An AI platform that enhances operational efficiency and creative output, positioning the Company as a leader in technology-driven marketing.
- **Strategic Partnerships:** A broadened partner network across Africa supports regional client needs and drive innovation.
- **In-House Studio Model:** Developed for regional clients to streamline content creation and delivery.

The Company creates value by:

- **Driving Client Success:** Winning significant clients and delivering integrated, data-driven campaigns.
- **Enhancing Employee Capabilities:** Investing in AI training and fostering a collaborative culture.
- **Contributing to Communities:** Advancing sustainability initiatives and maintaining a strong regional presence.
- **Ensuring Financial Resilience:** Achieving a strong cash position in 2024, despite no dividend declaration due to inadequate distributable reserves.

## RISKS & OPPORTUNITIES

Our risk management framework underpins our ability to achieve strategic objectives and create value across financial, human, social, manufactured, intellectual, and natural capitals in the dynamic media and advertising industry. Overseen by the Board and Audit Committee, our approach leverages a three lines of defence model, guided by our risk governance framework with the Risk Committee playing a key role in its design and implementation, Code of Business Conduct, and robust internal controls. We have consolidated our risk register into 14 key risks, to ensure clarity for stakeholders, including clients, employees, suppliers, regulators, and communities.

Risks are prioritized based on their likelihood and impact, guiding our strategic mitigation efforts. Covering all ESG pillars—People, Partnerships, Governance, Planet, and Communities. These risks address stakeholder priorities like service quality and sustainability while mitigating emerging challenges. Quarterly reviews ensure proactive management, supporting our commitment to ethical, resilient growth.

The Board has carried out an assessment of the principal risks and uncertainties affecting the Group and the markets we operate in, and strategic decisions taken by the Board as of 31 December 2024 and up to the date of this report.

Principal Risk	How We Manage Risk	Corresponding Opportunity	How We Pursue Opportunity	ESG Pillar(s)	Corresponding ESG Material Matter	Value Creation Impact	Stakeholder Expectations
Operational Efficiency Risks	We optimize operations through automation, SOPs, KPIs, and decentralized processes to enhance service delivery and profitability.	Leverage AI and technology for operational excellence (e.g., WPP Open AI platform).	Utilize WPP Open to streamline processes, with 73% of workforce already using AI tools, and expand MarTech offerings to enhance client services.	Partnerships, Governance	Best-in-class quality of services; Effective governance structures; Business integrity, anti-bribery, anti-corruption, anti-fraud policies and training	Enhances manufactured and financial capital by improving efficiency and margins, supporting innovation and growth strategies.	Clients expect efficient, high-quality services; shareholders prioritize strong returns.
Supplier Payment and Records Risks	We ensure timely supplier payments and robust invoice archiving to support operational continuity and compliance.	Strengthen supplier partnerships through digital platforms for transparency and efficiency.	Implement advanced platforms to improve payment processes and foster collaborative supplier relationships across 39 countries.	Partnerships, Governance	Fair treatment of suppliers; Business integrity, anti-bribery, anti-corruption, anti-fraud policies and training	Boosts social and financial capital by enhancing supplier trust and operational reliability, aligning with ethical partnership strategy.	Suppliers expect timely, accurate payments.
Workforce Equity and Culture Risks	We promote an equitable workforce through diversity training, fair pay audits, and inclusive policies, enhancing employee wellbeing.	Enhance talent retention through inclusive culture and career development programs.	Expand diversity initiatives and training, leveraging high employee engagement.	People	Inclusivity and diversity; Pay equity; Employee benefits, remuneration; employee engagement.	Strengthens human and social capital by attracting diverse talent and fostering loyalty, supporting diversity and talent strategies.	Employees expect equitable, inclusive workplaces; communities value diversity.



Principal Risk	How We Manage Risk	Corresponding Opportunity	How We Pursue Opportunity	ESG Pillar(s)	Corresponding ESG Material Matter	Value Creation Impact	Stakeholder Expectations
Community Engagement Risks	We enhance community impact through targeted CSR programs and stakeholder engagement, building social goodwill.	Expand CSR impact through strategic community programs to enhance brand trust.	Scale CSR activities to support communities where we do business, building on 2024 progress.	Communities	Corporate Social Responsibility Activities	Strengthens social capital by fostering community trust and goodwill, supporting CSR and stakeholder engagement strategies.	Communities expect meaningful engagement; investors value social impact.
Failure or Delay in Revenue Growth	We engage with clients to anticipate trends and optimize costs through restructuring, driving sustainable growth.	Drive revenue growth through new client wins and digital expansion.	Leverage Centres of Excellence and digital business growth to secure integrated regional contracts.	Partnerships	Best-in-class quality of services	Boosts financial capital through diversified revenue streams, critical to growth strategy.	Shareholders expect strong returns; clients expect quality services.
Litigation Risk	We minimize litigation through robust due diligence, regular training, and alternative dispute resolution.	Enhance ethical reputation through proactive compliance and stakeholder trust.	Continuous promotion of the ethics training programme to support understanding of the ethical and business objectives set out in our Code of Conduct and our policies, and encouragement of speak-up culture, reinforcing our commitment to ethical business practices and positioning the Company as a trusted partner.	Governance, Partnerships	Business integrity, anti-bribery, anti-corruption, anti-fraud; Sustainable and ethical culture	Reduces financial and social capital risks by minimizing legal costs and enhancing trust, aligning with ethical strategy.	Upholding ethical conduct is essential to meeting the expectations of both regulators and our clients.



Principal Risk	How We Manage Risk	Corresponding Opportunity	How We Pursue Opportunity	ESG Pillar(s)	Corresponding ESG Material Matter	Value Creation Impact	Stakeholder Expectations
Regulatory and Structural Compliance	We streamline legal entities and monitor regulations with expert advice, ensuring compliance.	Optimize regional operations through compliance expertise to access new markets.	Use regulatory expertise to expand footprint, ensuring compliance while pursuing growth.	Governance	Regulatory compliance and tax obligations	Enhances financial capital by avoiding penalties and enabling market expansion, supporting compliance strategy.	We are subject to strict regulatory requirements; investors seek stability.
Taxation	We proactively monitor tax regulations and engage advisors to manage exposures effectively.	Improve financial efficiency through strategic tax planning across operational geographies.	Leverage tax advisory to optimize our growth strategy	Governance	Regulatory compliance and tax obligations	Enhances financial capital by minimizing tax liabilities, supporting fiscal responsibility strategy.	Responsible operations include strict adherence to tax regulations, a key priority for both regulators and our shareholders.
Loss of Key Clients	We retain clients through a positive culture, enhanced creativity, and regular executive engagement.	Deepen client relationships through creative transformation and integrated offerings.	Utilize creative recognition and Centres of Excellence to deliver innovative solutions, retaining and attracting clients.	Partnerships, People	Sustainable and ethical culture; employee engagement.	Strengthens social and relationship capital by fostering client loyalty, critical to revenue strategy.	Clients expect strong relationships; employees value culture.
Talent Management	We attract and retain talent with competitive benefits, mobility, and training, ensuring a strong workforce.	Build a future-ready workforce through AI and skills development programs.	Expand AI training (73% workforce adoption) and mobility programs to enhance employee capabilities across 434 staff.	People	Attracting, retaining talent; employee engagement; Employee benefits	Enhances human capital by developing skilled teams, critical to innovation and client delivery strategies.	Employees expect career growth; clients value skilled teams.



Principal Risk	How We Manage Risk	Corresponding Opportunity	How We Pursue Opportunity	ESG Pillar(s)	Corresponding ESG Material Matter	Value Creation Impact	Stakeholder Expectations
Ethical Conduct and Compliance	We ensure that the principles of our Code of Business Conduct, our policies, procedures and control environment are understood and adhered to by all staff by providing a number of tools including comprehensive ethics training and confidential reporting options, promoting a strong speak-up culture.	Position as an ethical leader through robust governance and transparency.	Build on recognized control environment to enhance stakeholder trust and attract ethical clients.	Governance, People	Business integrity, anti-bribery, anti-corruption, anti-fraud; employee engagement	Strengthens social and human capital by fostering trust and ethical reputation, supporting ethical strategy.	Ethical conduct is a core value that we share with all our stakeholders, including employees, clients, and regulators.
Affiliates	We strengthen affiliate networks with training and advanced platforms for operational resilience.	Expand regional influence through strategic affiliate partnerships across Africa.	Expand partnerships with collaborators in 39 countries to enhance service delivery and market reach.	Partnerships	Fair treatment of suppliers; Human rights and labour practices	Enhances social capital by building resilient supplier networks, supporting partnership and growth strategies.	Suppliers expect fair treatment; clients value reliable operations.
Subsidiary Performance Challenges	We enhance subsidiary operations by aligning resources to achieve sustainable profitability.	Drive subsidiary growth through and operational efficiencies.	Simplify structure (e.g., divestiture of H&K SA and Nigeria) and align resources to boost subsidiary performance.	Governance, Partnerships	Effective governance structures; Sustainable and ethical culture	Enhances financial capital by improving subsidiary profitability, supporting group strategy.	Shareholders expect strong returns.



# CORPORATE GOVERNANCE STATEMENT

## Overview

The Board and all levels of management of the Group is committed to promoting and maintaining the highest standards of corporate governance. The Company's corporate values and ethics are embedded in its strategic and business objectives which are aimed towards driving sustainable and profitable growth for the Company. The Board recognises that good corporate governance enhances the performance of the Company.

This statement also explains how the Company's corporate governance framework is structured and implemented in compliance with the provisions of the Capital Markets Authority (CMA) Code of Corporate Governance practices for Issuers of Securities to the Public 2015 (the CMA Code), CMA's POLD (Public Offers, Listings and Disclosures) Regulations, 2023, King IV Report on Corporate Governance and corporate governance best practice. In addition, the Company abides by the tenets of the Constitution of Kenya and all other laws as a law-abiding corporate citizen.

The Company's corporate governance policies are available in the Investor Relations section of the Company's website as required under the CMA Code. The Board regularly reviews these policies and the Company's corporate governance practices against the requirements of both the Companies Act 2015, the CMA Code and best practice.

## The Board of Directors

### The Role and Responsibilities of the Board

The primary roles and key responsibilities of the Board include:

- Define the Company's mission, vision, its strategy, goals, risk policy plans and objectives.
- Oversee the corporate management and operations, management accounts, major capital expenditures and review corporate performance and strategies at least on a quarterly basis.
- Identify the corporate business opportunities as well as principal risks in the Company's operating environment, including the implementation of appropriate measures to manage and mitigate such risks or anticipated changes impacting on the Company's business; effectively monitor on-going risk status and management.
- Review on a regular basis the adequacy and integrity of the Company's internal control, acquisition and divestitures and management

information systems, including compliance with applicable laws, regulations, rules and guidelines.

- Provide effective leadership in collaboration with the Company's Executive Committee.
- Facilitate set up of appropriate corporate governance structures for the management of the Company's business operations.
- Establish Board Committees, policies and procedures that shall facilitate the most effective discharge of the Board's roles and responsibilities.
- Review and approve the Company's annual budget proposed by the Executive Committee including the Company's financial objectives, plans, and actions, including significant capital allocations and expenditure.
- Facilitate Board accountability through effective Board evaluation and succession planning.
- In consultation with the Nomination, Governance and Remuneration Committee develop appropriate staffing and remuneration policy including the appointment of the Chief Executive Officer and the Company's senior management, particularly the Chief Finance Officer, operations director and the Company Secretary as may be applicable.
- Review and approve senior management's strategic and business plans, including developing a depth of knowledge of the Company's business operations, understanding and questioning the assumptions upon which such plans are based, and reaching an independent judgment as to the probability that the plans can be realized.
- Monitor corporate performance against the strategic and business plans, including overseeing the operating results on a regular basis to evaluate whether the Company is being properly managed.
- Ensure ethical behaviour and compliance with laws and regulations, auditing and accounting principles, and the Company's own governing documents.
- Assess its own effectiveness in fulfilling these and other Board responsibilities, and.
- Perform such other functions as are prescribed by law or assigned to the Board in the Articles of Association.

## Division of responsibilities

The Chairman and the Chief Executive Officer (CEO) have distinct and clearly defined duties and responsibilities. The separation of the functions of the Chairman (a Non-Executive Director) and the CEO (Executive Director) ensures the independence of the Board and Management. The balance of power enhances accountability; clear definition

## CORPORATE GOVERNANCE STATEMENT (continued)

of responsibilities and improved decision-making are attained through a clear distinction between the non-executive and executive roles. The Board is supported by a qualified and competent Company Secretary, who is a member in good standing of the Institute of Certified Secretaries (ICS)

A summary of each role is provided below:

CHAIRMAN	CHIEF EXECUTIVE OFFICER
<ul style="list-style-type: none"> <li>• Providing leadership to the Board.</li> <li>• Chairing Board Meetings, which involves determining the agenda and ensuring that the Directors receive accurate, timely and clear information.</li> <li>• Chairing meetings of shareholders, including the annual general meeting.</li> <li>• Keeping track of the contribution of individual Directors and ensuring visible participation.</li> <li>• Monitoring the activities of Board Committees.</li> <li>• Engaging the Board in assessing and improving its performance and that of the Chief Executive Officer.</li> <li>• In consultation with the Chief Executive Officer, approve or delegate authority for the approval of all material releases to be submitted to the Capital Markets Authority and other investor releases.</li> <li>• Acting as the primary channel of communication and point of contact between the Board and the Chief Executive Officer; and to provide guidance and mentoring to the Chief Executive Officer.</li> </ul>	<ul style="list-style-type: none"> <li>• Developing and recommending to the Board annual business plans and budgets that support the Company's long-term strategy.</li> <li>• Fostering a corporate culture that promotes ethical practices, encourages individual integrity, and fulfils social responsibility.</li> <li>• Developing and recommending to the Board a long-term strategy and vision for the Company that leads to the creation of shareholder value.</li> <li>• Ensuring that the day-to-day business affairs of the Company are appropriately managed.</li> <li>• Ensuring continuous improvement in the quality and value of the products and services provided by the Company.</li> <li>• Ensuring that the Company achieves and maintains a satisfactory competitive position within the Consumer industry locally, regionally and internationally.</li> <li>• Ensuring that the Company has an effective executive management team below the level of the Chief Executive Officer and has an active plan for its development and succession.</li> <li>• Overseeing the implementation of fundamental corporate policies.</li> <li>• Serving as the official spokesperson for the Company.</li> <li>• Overseeing the induction of new Board members.</li> </ul>

### Company Secretary

The Company Secretary, Ms Winniefred Jumba is a member in good standing with the Institute of Certified Secretaries (ICS), Reg No 1468. The role of the Company Secretary includes:

- Providing a central source of guidance and advice to the Board on matters of ethics, statutory compliance, compliance with all applicable regulatory requirements and good corporate governance.
- Providing the Board as a whole and Directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company.
- Facilitating the induction training for new Directors and assisting with Directors' professional development as required. This includes identifying and facilitating on-going Board education.
- In consultation with the Chief Executive Officer, ensuring effective information flows within the Board and its committees and between senior management and Non-Executive Directors. This includes setting the timeliness of compilation and distribution of Board papers and minutes and communication of resolutions from Board meetings.
- Seeing to the proper development of Board meetings and providing Directors with clear advice and information.



## CORPORATE GOVERNANCE STATEMENT (continued)

- Assisting the Chairperson in ensuring that regular assessments on the effectiveness of the Board and its committees, as well as the contribution of individual Directors, are carried out.
- Guiding the Company in taking the initiative to not only disclose corporate governance matters as required by law and the CMA Code, but also those of material importance to the decision-making of institutional investors, shareholders, clients and other stakeholders.

### Board size, composition, independence and appointments

The Board is comprised of ten (10) members, nine (9) of whom are non-executive with varied experience and expertise aligned to the needs of the business. At least two-thirds of the Board comprises non-executive directors, with one-third being independent directors. The composition of the Board reflects the representation of both majority and minority shareholders. The Board assesses the required blend of skills and expertise required based on the Company's strategy and operational demands. The current members of the Board are as follows:

NAME	DESIGNATION	DATE OF APPOINTMENT
Mr. Richard Omwela	Chairman, Non- Executive Director	14/11/2005
Ms. Patricia Ithau	Chief Executive Officer, Executive Director	14/03/2022
Mr. Jonathan Eggar	Non-Executive Director	29/05/2015
Mr. Shahid Sadiq	Non- Executive Director	08/02/2021
Mr. Dominic Grainger	Non- Executive Director	26/07/2018
Ms. Patricia Kiwanuka	Independent Non-executive Director	31/03/2022
Ms. Beverly Spencer-Obatoyinbo	Independent Non-executive Director	31/03/2022
Mr. Peter Kimurwa	Independent Non-executive Director	31/03/2022
Ms. Tebogo Skwambane	Non-executive Director	31/03/2022
Ms. Patricia (Patou) Helene Nuytemans	Non-executive Director	30/06/2023

The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter, relevant policies, applicable law and best practices. Any deficiencies or gaps identified in the Board's composition serve as focal points for recruitment or development efforts to enhance the Board's effectiveness. The nomination and appointment process of a director to the Board is set out in the Board Selection Procedure Manual. The manual provides that the Nominations and Remunerations Committee is responsible for the selection of new board directors.

Prior to any appointment, the Nominations and Remunerations Committee defines the functions and core competencies for each vacant directorship role and develops suitable selection criteria for potential candidates, screens and interviews them. The Committee then puts the short-listed candidate forward for consideration by the full board. Upon consideration of the Board, a successful candidate is appointed to the Board. New Directors are issued with letters of appointment, with clear terms and conditions regarding the discharge of their duties. A Director appointed by the Board to fill a casual vacancy must seek election at the next Annual General Meeting after their appointment.

## CORPORATE GOVERNANCE STATEMENT (continued)

The Company's Articles of Association provide that a director may be appointed by an ordinary resolution. The majority shareholder, WPP Plc through its subsidiaries, holds over 50% shareholding in the Company and is permitted by the Articles to appoint the majority of the directors, so long as they hold more than 50%. A member entitled to attend and vote at an AGM may propose a candidate for appointment as a Director by submitting a notice to the Company.

At every AGM, and as may be applicable, at least one-third of the non-executive Directors must retire from the Board and where eligible, stand for re-election. In accordance with the Articles of Association of the Company, all Non-Executive Directors offer themselves for re-election at regular intervals, subject to continued satisfactory performance and commitment. All new non-executive appointments are subject to election by shareholders at the first Annual General Meeting after their appointment.

**Annual Board Work Plan**

The Board has in place an annual work plan that sets out the Board activities in a year. The Work Plan is designed to enable the Board to drive strategy forward across all the elements of the Company's business model. The Board workplan for the year ended 31 December 2024 was approved by the Board at its meeting held on 8 February 2024.

During the year ended 31 December 2024, the Board held four Board meetings; a strategic planning session was held in August 2024. The Company held its Annual General Meeting in June 2024. Attendance by the Directors to the Board and AGM meetings in 2024 is outlined below:

	08.02.24	29.04.24	21.06.24 (AGM)	23.08.24	23.08.24 (strategy session)	22.11.24
Mr. Richard Omwela	✓	✓	✓	✓	✓	✓
Ms. Patricia Ithau	✓	✓	✓	✓	✓	✓
Mr. Jonathan Eggar	✓	✓	✓	✓	✓	✓
Mr. Shahid Sadiq	✓	✓	✓	✓	✓	✓
Mr. Dominic Grainger	✓	✓	✓	(a)	✓	✓
Ms. Patricia Kiwanuka	✓	✓	✓	✓	✓	✓
Ms. Beverly Spencer-Obatoyinbo	✓	✓	✓	✓	✓	✓
Mr. Peter Kimurwa	✓	✓	✓	✓	✓	✓
Mr. Federico De Nardis*	✓	✓	✓	✓	n/a	n/a
Ms. Tebogo Skwambane	✓	✓	✓	✓	(a)	✓
Ms. Patricia Helene Nuytemans	✓	(a)	✓	✓	✓	✓

\* (a) = absent with apology; n/a = was not on the Board.

\* Mr. Federico De Nardis, a WPP nominee director, resigned as a director with effect from 30 September 2024, following his exit from the WPP Group.

**Activities of the Board in 2024**

During the year, the key areas of focus for the Board's activities and topics discussed were on the following





## CORPORATE GOVERNANCE STATEMENT (continued)

matters:

- Review and approval of the updated strategy which factored in the transition towards a more digital focus and changes within different business segments.
- Approval of the half-year results as well as the end-of-year results, press release and commentary, and issuance of a profit warning.
- Oversight on various aspects of the Group and subsidiaries' performance.
- Review of the reports from the deliberations of the various Committees.
- Carried out an external Board evaluation.
- Reviewed the recommendations of the governance audit conducted in 2023.
- Approved the ensuing financial year's budget.
- Assessed ongoing strategic initiatives.
- Approved the Board work plan.
- Reviewed and approved Company policies.
- Monitoring the status of the Company's litigation proceedings.

### Board skills, experience and diversity

- The Board acknowledges and values the benefits of diversity, considering it a key factor in maintaining a competitive advantage. The Board recognises that diversity brings varied perspectives to Board discussions, enhances risk anticipation, and improves the identification of opportunities for the business.
- The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise in law, business management, finance, accounting, information technology, corporate communications, insurance, marketing and advertising. The Directors hold varying lengths of tenure: 7 directors at 0-5 years and 3 directors at 5 years and more. Non-executive Directors comprise of 90% of the Board and executive Directors 10%. The gender split is as follows: 5 male (50%) directors and 5 female (50%) directors. As at the date of this report, three (3) of the Non-Executive Directors were Independent as defined by the Code.

### Director induction

Upon appointment to the Board, each director receives an induction pack containing appointment letter, Articles of Association, Board Charter, Committees Terms of reference (ToRs), organisational structure and information on the overview of the organisation and its

strategy; and a comprehensive and tailored induction covering the Company's business and operations and their legal and regulatory obligations.

### Director training and development

Board members undergo regular training and education to enable them to fulfil their responsibilities. During the financial year under review, the Directors engaged in facilitator-led training on pensions.

### Board evaluation

The Board undertook an independent assessment of its performance, Committees, the Chairperson and each individual Director and the Company Secretary during the year. This was aimed at enabling the Board, the Committees and their respective members to gauge their performance and identify areas of improvement.

The key elements of the evaluation tool were the roles and responsibilities of the Board, Committee and individual Directors, Board/Committee structures and procedures, and appropriate Board behaviours. Individual feedback was given by the Chairperson to all Board members following the Board evaluation exercise. The Board deliberated over the recommended areas for improvement in light of the recent reorganisation. These areas include succession planning, implementation of strategy, alignment of human development plan and human resource matters.

### Governance Audit

The CMA Code provides that issuers of securities to the public are required to undertake periodic governance audits. Following extensive stakeholder consultation to consider the frequency, cycle, cost and scope of governance audits, the Capital Markets Authority (CMA) advised all issuers of a revision in the cycle of governance audits to at least once every two years with the option of CMA increasing or decreasing this frequency on a risk-based approach. The Company undertook a governance audit for the financial year ended 31 December 2023, conducted by Dorion Associates LLP and was issued with an unqualified opinion. The Board is committed to implementing the recommendations in the Governance Audit Report.

### Legal and Compliance Audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, an independent Legal and Compliance audit was conducted by Ronn Law as at 31st

## CORPORATE GOVERNANCE STATEMENT (continued)

December 2022 with the objective of ascertaining the level of adherence to applicable laws, regulations and standards in order to deliver long-term value to stakeholders. An internal legal and compliance audit was conducted during the year. An independent Legal and Compliance audit for the year ended 31st December 2024 will be conducted in 2025.

The compliance matters considered during both the legal and governance audits include legal entity rationalisation, succession planning, IT governance, related party transactions, Board training, and stakeholder engagement.

### Corporate Governance Assessment Report

During the year 2024, the Capital Markets Authority assessed the CMA Code's implementation status by the Company for the year ended 31 December 2024. The assessment was based on a review of commitment to good corporate governance; board operations and control; rights of shareholders; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure.

The overall rating awarded to the Company was a rating of 84% (2023-74%) – the improvement evidences the Board's commitment to sound corporate governance practices. The Company continues to implement the recommendations received from the CMA to improve its implementation under the CMA Code.

### Conflict of interest

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest which comes to any Director's attention, whether direct or indirect. The statutory duty to avoid situations in which the Directors have, or may have, interests that conflict with those of the Company has been observed by the Board in the financial year under review.

All business transactions with all parties, Directors or their related parties are carried out at arm's length. An acknowledgement that, should it come to the attention of a Director that a matter concerning the Company may result in a conflict of interest, obligates the Director to declare the same and exclude himself/herself from any discussion or decision over the matter in question.

The Board has formal procedures for managing conflicts of interest in accordance with the Companies Act 2015 and the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public.

Directors are required to give advance notice of any conflict issues to the Chairman or Company Secretary, which are considered at the next Board meeting.

Declaration of conflicts of interest is also a standard agenda item addressed at the onset of each Board and Committee meeting. The Board also requires all Directors to disclose, on appointment and annually, any circumstance which may give rise to an actual or potential conflict of interest with their roles as Directors. Directors also formally submit an annual declaration of independence.

Directors are excluded from the quorum and vote in respect of any matters in which they have an interest. No material conflicts were reported by Directors in the year under review.

### Access to independent advice

The Board acknowledges that there may be occasions when one or more Directors considers it necessary to take independent advice on various matters such as legal or financial advice, at the Company's expense. This is provided for in the Board Charter and the Terms of Reference of each Committee.

### Directors' Shareholding

Directors are permitted to purchase or sell shares of the Company in the open market. None of the Directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the Company's total equity.

### BOARD COMMITTEES

The Board has two standing committees: an Audit and Risk Committee and a Nominations and Remuneration Committee. Each committee has formal and approved terms of reference. The Board periodically reviews the terms of reference for each of the committees to ensure they are in line with current legislation and best practice.

### Audit and Risk Committee

The Audit and Risk Committee oversees the integrity of the Company's financial statements, evaluates internal control systems and the risk management framework, and assesses the effectiveness of the internal audit function. It also monitors the performance, independence, and objectivity of external auditors, recommends their appointment to the Board, and ensures compliance with legal and regulatory requirements.





## CORPORATE GOVERNANCE STATEMENT (continued)

The Audit and Risk Committee is comprised of five (5) non-executive directors, three (3) of whom are independent. The Committee is chaired by an independent director who is a Certified Public Accountant (K) and member in good standing with the Institute of Certified Public Accountants of Kenya (ICPAK). The Committee Chair reports to the Board after every committee meeting. The composition is inclusive of members who hold relevant qualification including in the area of accounting and audit.

During the year under review, the Committee discussed the following matters:

- Risk assessment reports and consolidated risk reports.
- Management accounts and financial results.
- Internal audit reports and plans.
- Risk and controls reports.
- Policy reviews.
- Revenue authorities audits
- External audit plans.
- Litigation updates.
- External audit status updates
- Review of Committee Terms of Reference
- Health and Safety reports
- Approval of delegation of authority matrix

### Attendance of meetings for 2024

A summary of the attendance of the members is summarized below:

	05.02.24	26.04.24	20.08.24	19.11.24
Mr. Peter Kimurwa (Committee Chairperson)	✓	✓	✓	✓
Mr. Jonathan Eggar	✓	✓	✓	✓
Mr. Shahid Sadiq	✓	✓	✓	✓
Ms. Patricia Kiwanuka	✓	✓	✓	✓
Ms. Beverly Spencer-Obatoyinbo	✓	✓	✓	✓
Mr. Federico De Nardis*	✓	✓	✓	n/a

(a) = absent with apology, n/a = was not on the Board.

\* Mr. Federico De Nardis resigned as a director with effect from 30 September 2024.

### Risk management and internal control

The Board, with advice from the Audit and Risk Committee, has completed its annual review of the effectiveness of the risk management framework and internal controls for the year under review. No significant failings or weaknesses were identified, and the Board is satisfied that, where specific areas for improvement have been identified, processes are in place to ensure that the necessary remedial action is taken, and that progress is monitored.

### External auditor

Messrs. PricewaterhouseCoopers (PwC) served as the Company's external auditor for the reporting period. The Audit and Risk Committee assessed the relationship as effective and was satisfied with their performance.

## CORPORATE GOVERNANCE STATEMENT (continued)

### Nominations and Remuneration Committee

The Nominations and Remuneration Committee is mandated with setting out an appropriate formal and documented selection, interview and recruitment criteria for directors and senior management. It reviews and proposes the remuneration of Non-Executive Directors as well as makes recommendations on remuneration and incentive awards for the Chief Executive Officer and any other Executive Directors. The Committee is also mandated to review the strategic human resources policies and procedures of the Company. Further, it ensures that principles of good governance are adhered to at all times, and these include accountability, efficiency, effectiveness, integrity and fairness, responsibility and accountability.

The Nominations and Remuneration Committee is comprised of six (6) non-executive directors. The Committee is chaired by an independent director and reports to the Board after every Committee meeting.

During the year under review, the Committee discussed the following matters:

- Monitored implementation of the requirements of the CMA Code.
- People and Culture reports.
- Review of the proposed training calendar for the Board as part of continuous board development.
- Directors' annual appointment and re-election at the AGM, including renewal of the appointment of various Directors.
- Staff salary review and bonus payment.
- Short Term Incentive Plan (STIP) financial and non-financial goals for Senior Management and Executive Directors.
- Appointment of the Governance Auditor and review of the Governance Audit plan.
- Implementation of the Governance Audit recommendations.
- Oversight of the independent Board evaluation process.
- Review of the employee remuneration framework.
- Organisational Design review and Talent Succession planning
- Oversight of CMA Corporate Governance Compliance Reporting requirements.

### Attendance of meetings for 2024

A summary of the Nominations and Remuneration Committee meetings held in the year under review include:

	05.02.24	22.04.24	05.08.24 (Sp)	20.08.24	19.11.24
Ms. Beverly Spencer-Obatoyinbo (Committee chairperson)	✓	✓	✓	✓	✓
Mr. Richard Omwela	✓	✓	✓	✓	✓
Mr. Peter Kimurwa	✓	✓	✓	✓	✓
Mr. Shahid Sadiq	✓	✓	✓	✓	✓
Mr. Dominic Grainger	(a)	✓	✓	✓	(a)
Ms. Patricia Kiwanuka	✓	✓	✓	✓	✓

\*(a) = absent with apology; Sp = Special committee meeting





## CORPORATE GOVERNANCE STATEMENT (continued)

### GOVERNANCE POLICIES

The Company as part of implementation of best corporate governance practices and in compliance with the regulatory requirements, has in place policies and practices to promote a culture of accountability, compliance, integrity and ethical behaviour. The policies stipulate the obligations of the organisation to different stakeholders and apply to all employees, business partners, directors, contractors and consultants.

The Board in carrying out its mandate is also guided by the policies in place which include but are not limited to the following:

#### Board Charter

The Board Charter provides guidance on various matters including the separation of the roles, functions, responsibilities and powers of the Board and its individual members; roles of the Chief Executive Officer, powers delegated to the Board committees; matters reserved for final decision-making and approval by the Board; policies and practices of the Board on matters of corporate governance, Directors' declarations and conflict of interest, conduct of Board and Board committee meetings; and nomination, appointment, induction, stakeholder engagement, ongoing training and performance evaluation of the Board and its committees. The Charter is periodically reviewed and is also published on the Company's website.

#### Board Remuneration Policy

The Board remuneration policy guides the criteria for payment of compensation to non-executive directors. The policy covers Directors' fees and attendance allowances. The remuneration of the Executive Director is guided by the Reward Policy which is applicable to all employees of the organisation.

#### Code of Business Conduct

The Code of Business Conduct is available on the Company's website and applies to everyone at the Company. It sets out the expected behaviour when engaging with our fellow employees, customers and clients, shareholders, governments, regulators, business partners, suppliers, competitors, the broader community, and how these stakeholders are expected to engage with us. Parties are expected to act ethically, legally and with integrity and covers

areas of transparency, accountability, confidentiality, equitable and fair treatment fairness, misuse of position and information and prevention of corruption. It is underpinned by more detailed policies on these topics. The Company has adopted a zero-tolerance approach to corruption, bribery, fraud and unethical business practices. To support this, part of the code is making sure that everyone at the Company has the confidence to speak up and knows how to raise concerns through various channels without fear of retaliation. The Company's approach to this is described under Whistleblowing below.

#### Conflict of interest policy

Directors are obligated to fully disclose to the Board any real or potential conflict of interest which come to their attention, whether direct or indirect. All business transactions with all parties, Directors or their related parties are carried out at arm's-length.

#### Insider trading policy

The Company has a policy on insider trading. Directors and staff are made aware that they ought not to trade in the Company's shares while in possession of any material insider information that is not available to the public or during a closed period. The Board did not receive any report of a known insider trading violation during the year.

#### Procurement Policy

The Company has put in place a procurement policy which addresses the lifecycle of activities to be undertaken when acquiring goods and services. Other areas addressed include planning and sourcing, competitive and non-competitive bidding, vendor evaluation and selection and solicitation management.

#### Sustainability Policy

The Company's sustainability policy outlines its commitment to environmental and socially responsible practices, aiming to minimise negative impacts and contribute to a more sustainable future.

#### Whistle blowing

The Company has zero-tolerance for fraud, corrupt conduct, bribery, unethical behaviour, legal or regulatory non-compliance or questionable accounting or auditing by employees, Directors, customers, and contractors and strongly encourages individuals to speak up about behaviours and practices which go against the Company's values.



## CORPORATE GOVERNANCE STATEMENT (continued)

We want to encourage a culture of integrity and transparency where our people make the right decisions automatically and instinctively. Part of this culture is making sure that all employees have confidence and know how to speak up and raise concerns with their managers or supporting teams, through their employee forums, with the Company's Head of Legal or by calling a Right to Speak hotline (which is confidential and allows for anonymity) if they experience or hear about behaviour which is at odds with the principles stated in the Company's Code of Business Conduct.

Every report received from a whistleblower whether through the Right to Speak hotline or directly to the Company's Head of Legal is logged, investigated and tracked through to a conclusion including any remediation or follow-up action that might be required. Recommended remediation can include disciplinary action, changes to systems, controls and processes or wider review and monitoring for a particular time period.

### Corporate social responsibility

The Company recognises the importance of corporate social responsibility in carrying out its business. We ensure that we carry out our business consciously of the wider society. We also encourage our employees to participate in CSR activities aimed at improving the communities from which they come from.

### Related party policy

The purpose of this policy is to define dealings within the company between the related parties. The policy defines and identifies the related parties and related party transaction. It also provides for the necessary controls to ensure that related party transactions are purely at arms-length basis.

### Operational Policies

There are broad operational policies that guide Management in execution of the operations in an efficient manner.

## RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

### Shareholding

The authorized and issued share capital of the Company consists of 500,000,000 authorised and 432,155,985 issued ordinary shares as disclosed on Note 26 in the financial statements. The holders of the ordinary shares are entitled to attend the Company's General Meetings in person or through proxies.

### Directors' Shareholding

Directors can purchase or sell shares of the Company in the open market. None of the Directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the Company's total equity.

The ten largest shareholders as at 31 December 2024 are:



## CORPORATE GOVERNANCE STATEMENT (continued)

RANK	NAMES	DOMICILE	TOTAL SHARES	%
1	Cavendish Square Holding B.V *	Netherlands	176,903,560	40.94 %
2	Russel Square Holdings B.V *	Netherlands	53,290,883	12.33 %
3	Standard Chartered Kenya Ltd	Kenya	51,813,561	11.99 %
4	Thakrar Bharat Kumar KJ Thakrar	Kenya	42,302,860	9.79 %
5	Standard Chartered Nominees Ltd	Kenya	22,674,843	5.25 %
6	Ogilvy and Mather South Africa (Pty)*	South Africa	12,907,856	2.99 %
7	Ogola, Carl Adam	Kenya	6,113,600	1.41%
8	Thakrar Bharat Kumar Thakrar & Sadhna Bharat	Kenya	3,000,000	0.69 %
9	Bora Services Limited-Sers1	Kenya	2,393,267	0.55 %
10	Shah Shutul Mansukh	Kenya	2,077,900	0.48 %
11	Others		58,677,655	13.58%
<b>Total</b>			<b>432,155,985</b>	<b>100%</b>

\*WPP Plc subsidiaries (total shareholdings 56.26%)

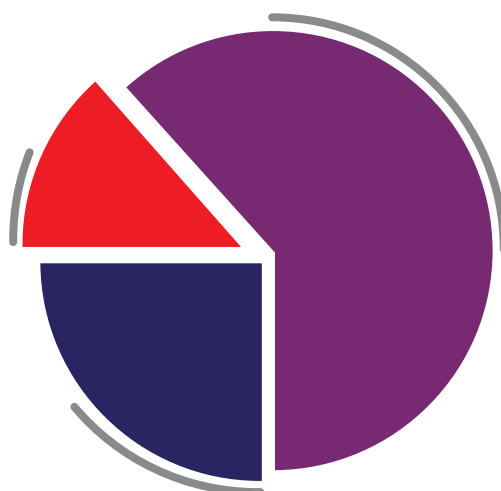
### By category of shareholders

DOMICILE	SHARES	HOLDERS	%
FOREIGN INVESTORS	322,989,940	293	74.74%
LOCAL INSTITUTIONS	8,994,933	818	2.08%
LOCAL INDIVIDUALS	100,171,112	23,899	23.18%
TOTAL	432,155,985	25,010	100%

Local Institutions  
2.08%

Foreign Investors  
74.74%

Local Individuals  
23.18%



## CORPORATE GOVERNANCE STATEMENT (continued)

### Communication with Stakeholders

The Company is committed to ensuring regular interaction and communication with its stakeholders, including shareholders, investors the financial markets, among others. The Board has mapped all its stakeholders and ensures they receive full and timely information about the Company's performance. This is achieved by releasing the half-year and annual results in the local press, distributing annual reports and holding investor briefings as appropriate. In 2024, the investor briefing session was held on 28 April 2024.

The Annual General Meeting provides a useful opportunity for shareholder engagement, particularly for the Chairman to articulate the Company's progress and receive and answer questions from investors. The Board believes there is an active and regular interaction with all its stakeholders. In addition to information on the Company's activities, the various documents and policies are readily available to stakeholders on the Company's website <https://wpp-scangroup.com/>.

### Going Concern

The Board confirms that the financial statements are prepared on a going concern basis and is satisfied that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the directors consider a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital and other resources.

This corporate Governance Statement is current as at 24 April 2025 and has been approved by the Board of the Company.



**Mr. Richard Omwela**  
Chairman



# REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Group for the year ended 31 December 2024, which disclose its state of affairs.

## PRINCIPAL ACTIVITY

WPP Scangroup PLC is a group of marketing services companies whose offerings include Advertising, Branding and Communication (brand strategy, creative and content across digital and mass-media platforms); Consulting; Mar-Tech solutions; Managing Media Investments (including performance marketing), Public Relations and Influence, and RoI measurement. The group includes both locally grown companies (Scanad, Squad) and global agency networks (Group M, H+K Strategies and Ogilvy) who partner with some of the world's leading brands on the continent as well as Africa's largest corporate companies to develop cohesive marketing strategies for their products and services.

## FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

All figures in Sh'000	CONSOLIDATED		Company	
	2024	2023	2024	2023
(Loss) / profit before tax	(426,680)	377,960	(329,338)	305,014
Tax (charge) / credit	(80,059)	(247,822)	50,815	(111,249)
(Loss) / profit for the year	(506,739)	130,138	(278,523)	193,765
Other comprehensive loss	(48,941)	(24,932)	-	-
Total comprehensive (loss) / income for the year	(555,680)	105,206	(278,523)	193,765

The detailed results of the Group and the Company are included on page 74.

## FINANCIAL REVIEW

### REVIEW OF RESULTS

#### Group results:

In 2024, gross profit was Sh 2,007m, a decrease of Sh 217m (10%) from the prior year. This decline was primarily due to client losses during the year, and the full-year impact in prior year of performance from Hill+Knowlton Strategies Nigeria Limited of which net assets were sold in December 2023, and Hill and Knowlton South Africa (CCC) Limited of which net assets were sold in June 2024. Operating and administrative expenses amounted to Sh 2,458m a decrease of Sh 230m compared to the prior year. This saving was mainly due to one off severance costs for a comprehensive restructuring programme undertaken to right size the cost base and reshape the staff structure done in 2023, to better deliver against current and future client needs.

The Group reported a loss before tax of Sh 427m in 2024, compared to a profit before tax of Sh 378m in 2023. This shift to a loss was primarily driven by a Sh 249m foreign exchange loss, a contrast to the Sh 288m foreign exchange gain recorded in the prior year. The 2024 foreign exchange loss resulted from the strengthening of the Kenyan shilling against the US dollar, reversing the trend observed in 2023. Additionally, the 2023 profit included a one-time capital gain of Sh 238m, arising from deferred purchase consideration related to the sale of Kantar, which had been previously held for legal contingencies. The group also recorded an impairment charge of Sh 60m compared to an impairment credit of Sh 100m in the prior year. Loss after tax is at Sh 507 m compared to profit after tax of Sh 130m in prior year.

#### Company results:

The loss of the Company before tax amounted to Sh 329m for the year ended 31 December 2024. This compares to profit of Sh 305m in the prior year. The loss is largely due to a higher impairment of the subsidiaries in the year by Shs 168 million compared to prior year. The profit in 2023 also included Sh 238m capital gains related to a deferred purchase consideration for the sale of Kantar which was previously held for legal contingencies. Current year loss also included foreign exchange loss of Sh 182m compared to foreign exchange gain of Sh 160m due to strengthening of Kenyan shilling against the US dollar. Loss after tax is at Sh 278m compared to profit after tax of Sh 194m in prior year.

## REPORT OF THE DIRECTORS (continued)

### DIVIDENDS

The directors did not declare a dividend for the Company for the financial year ended 31 December 2024 (2023: Nil).

### ENHANCED BUSINESS REVIEW

#### OVERVIEW

In 2024, our agencies won several client pitches and deepened existing client relationships. Mindshare, one of our media planning and buying agencies won Unilever for sub-saharan Africa and Bolt, both of which were coveted wins in the region.

We continued to be recognized by the industry both locally and internationally and won multiple awards. EssenceMediacom, one of our media planning and buying agencies, won the following in the prestigious MSK awards: 1st Runner Up – Best new Product Launch P&G, Runner Up – Best Influencer Marketing Campaign of the year. Coca-cola- 2nd Runner Up, Best Marketing Campaign of the Year, Coca-cola – Winner, Best Emerging Technology in Marketing, Safaricom. The Ogilvy Africa Network also continued its run of winning global awards in 2024-2025. Major wins include – London International Awards – Two wins, Loeries Africa and Middle East – Two wins, Drum Global (UK) – the only win from SSA (excl. SA). The Ogilvy Africa Network was again ranked the #1 in Loeries Africa network of the year, WARC Creative 100, 2025 ranked #1 network in Africa, WARC Effective 100 -2025 ranked the #1 network in Africa.

We were recognized by our peers and financial reporting experts in the Fire Awards, one of the most sought-after financial reporting awards in East Africa. We received four awards including the winner – IFRS Compliance, 1st Runners Up – Commercial & Services Category, 1st Runners Up – Listed Company, 2nd Runner Up – Environmental and Social Reporting. The awards are a testament of the hard work and effort that our finance and reporting have put in to ensure compliance and transparency.

In 2024, WPP launched WPP Open, our intelligent marketing system which combines AI, data and technology. WPP Open is driving change across the Company and our clients' businesses by enabling client teams to deliver better work, drive more efficient operations and scale ways of working. We dedicated considerable time to training our people on AI and WPP Open and we expect to see more traction in 2025.

Following the global merger of Hill+Knowlton Strategies (H+K) and BCW to form Burson, Burson, our PR agency, has cemented its position as a powerhouse in the regional African market. The merger has expanded our expertise, deepened our global network, and enhanced our ability to provide world-class communications and public affairs solutions tailored to the unique needs of clients across Africa. Notably, Burson played a strategic role in parliamentary hearing sessions in Kenya and facilitated a presidential meeting between two heads of state, government and a key Public Affairs client. These engagements have been instrumental in accelerating crucial policy-making decisions that have positively impacted our clients and the broader economic landscape.

During the year 2024, the Capital Markets Authority assessed the CMA Code's implementation status by the Company for the year ended 31 December 2024. The assessment was based on a review of commitment to good corporate governance; board operations and control; rights of shareholders; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure. The overall rating awarded to the Company was a rating of 84% (2023-74%) which is a leadership rating – the improvement evidences the Board's commitment to sound corporate governance practices. The Company continues to implement the recommendations received from the CMA to improve its implementation under the CMA Code.

#### OPERATIONS

In 2024, we continued to make progress towards our strategic vision of streamlining our operations for seamless delivery. Our Digital and Influence centres of excellence were launched as a backbone of our client- first approach. The Digital COE consists of Content studios, social content, digital media and performance marketing. The Technology CoE, with full stack development capabilities, connected to Ogilvy's global CoEs, C2 Studios and Verticurl gives the Company access to >3,000 experts in deep tech, AI, CX and e-commerce capabilities. The Influence CoE for Content and Influence capabilities across Sub-Saharan Africa was also launched. In 2024, these CoEs supported ~40% of WPPSG's total revenue base.

- To further our agenda of innovation-led growth, the Ogilvy Africa network strengthened its suite of Mar-Tech products with two new launches in 2024.





## REPORT OF THE DIRECTORS (continued)

- Obrio, our integrated RoI measurement platform, a CMO's ally to credibly measure the one metric that matters the most, Return on Marketing Investment. Powered by a statistical model that takes media measures across ATL and digital channels, Obrio provides companies a common language to measure, and plan RoI.

Insights Engine – solves for easy access to insights in data-scarce markets. Insights Engine tracks multiple sources of consumer intelligence and serves them as actionable insights on an interactive platform. Insights Engines was launched in Uganda, Kenya, Tanzania and DRC in the first phase with plans to add geographies in stages. These launches further strengthen the existing suite of products such as Optimus, FEED and InfluenceO helping us extend our leadership as the region's most innovative network.

Our top-line performance in 2024 was impacted by a couple of client losses. Like-for-like revenue less pass-through costs fell by Sh 217 million. The strengthening of the Kenyan currency led to book foreign exchange losses.

### OUTLOOK FOR 2025

Mounting global economic challenges are likely to curb discretionary spending, tempering growth. The business will prioritize stabilization and leverage the momentum of digital offerings from Ogilvy and GroupM.

### STRATEGIC GOALS & KEY PRIORITIES FOR 2025

Our top priority for 2025 will continue to be profitable growth as we continue to evolve in line with the changing needs of our clients. Internally, we will continue to find more effective ways to collaborate to achieve our goal of being more agile and nimble. We intend to deliver on the promise of WPP Open to bring more value and efficiencies to our clients, stabilize Scanad Kenya, and to win more pitches through our increasingly integrated proposition to clients.

### RISK MANAGEMENT

We use a 'three lines of defence' model in relation to risk management. Risk appetite is the level of risk the group is willing to take to achieve strategic objectives. The board looks at the appetite for risk across several areas including Strategy and execution, People, Technology, Legal & Regulatory.

#### 1. Company REVIEWS

The Company undertakes monthly and quarterly procedures and day-to-day management activities to review its operations and business risks, supported by our policies, training and guidance on required internal controls over financial reporting and monitoring controls and reviews. In addition, the Company must maintain and update documentation on their internal controls and processes. This documentation incorporates an analysis of business risks, detailed control activities and monitoring, together with IT and financial controls and controls over security of data and the provision of timely and reliable information to management. The information collated feeds up to the Risk Committee which uses it to assess and monitor current risk exposures, identify new risk types and set future risk strategy as well as to compile it into reporting and insights for the Board Audit & Risk committee.

Lines of defence

First line of defence	Functions that own and manage risk
Second line of defence	Functions that oversee or specialise in risk management and business integrity
Third line of defence	Functions that provide independent assurance. Above all, internal audit

#### 2. EXECUTIVE MANAGEMENT & BOARD REVIEWS

The CCompany reviews are formally communicated to executive management in quarterly review meetings and, in turn, to the Board. At each Board meeting, the management team presents a business review of each of the operations, including an assessment of the risks and details of any change in the risk profile since the last Board meeting. The business review includes: the possibility of winning or losing major business; succession and the addition or loss of a key employee; regulatory changes; sustainability, including risks relating to marketing ethics, privacy, diversity and employment; political instability; and changes in accounting or corporate governance practice.

## REPORT OF THE DIRECTORS (continued)

In addition, the Risk and Controls department drives continuous improvement in the Company's internal control environment, looking at the design and implementation of internal financial controls as well as controls that support the Company's risk framework and transformation programmes.

### 3. INTERNAL AUDIT AND AUDIT COMMITTEE OVERSIGHT

The internal audit function, with Audit Committee oversight and external resource as required, provides an independent review of risk management and internal control via internal audits and management of the testing programme for Internal Controls over Financial Reporting (ICFR).

#### EMPLOYEE STATISTICS

The tables below summarise the number and composition of employees in terms of gender:

##### i. Categorisation by employment contract

	31 December 2024	31 December 2023
Permanent	266	388
Contracted	168	64
	434	452

##### ii. Categorisation by gender

	31 December 2024		31 December 2023	
	Male	Female	Male	Female
Senior Leadership	45%	55%	47%	53%
Heads of Departments	82%	18%	67%	33%
Senior Managers	54%	46%	57%	43%
Overall	51%	49%	51%	49%

#### EVENTS AFTER THE REPORTING DATE

Ms Miriam Kaggwa was appointed as Chief Operating Officer of the Company and Mr Sanjeev Panwar was appointed as Chief Finance Officer of the Company on 1 January 2025.

#### DIRECTORS' STATEMENT AS TO INFORMATION GIVEN TO AUDITORS

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

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

#### AUDITORS

The Group's auditor, PricewaterhouseCoopers LLP Kenya, who were appointed during the year continue in office in accordance with section 721 of the Kenyan Companies Act 2015.

#### By Order of the Board



Winniefred Jumba

Company Secretary

24 April 2025

Nairobi



# THE BOARD OF DIRECTORS



**Mr Richard Omwela**

*Non-Executive Director and Group Chairman*

Age: 69

Nationality: Kenyan

Appointed: 14/11/2005

## Skills and experience

Richard, an advocate of the High Court of Kenya, holds a bachelor's degree in law (LLB, Hons) from the University of Nairobi. Richard is the Senior Partner of Dentons Hamilton Harrison and Mathews Advocates. He is a member of the Law Society of Kenya and the Institute of Certified Public Secretaries of Kenya.

He has more than 40 years of experience and a record of accomplishment that includes managing complex and high value transactions with a focus on local, multinational and cross-border transactions. He is recognized as a leading lawyer by IFLR 1000, Legal 500 and Chambers Global (all internationally recognized legal directories).

He holds a number of board positions such as Monarch Insurance Limited, Nairobi Airport Services Limited (NAS), ABC BANK Group, and Octagon Africa Financial Services Limited. He is a Past District Governor, Rotary International District, Charter member and active member, Rotary Club of Westlands Nairobi, Kenya Football, Caretaker committee and Past President, The Kenya Rugby Union.



**Ms. Patricia Ithau**

*Group CEO, Executive Director*

Age: 59

Nationality: Kenyan

Appointed: 14/03/2022

## Skills and experience:

Patricia brings more than 30 years of experience in senior leadership roles overseeing the expansion of leading consumer brands in Africa, at companies including Unilever, Diageo/East African Breweries Ltd and L'Oréal. She also has extensive experience supporting enterprise building and transformation of the small and medium enterprise ecosystem across sub-Saharan Africa through her role at the Stanford Institute for Innovation in Developing Economies-Seed.

Patricia holds a Bachelor of Commerce from the University of Nairobi, a Master of Business Administration from the United States International University (USIU), and various advanced Management trainings from Strathmore University, IESE Business School, INSEAD and SAID Business School.

She holds a number of board positions at organisations such as ABSA Bank Kenya PLC, Trademark East Africa, Jambojet Ltd, Kenya Private Sector Alliance, British Chamber of Commerce and Industry, Vivo Activewear Ltd and is a Trustee on the Boards of Vodafone Foundation UK and M-Pesa Foundation Kenya.

## THE BOARD OF DIRECTORS (continued)



### **Mr Jonathan Eggar**

*Non-executive director*

Age: 50

Nationality: British

Appointed: 29/05/2015

#### **Skills and experience:**

Jon is a qualified Associate Chartered Accountant (ACA) from the Institute of Chartered Accountants of England and Wales and joined the Company in January 2014. Prior to this he had spent 12 years with the WPP Group in various capacities, the most recent being CFO – International Specialist Communications. This role allowed him to develop relationships within many parts of the WPP Group and this knowledge and experience is being utilised by the Company as we expand our operations with various WPP partners. Jon is now based in London and works as Group CFO for WPP owned AKQA, a leading global design and innovation agency.



### **Mr Shahid Sadiq**

*Non-executive director*

Age: 50

Nationality: British

Appointed: 08/02/2021

#### **Skills and experience:**

Shahid is a Chartered Accountant from the Institute of Chartered Accountants of England and Wales with 20 years of experience in the marketing communications industry. In his current role as Global CFO of WPP

Specialist Communications and PR, Shahid is responsible for developing and managing the strategic financial and operational objectives of a diverse and complex portfolio of companies. Prior to this, Shahid served as CFO and Chief Operating Officer EMEA at Geometry Global.

Before his time at WPP, Shahid spent 10 years at McCann World group EMEA moving through a variety of progressively senior finance roles, up to Regional CFO. As CFO of a region of both developed and emerging markets, he is adept at navigating the complexity, varying cultures, and high-growth potential that characterised the region.





## THE BOARD OF DIRECTORS (continued)



### Mr Dominic Grainger

*Non-executive director*

Age: 59

Nationality: British

Appointed: 26/07/2018

#### **Skills and experience:**

Dominic is Chief Executive Officer of WPP's Specialist Communications & PR group of companies. This portfolio of companies comprises various individual businesses with distinct marketing expertise which operate independently within the group working closely with WPP clients and global agencies.

Prior to 2019 Dominic was CEO of GroupM, Europe, Middle East and Africa. GroupM is the leading media investment Company in the world and comprises all WPP's media businesses. Dominic was President of the European Association of Communications Agencies from 2016 to 2020.

Dominic leads WPP's Sports practice, the global entry point to WPP's sports marketing services and solutions.

He also currently serves on a number of boards including the supervisory boards of public companies, Syzygy AG and HighCo SA.



### Ms Patricia Kiwanuka

*Independent non-executive director*

Age: 49

Nationality: Kenyan

Appointed: 31/03/2023

#### **Skills and experience**

Patricia Kiwanuka is a seasoned expert with over 20 years of experience in investment, governance, and behavioral psychology. As Managing Director of Revenu Stream Limited, she delivers financial wellness programs (money therapy) specifically tailored for individuals and families. She also supports pension funds and corporations in developing sustainable strategies for growth and financial resilience. Recognized as a thought leader, she frequently speaks at regional and international forums.

Patricia serves on several prominent boards including AAR Insurance Kenya, WPP Scangroup PLC, Sameer Africa Plc, and is a Council Member at USIU-Africa. Additionally, Patricia is a recipient of the Order of the Golden Warrior (OGW), a charter member of Rotary Club of Upper Hill, and a Paul Harris Fellow (PHF+3).

A CFA® Charterholder, Patricia is a member of CFA Institute-USA, the Institute of Internal Auditors (IIA-K), and the Institute of Directors. She holds an MBA in Finance, a Master's in Counselling Psychology, and a BSc in Actuarial Science/Statistics. She is a duly licensed Counselling Psychologist by the Ministry of Health C&P Board (K) and American Counselling Association.

## THE BOARD OF DIRECTORS (continued)

**Ms Beverley Spencer-Obatoyinbo***Independent, non-executive director*

Age: 59

Nationality: British &amp; Nigerian

Appointed: 31/03/2022

**Skills and experience:**

Ms. Spencer-Obatoyinbo is a highly experienced business leader with an extensive background working in emerging market environments and across diverse sectors including FMCG, pharmaceutical manufacturing and healthcare. She delivered business transformation and growth during her 25-year career at British American Tobacco where she oversaw business units in Nigeria, Egypt, Switzerland, and more recently, Kenya, where she is permanently based. Ms. Spencer-Obatoyinbo joined BAT from GSK and previously worked in the UK's National Health Service. She holds a Customer-Focused Innovation Diploma from Stanford University Graduate School of Business, an Advanced Strategic Management Diploma from IMD Business School and a Marketing Diploma from The Chartered Institute of Marketing. She is the chairperson of the Board Nominations and Remunerations Committee of the WPP Scangroup PLC Board.

**Mr Peter Kimurwa***Independent, non-executive director*

Age: 54

Nationality: Kenyan

Appointed: 31/03/2022

**Skills and experience**

Mr. Kimurwa is currently the Chief Executive Officer at Arc Skills Kenya, and brings a wealth of experience in finance, business development and strategy, having held senior leadership positions at some of Kenya's leading companies; The Industrial & Commercial Development Corporation (ICDC), Linksoft Communications Systems Limited (LCS), East African Breweries Limited (EABL), BOC Kenya Limited, British American Tobacco Eastern Africa (BATEA) and PricewaterhouseCoopers. He holds board positions at Old Mutual Investment Group (OMIG) and UAP Insurance South Sudan. He is the chair of the Audit and Risk Management Committee of the WPP Scangroup Board. Mr. Kimurwa is a Certified Public Accountant and received a Bachelor of Commerce degree from Kenyatta University and an MBA from INSEAD.

He is the chairperson of the Board Audit and Risk Committee of the WPP Scangroup PLC Board.

## THE BOARD OF DIRECTORS (continued)



### **Ms Tebogo Skwambane**

*Non-executive Director*

Age: 55

Nationality: South African

Appointed: 31/03//2022

#### **Skills and experience:**

Ms. Skwambane is WPP's Country Manager for South Africa and Chief Strategy Officer at Smollan. Ms. Skwambane has more than 20 years' experience as a strategy and management consultant serving major clients in the public and private sectors across the Eastern Europe, Middle East and Africa regions. She started her career at Bain & Company and founded North Road Consulting, before moving into global partner roles at Monitor Consulting and McKinsey & Company. Ms. Skwambane has also worked at International Finance Corporation, World Bank in Washington D.C. and Brown Brothers Harriman and Company in Boston and completed her MBA at Harvard Business School and her BA at Dartmouth College.

She has been an African Leadership Institute and Aspen Global Leadership Fellow and was selected as a World Economic Forum Young Global Leader in 2011. She has extensive board experience and is currently a non-executive director at Sphere Holdings and African Parks Network.



### **MS. PATOU NUYTEMANS**

*Non-executive Director*

Age: 55

Nationality: Belgian

Appointed: 30/06/2023

#### **Skills and experience:**

Patou has over 30 years' experience spanning public relations, consulting, advertising and health across Africa, Europe and the Middle East. She has had close interactions with Scangroup since 2021. She is currently the Chief Executive Officer EMEA, Ogilvy since September 2021, and is responsible for driving all aspects of Ogilvy's business across Africa, Europe and Middle East. Prior to this, she held the positions of Global Chief Growth Officer, Ogilvy Growth and Innovation, CEO Memac Ogilvy and Chief Digital Officer Ogilvy & Social Lab Brussels.

## THE BOARD OF DIRECTORS (continued)



### **Ms Winniefred Jumba**

*Company Secretary*

Age: 53

Nationality: Kenyan

Appointed: 23/04/2021

#### **Skills and experience:**

Winnie has over twenty-five years of experience as a practicing Certified Public Secretary and a Corporate Governance expert. She is an experienced and dedicated Company Secretary with additional specializations in Corporate Governance services, Legal and Governance audits and Bond Trustee/ Security agency services and general compliance matters.

She is a holder of a Bachelor of Commerce and a Master of Business Administration from University of Nairobi. She is a Certified Public Secretary and an Accredited Governance Auditor.





# DIRECTORS' REMUNERATION REPORT

The Company is pleased to present the Directors' remuneration report for the year ended 31 December 2024. This report is compiled in accordance with Company policy, relevant provisions of both the CMA Code of Corporate Governance guidelines on Directors' remuneration and the Kenyan Companies Act, 2015.

## Remuneration policy

The Remuneration Policy and Remuneration Report for the Executive Director and the Non-Executive Directors applicable in 2023 were approved by shareholders at the 2024 Annual General Meeting held on 21 June 2024.

The policy and its implementation drive the behaviours that support the Company's strategy and business objectives, a "pay for performance" approach to remuneration which ensures our incentive plans only deliver significant rewards when they are justified by business performance is maintained, the interests of our senior management team with those of shareholders are aligned by developing an approach to share ownership that helps to maintain commitment over the long-term and competitive and fair rates of pay and benefits are offered.

As at 31 December 2024, the Company's Board of Directors consisted of:

- 1 Executive Director: Ms Patricia Ithau
- 7 Non-Executive Directors: Mr. Richard Omwela, Mr. Jonathan Eggar, Mr. Shahid Sadiq, Ms. Tebogo Skwambane, Mr. Dominic Grainger and Ms. Patricia Nuytemans.
- 3 Independent Non-Executive Directors: Ms Patricia Kiwanuka, Mr. Peter Kimurwa and Ms. Beverly Spencer-Obatoinbo

## Executive Director

The remuneration for the Executive Directors is based on the Reward Policy. Executive Directors are paid as per negotiated employment contracts and are eligible for staff benefits. They also participate in the Company's performance schemes. They do not receive additional sitting allowances.

According to the Reward Policy, salary increments are based on the achievement of Key Performance Indicators agreed at the beginning of every year between the Company and the employee and the Company's overall performance. Salary reviews are therefore performance based and are also adjusted for inflation. The Company also ensures that remuneration is aligned to the market and competitive to attract and retain skilled staff.

There is a performance-based bonus which is paid from the Company's profit. A percentage of the Company's profit is shared amongst employees according to their individual performance. The bonus pool is approved by the Board upon recommendation by the Board Nominations and Remuneration Committee.

There was only one Executive Director during the year under review.

## Non-Executive Directors

The Company's Non-Executive Directors are compensated in the form of fees but are not entitled to any pension, bonus or long-term incentives such as performance share plans. The package covers a director's role in the Board, any Board Committee(s) and any other activities as identified in the approved compensation schedule and in line with the Non-Executive Directors' Remuneration policy.

There was no change to the non-executive Directors remuneration policy since the Annual General Meeting held on 21 June 2024. Non-Executive Directors who hold executive roles within the wider WPP Global are paid as per negotiated employment contracts with WPP. They do not receive Board remuneration in the Company.

## Service contracts and policy on payment for loss of office

Executives have rolling employment contracts. The contracts provide for payment of outstanding pay and bonus, or termination following changes in the Company.

## DIRECTORS' REMUNERATION REPORT (continued)

## Payments to past Directors

There was no payment of Directors' fees to past directors during the year.

## Directors Remuneration Summary 2024

All figures in Sh'000						
Board member	Position	Salary	Allowances	Fees	Value of non cash benefits	Total
Patricia Ithau	Executive Director	40,109	11,243	–	2,753	54,105
Richard Omwela	Chair NED	–	3,000	2,000	–	5,000
Patricia Kiwanuka	NED	–	1,600	800	–	2,400
Peter M. Kimurwa	NED	–	1,500	800	–	2,300
Beverley Spencer-Obatoyinbo	NED	–	1,900	800	–	2,700
Jonathan Eggar	NED	–	–	–	–	NIL
Shahid Sadiq	NED	–	–	–	–	NIL
Dominic Grainger	NED	–	–	–	–	NIL
Federico De Nardis	NED	–	–	–	–	NIL
Ms. Patricia (Patou) Helene Nuytemans	NED	–	–	–	–	NIL
Tebogo Skwambane	NED	–	–	–	–	NIL
<b>Total</b>		<b>40,109</b>	<b>19,243</b>	<b>4,400</b>	<b>2,753</b>	<b>66,505</b>

\*Mr. Jonathan Eggar, Mr. Shahid Sadiq, Mr. Dominic Grainger, Ms. Tebogo Skwambane and Ms. Patricia Nuytemans hold executive roles within the wider WPP Global. As a result, these directors did not earn any fees for sitting on the Board of WPP Scangroup PLC.

\*ED – Executive Director

INED – Independent Non-Executive Director

NED – Non-Executive Director





## DIRECTORS' REMUNERATION REPORT (continued)

### Directors Remuneration Summary 2023

All figures in Sh'000						
Board member	Position	Salary	Allowances	Fees	Value of non cash benefits	Total
Patricia Ithau	Executive Director	39,130	6,436	–	2,753	48,320
Richard Omwela	Chair NED	–	3,000	2,000	–	5,000
Patricia Kiwanuka	NED	–	1,800	800	–	2,600
Peter M. Kimurwa	NED	–	2,500	800	–	3,300
Beverley Spencer-Obatoyinbo	NED	–	2,000	800	–	2,800
Jonathan Eggar	NED	–	–	–	–	NIL
Shahid Sadiq	NED	–	–	–	–	NIL
Dominic Grainger	NED	–	–	–	–	NIL
Federico De Nardis	NED	–	–	–	–	NIL
Andrew Payne	NED	–	–	–	–	NIL
Tebogo Skwambane	NED	–	–	–	–	NIL
Ms. Patricia (Patou) Helene Nuytemans	NED	–	–	–	–	NIL
<b>Total</b>		<b>39,130</b>	<b>15,736</b>	<b>4,400</b>	<b>2,753</b>	<b>62,020</b>

### Approval by shareholders

The Annual Remuneration Report will be put forward for your consideration and approval by vote at the Annual General Meeting to be held on 25 June 2025 as per section 681 (4) of the Kenyan Companies Act, 2015.

We highly value and appreciate the engagement from our shareholders and look forward to welcoming you and receiving your support again at the AGM this year.

Mr. Richard Omwela,

Chairman

24 April 2025

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the group and the Company as at the end of the financial year and of their profit or loss for that year. It also requires the directors to ensure that the Company and its subsidiaries maintain proper accounting records that are sufficient to show and explain the transactions of the Company and its subsidiaries and disclose, with reasonable accuracy, the financial position of the group and the Company. The directors are also responsible for safeguarding the assets of the group, and for taking reasonable steps for the prevention and detection of fraud and error.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- (i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (ii) selecting suitable accounting policies and applying them consistently; and
- (iii) making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the group's and Company's ability to continue as going concerns, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the group's and Company's ability to continue as going concerns.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 24 April 2025 and signed on its behalf by:



**Richard Omwela**  
Chairman



**Patricia Ithau**  
CEO







# INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF WPP SCANGROUP PLC

## Report on the audit of the financial statements

### Our opinion

We have audited the accompanying financial statements of WPP Scangroup Plc (the Company) and its subsidiaries (together, the Group) set out on pages 74 to 135, which comprise the consolidated and Company statement of financial position at 31 December 2024 and the consolidated and Company statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WPP SCANGROUP PLC (continued)

### Report on the audit of the financial statements (continued)

Key audit matter	How our audit addressed the matter
<p>IFRS 15, "Revenue from Contracts with Customers" – Determination of whether the Group acts as a principal or agent in its revenue transactions.</p> <p>As disclosed in Note 7 and Note 4.4 of the financial statements, the contracts for the Group involve multiple agencies offering different product lines. The determination of whether the Group or Company acts as a principal or an agent in each of these product lines is a significant judgment under IFRS 15, "Revenue from Contracts with Customers."</p> <p>The principal-agent assessment impacts the recognition of revenue on a gross or net basis. It involves evaluating whether the Group controls the specified goods or services before they are transferred to the customer.</p> <p>IFRS 15 provides a two-step framework for this assessment:</p> <p>Step 1: Identify the specified good or service to be provided to the end consumer.</p> <p>Step 2: Determine whether the entity obtains control of the services before it is distributed to the end consumer. The key indicators of control include the Group's primary responsibility for fulfilling the contract, inventory risk, and discretion in setting prices.</p> <p>This matter is of significant importance due to:</p> <ul style="list-style-type: none"> <li>• The complexity and judgment involved in the assessment as disclosed in Note 6 of the financial statements.</li> <li>• The determination affects whether revenue is recognised on a gross basis (as a principal) or net basis (as an agent), which has a substantial impact on the reported revenue and direct costs.</li> <li>• The nature of the Group's business and specific contractual arrangements add further complexity to the assessment.</li> </ul>	<p>Our audit procedures to address this key audit matter included:</p> <p>We obtained an understanding of the Group's revenue recognition accounting policy, which is used to ascertain whether the Group or Company functions as a principal or an agent. This included evaluating the controls established to ensure the accuracy of the assessment.</p> <p>We examined a sample of significant contracts and agreements to assess the terms and conditions that affect the principal-agent determination.</p> <p>We identified the specified services (performance obligations) to be provided to the end consumer</p> <p>For each performance obligation, we evaluated the indicators of control over the goods or services, including primary responsibility, inventory risk, and pricing discretion, to determine whether the Group or Company acts as a principal or an agent.</p> <p>We verified the accuracy of revenue recognition based on the principal-agent determination, ensuring that revenue was correctly recognised on either a gross or net basis.</p> <p>We evaluated the adequacy of disclosures in the financial statements in line with the requirements of IFRS Accounting Standards.</p>





## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WPP SCANGROUP PLC (continued)

### Report on the audit of the financial statements (continued)

#### Other information

The other information comprises the Corporate information, Report of the directors, The Board of Directors, Corporate Governance statement, Directors' remuneration report and Statement of Directors' Responsibilities which we obtained prior to the date of this auditor's report, and the rest of the other information in the Intergrated Report which is expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor's report we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the rest of the other information in the Intergrated Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WPP SCANGROUP PLC (continued)

### Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.







## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WPP SCANGROUP PLC (continued)

### Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other matters prescribed by the Companies Act, 2015

#### Report of the directors

In our opinion the information given in the Report of the directors on pages 54 to 57 is consistent with the financial statements.

#### Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on pages 64 to 66 has been properly prepared in accordance with the Companies Act, 2015.

FCPA Richard Njoroge, Practicing Certificate Number P/1244

Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

24 April 2025.

# FINANCIAL STATEMENTS



## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

All figures in Sh'000		CONSOLIDATED		COMPANY	
	Notes	2024	2023 restated	2024	2023 restated
Revenue *	7 (a)	2,441,906	3,197,587	3,423	13,660
Direct costs*	8	(434,576)	(972,127)	-	-
<b>Gross Profit</b>		<b>2,007,330</b>	<b>2,225,460</b>	<b>3,423</b>	<b>13,660</b>
Interest income	10	260,827	237,729	249,001	218,857
Interest expense	10	(54,813)	(22,765)	(37,375)	(25,365)
Other Income	11 (a)	97,832	41,068	115,410	25,392
Other gains or losses-net	11 (b)	36,613	210,115	-	238,248
Share of profit in associates accounted for using the equity method	19	9,437	23,387	8,065	14,316
Operating and administrative expenses	9	(2,458,157)	(2,687,924)	(234,086)	(260,467)
Impairment of investments in subsidiaries	18	-	-	(240,478)	(72,334)
Impairment of investment in associates	19	(14,009)	(14,316)	(8,065)	(14,316)
Impairment of goodwill		-	(23,367)	-	-
Net impairment (loss)/gain on financial and contract assets	12	(62,952)	100,137	(3,677)	7,359
Foreign exchange (losses) / gains		(248,788)	288,436	(181,556)	159,664
<b>(Loss) / profit before tax</b>	12	<b>(426,680)</b>	<b>377,960</b>	<b>(329,338)</b>	<b>305,014</b>
Tax (charge) / credit	13.1	(80,059)	(247,822)	50,815	(111,249)
<b>(Loss) / profit for the year</b>		<b>(506,739)</b>	<b>130,138</b>	<b>(278,523)</b>	<b>193,765</b>
Other comprehensive loss					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange difference on translating foreign operations		(48,941)	(24,932)	-	-
<b>Total comprehensive (loss) / income for the year</b>		<b>(555,680)</b>	<b>105,206</b>	<b>(278,523)</b>	<b>193,765</b>
(Loss)/profit attributable to:					
Shareholders of the holding Company		(507,629)	133,300	(278,523)	193,765
Non-controlling interests		890	(3,162)	-	-
		<b>(506,739)</b>	<b>130,138</b>	<b>(278,523)</b>	<b>193,765</b>
Total comprehensive (loss)/ income attributable to:					
Shareholders of the holding Company		(562,882)	113,821	(278,523)	193,765
Non-controlling interests		7,202	(8,615)	-	-
		<b>(555,680)</b>	<b>105,206</b>	<b>(278,523)</b>	<b>193,765</b>
<b>(Loss) / earnings per share</b>					
Basic (Sh)	15	(1.17)	0.31	(0.64)	0.45
Diluted (Sh)	15	(1.17)	0.31	(0.64)	0.45

\*Refer to note 38 for restatement of revenue and direct costs.



## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		CONSOLIDATED		COMPANY	
All figures in Sh'000	Notes	31 December 2024	31 December 2023	31 December 2024	31 December 2023
ASSETS					
Non-current assets					
Equipment	16	168,377	142,391	58,376	45,039
Right-of-use assets	17	132,676	109,900	77,747	8,128
Investment in subsidiaries	18	-	-	1,103,085	1,343,563
Investments accounted for using the equity method	19	11,199	19,345	-	-
Long term loans to related companies at amortised cost	20	514,374	172,606	514,374	172,606
Deferred tax asset	21	535,500	480,533	170,500	38,641
		1,362,126	924,775	1,924,082	1,607,977
Current assets					
Trade and other receivables	22	1,905,410	2,210,143	135,313	97,478
Contract assets	23	31,524	8,560	-	-
Receivable from related parties	20	338,968	444,520	3,280,584	2,884,349
Tax recoverable	13.3	1,262,992	1,099,511	63,501	78,334
Fixed deposits with bank (maturing after 3 months)	24 (c)	-	2,073,770	-	2,080,211
Cash, bank and short-term deposits	24 (b)	2,259,248	1,253,522	1,666,815	425,098
		5,798,142	7,090,026	5,146,213	5,565,470
TOTAL ASSETS		7,160,268	8,014,801	7,070,295	7,173,447
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	26	432,156	432,156	432,156	432,156
Share premium	27	4,436,532	4,436,532	4,436,532	4,436,532
Merger reserve	28	1,457,248	1,457,248	1,212,637	1,420,617
Accumulated deficit		(1,064,216)	(556,587)	76,338	146,881
Translation deficit		(488,686)	(433,433)	-	-
Equity attributable to shareholders of the holding company		4,773,034	5,335,916	6,157,663	6,436,186
Non-controlling interests		(129,137)	(61,441)	-	-
Total equity		4,643,897	5,274,475	6,157,663	6,436,186
Non-current liabilities					
Deferred tax liability	21	536	2,440	-	-
Lease liabilities	29	60,345	54,323	37,945	-
		60,881	56,763	37,945	-
Current liabilities					
Trade and other payables	30	2,093,547	2,337,519	324,313	210,295
Tax payable	13.3	27,903	101,478	-	-
Payable to related parties	20	178,797	80,870	426,737	409,327
Lease liabilities	29	76,162	50,063	43,958	4,006
Bank overdraft	24 (b)	79,081	71,882	79,679	71,882
Dividends payable	31	-	41,751	-	41,751
		2,455,290	2,683,563	874,687	737,261
TOTAL EQUITY AND LIABILITIES		7,160,268	8,014,801	7,070,295	7,173,447

The financial statements on pages 74 to 135 were approved and authorised for issue by the Board of Directors on 24 April 2025 and were signed on its behalf by:

Richard Omwela  
Chairman

Patricia Ithau  
CEO



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024**

All figures in Sh'000	Note	Share capital	Share premium	Merger reserve	Accumulated deficit	Translation deficit	Attributable to shareholders of the holding Company	Non-controlling interests	Total
At 1 January 2023		432,156	4,436,532	1,457,248	(689,887)	(413,954)	5,222,095	(13,185)	5,208,910
Profit for the year		-	-	-	133,300	-	133,300	(3,162)	130,138
Other comprehensive loss		-	-	-	-	(19,479)	(19,479)	(5,453)	(24,932)
Dividend declared – 2023		-	-	-	-	-	-	(39,641)	(39,641)
<b>At 31 December 2023</b>		<b>432,156</b>	<b>4,436,532</b>	<b>1,457,248</b>	<b>(556,587)</b>	<b>(433,433)</b>	<b>5,335,916</b>	<b>(61,441)</b>	<b>5,274,475</b>
At 1 January 2024		432,156	4,436,532	1,457,248	(556,587)	(433,433)	5,335,916	(61,441)	5,274,475
Loss for the year		-	-	-	(507,629)	-	(507,629)	890	(506,739)
Other comprehensive loss		-	-	-	-	(55,253)	(55,253)	6,312	(48,941)
Dividend declared – 2024		-	-	-	-	-	-	(74,898)	(74,898)
<b>At 31 December 2024</b>		<b>432,156</b>	<b>4,436,532</b>	<b>1,457,248</b>	<b>(1,064,216)</b>	<b>(488,686)</b>	<b>4,773,034</b>	<b>(129,137)</b>	<b>4,643,897</b>

The reserve accounts included in the Statement of Changes in Equity are explained below:

- Accumulated (deficit)/surplus represents accumulated profits or loss retained by the Company after payment of dividend to the shareholders.
- The translation deficit represents the cumulative position of translation gains or losses arising from conversion of net assets of foreign subsidiary companies to the reporting currency.
- Merger reserve relates to merger relief on prior period acquisition transactions transferred from the Share Premium account in accordance with Section 388 of the Kenya Companies Act, 2015.



**Company STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024**

All figures in Sh'000	Note	Share capital	Share premium	Merger reserve	Accumulated (deficit)/ Surplus	Total
At 1 January 2023		432,156	4,436,532	1,492,951	(119,218)	6,242,421
Profit for the year		-	-	-	193,765	193,765
Transfer from Merger Reserve	28	-	-	(72,334)	72,334	-
<b>At 31 December 2023</b>		<b>432,156</b>	<b>4,436,532</b>	<b>1,420,617</b>	<b>146,881</b>	<b>6,436,186</b>
At 1 January 2024		432,156	4,436,532	1,420,617	146,881	6,436,186
Loss for the year		-	-	-	(278,523)	(278,523)
Transfer from Merger Reserve	28	-	-	(207,980)	207,980	-
<b>At 31 December 2024</b>		<b>432,156</b>	<b>4,436,532</b>	<b>1,212,637</b>	<b>76,338</b>	<b>6,157,663</b>

The reserve accounts included in the Statement of Changes in Equity are explained below:

- Accumulated deficit represent accumulated profits or loss retained by the Company after payment of dividend to the shareholders.
- Merger reserve relates to merger relief on prior period acquisition transactions transferred from the Share Premium account in accordance with Section 388 of the Kenya Companies Act, 2015.



## STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

All figures in Sh'000	Notes	Consolidated 2024	Consolidated 2023	Company 2024	Company 2023
Cash (used in)/generated from operating activities after working capital changes	25	(265,572)	260,970	(657,308)	58,920
Tax paid on operating income	13.3	(338,328)	(289,090)	(24,646)	(52,497)
<b>Net cash (used in) / generated from operating activities</b>		<b>(603,900)</b>	<b>(28,120)</b>	<b>(681,954)</b>	<b>6,423</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of equipment	16	(83,078)	(40,118)	(28,088)	(2,698)
Proceeds from sale of equipment		6,857	5,772	2,391	737
Fixed deposits placed (maturing after 3 months)		-	(2,013,829)	-	(2,001,650)
Fixed deposits matured (maturing after 3 months)		2,013,829	2,450,992	2,001,650	2,382,931
Dividend received		-	-	114,718	25,254
Interest received net of tax		261,607	204,433	249,715	185,064
<b>Net cash generated from investing activities</b>		<b>2,199,215</b>	<b>607,250</b>	<b>2,340,386</b>	<b>589,638</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Loan paid to a related company	20	(383,642)	(156,742)	(383,642)	(156,742)
Loan repaid by a related company	20	15,864	-	15,864	-
Dividends paid including tax on dividend		(122,306)	(45,759)	(41,751)	(228)
Repayment of lease liabilities	29	(70,969)	(82,408)	(28,170)	(36,471)
Interest paid	10	(21,179)	(14,948)	(23,938)	(23,620)
<b>Net cash used in financing activities</b>		<b>(582,232)</b>	<b>(299,857)</b>	<b>(461,637)</b>	<b>(217,061)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,013,083</b>	<b>279,273</b>	<b>1,196,795</b>	<b>379,000</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>					
At the beginning of the year		1,164,963	946,188	353,216	(25,784)
Net increase during the year		1,013,083	279,273	1,196,795	379,000
Effect of fluctuations in exchange rates		(34,907)	(60,498)	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>24(a)</b>	<b>2,143,139</b>	<b>1,164,963</b>	<b>1,550,011</b>	<b>353,216</b>

# NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

## 1. STATEMENT OF COMPLIANCE

The consolidated and the company financial statements of WPP Scangroup PLC for the year ended 31 December 2024 have been prepared in accordance with IFRS Accounting Standards and the requirements of the Kenyan Companies Act, 2015. For the purposes of the Kenyan Companies Act, 2015, the balance sheet is represented by the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

## 2. BASIS OF PREPARATION

The consolidated and the company financial statements have been prepared under the historical cost basis of accounting, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated and the Company financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The material accounting policies adopted remain unchanged from the previous year unless mentioned otherwise. The consolidated and the Company financial statements are presented in Kenya Shillings and all values are rounded to the nearest thousand (Sh'000), except when otherwise indicated. Except for cash flow information, the financial statements for the Group are prepared using the accrual basis of accounting. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

The directors have prepared the financial statements on a going concern based on several factors:

1. **Current assets vs. current liabilities:** The Group's current assets significantly exceed its current liabilities, providing a strong liquidity position.
2. **Net asset position:** The Group is in a net asset position, indicating overall financial stability.
3. **Projected positive net cashflows:** The Group has projected positive net cashflows for the foreseeable future, supporting its ability to meet obligations as they fall due.

Based on these factors, the directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future.

## 3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of



### 3. BASIS OF CONSOLIDATION (continued)

the other vote holders;

- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Material accounting policies refer to information that, when considered together with other information in an entity's financial statements, can reasonably be expected to influence decisions made by users of those financial statements.

##### 4.1. Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as

incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit



## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 4.1 Business combinations and Goodwill (continued)

retained.

Transactions with entities under common control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses to non-controlling interest are also recorded in equity.

### 4.2. Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the statement of financial position at cost as adjusted for post-acquisition changes in the Company's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognised, unless the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Where the Company transacts with an associate, profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

### 4.3. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Investments in subsidiaries are accounted for at cost in the separate financial statements.

### 4.4. Revenue recognition

The contracts for the Group 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 gross proceeds 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 customers, predominantly media and data collection costs. Costs to obtain a contract are typically expensed as incurred as the contracts are generally short-term in nature.

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

Revenue is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement. 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. 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 are broad and generally are not reconcilable to another input or output criteria. In these instances, revenue is recognised using a time-based method resulting in straight-line revenue recognition. The Group is and acts as a principal as it controls the specified good or service prior to transfer. When the Group acts as a principal (such as in-house production services, events, data investment management and branding), the revenue recorded is the gross amount billed. Revenues related to out-of-pocket costs such as travel are also recognised at the gross amount billed with a corresponding amount



## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 4.4 Revenue recognition (continued)

recorded as an expense.

Further details on revenue recognition are detailed by sector below:

#### Advertising and media investment management

Revenue is typically derived from media placements and advertising services. Revenue may consist of various arrangements involving gross of direct costs, commissions, fees, incentive-based revenue or a combination of all, 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 does not have control over the media placements and advertising services before they are transferred to the customer, hence recognises revenue arising from these activities on a net basis, representing the amount earned for arranging the transfer.

The Group receives prompt payment discounts 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 & public affairs and brand consulting, health & wellness and specialist communications

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.

#### Dividend and interest income

Dividend income from investments is recognised when the group's right to receive payment as a shareholder has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### 4.5. Contract Assets

Work in progress is stated at the lower of cost or net realisable value and represents direct recoverable cost chargeable to specific clients. Attributable profits are only recognised once a job is complete and billed out to client.

### 4.6. Equipment

#### 4.6.1. Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset, other costs directly attributable to bringing the assets to a working condition for their intended use and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

Any gain or loss on disposal of an item of equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

#### 4.6.2. Depreciation

Items of equipment are depreciated from the date the asset is available for use. Depreciation is calculated to write off the cost of items of equipment less their estimated residual value using the written down basis over their estimated useful lives at rates as follows:

Computers and accessories	30%
Motor vehicles	25%
Furniture, fittings and equipment	12.5%

Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset.

Depreciation method, useful lives and residual value are reviewed at each reporting date and adjusted if appropriate.

#### 4.6.3. Impairment

The Group assesses the carrying value of its equipment to determine if any impairment has occurred. Where this indicates that an asset may be impaired, the

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 4.6.3 Impairment (continued)

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. Also refer note 4.10

### 4.7. Taxation

Income tax expense represents the sum of the tax currently payable and net deferred tax charge for the year.

#### 4.7.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated and the Company statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 4.7.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and the Company financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with 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 arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the

benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### 4.7.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. Also refer note 4.1.

### 4.8. Leases

#### The Group as a lessee

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

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





## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 4.8 Leases (continued)

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

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

The lease liability is presented as a separate line in the statement of financial position.

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

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured

at cost less accumulated depreciation and impairment losses.

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

The right-of-use asset is presented as a separate line in the statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Operating expenses' in the statement of the profit or loss.

### 4.9. Foreign currencies

The group's consolidated and Company financial statements are presented in Kenya Shillings, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

#### 4.9.1. Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 4.9.1 Transactions and balances (continued)

value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

### 4.9.2. Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Kenya Shillings at the rate of exchange prevailing at the reporting date and their statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 4.9.3. Hyperinflation in Ghana

During 2024, Ghana was designated as a hyperinflationary economy. 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. The impact on other non-monetary assets and liabilities and the impact on the Group's income statement in the year were immaterial and therefore not adjusted for.

## 4.10. Financial instruments

### Initial recognition

Financial instruments are recognised when, and only when, the Group becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Group commits itself to the purchase or sale.

### Classification

The Group classifies its financial instruments into the following categories:

- (i) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost;

All financial liabilities are classified and measured at amortised cost.

- (ii) Financial instruments below were held during the year were classified at amortised cost

- Demand and term deposits with banking institutions;
- Trade and other receivables and amounts due from related parties
- Cash and cash equivalent
- Borrowings and trade and other liabilities were classified as at amortised cost.

### Initial measurement

On initial recognition;

- Financial assets classified as at fair value through profit or loss are measured at fair value.
- Trade and other receivables are measured at their transaction price.
- All other categories of financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

### Subsequent measurement

Financial assets and financial liabilities after initial recognition are measured at amortised cost. Interest income and exchange gains and losses on monetary items are recognised in profit or loss.

### Impairment

The Group recognises a loss allowance for expected credit losses on receivables that are measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not





## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 4.10. Financial instruments – Impairment (continued)

increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information

that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### Presentation

All financial assets are classified as non-current except those with maturities of less than 12 months from the balance sheet date, those which management has the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

All financial liabilities are classified as non-current except, those expected to be settled in the Group's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the Group does not have an unconditional right to defer settlement for at least 12 months after the financial reporting date.

#### De-recognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Group has transferred substantially all risks and rewards of ownership, or when the Group has no reasonable expectations of recovering the asset.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

#### Financial liabilities

All financial liabilities are measured subsequently at amortised cost.

### 4.11. Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 4.12. Employee benefits

#### 4.12.1. Retirement benefits costs and termination benefits

The Group in Kenya and Zambia has engaged a third party retirement benefit service provider to provide retirement benefits to its eligible employees. The benefit plans are "Defined Contribution Plans". Payments to defined contribution retirement benefit plan are recognised as an expense when employees have rendered service entitling them to the contributions. The assets of the scheme are held in a trustee administered fund separate from the retirement benefit service providers.

The Group also contributes to the statutory defined contribution pension schemes, the National Social Security Fund of Kenya, Tanzania, Uganda and Zambia. In Nigeria, Ghana and Rwanda the Group contributes to regional pension funds administered by equivalent government regulatory bodies. Employer's

## 4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

### 4.12. Employee benefits (continued)

contribution is determined by local statutes. The Group's obligations to retirement benefit schemes are recognised in the profit or loss as they fall due. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### 4.12.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### 4.13. Segmental reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

### 4.14. Comparatives

Where necessary, comparative figures are restated to conform to changes in presentation in the reporting period.





## 5. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS – IFRS

The accounting policies adopted are consistent with those followed in the preparation of the consolidated and separate annual financial statements for the year ended 31 December 2024 except for new standards, amendments and interpretations effective 1 January 2024. The nature and impact of each new standard/ amendment are described below.

- i) **Relevant new and amendments to standards and interpretations on the financial statements effective for the year ended 31 December 2024**

Title	Effective date	Key requirements
Amendments to IAS 1 – Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024  (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
Amendment to IFRS 16 – Leases on sale and leaseback	Annual periods beginning on or after 1 January 2024  (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7)	Annual periods beginning on or after 1 January 2024  (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a Company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

None of the above amendments have had a significant impact on the financial statements of the Company and Group.

## 5. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS – IFRS (continued)

### ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

Title	Effective date	Key requirements
Amendments to IAS 21 Lack of Exchangeability	Annual periods beginning on or after 1 January 2025.  In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:  -when a currency is exchangeable into another currency; and  -how a Company estimates a spot rate when a currency lacks exchangeability.	Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a Company uses a spot exchange rate when translating a foreign currency transaction.  However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets.  Although few jurisdictions are affected by this, it can have a significant accounting impact for those companies affected.
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Effective from 1 January 2026	The amendment Clarifies the classification of financial assets with environmental, social and corporate governance (ESG) and similar features—ESG-linked features in loans could affect whether the loans are measured at amortised cost or fair value.  To resolve any potential diversity in practice, the amendments clarify how the contractual cash flows on such loans should be assessed.
Annual Improvements to IFRS Accounting Standards – Amendments to:  IFRS 1 First-time Adoption of International Financial Reporting Standards;  IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;  IFRS 9 Financial Instruments;  IFRS 10 Consolidated Financial Statements; and  IAS 7 Statement of Cash flows	Effective from 1 January 2026	The amendment includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards.
Amendments to IFRS 9 and IFRS 7	Effective from 1 January 2026	The amendments include:  clarifying the application of the 'own-use' requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a Company's financial performance and cash flows



## 5. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS – IFRS (continued)

### ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

Title	Effective date	Key requirements
IFRS 18 Presentation and Disclosure in Financial Statements	Effective from 1 January 2027	IFRS 18 affects all companies, bringing significant changes to how you present your income statement and what information you need to disclose, and making certain 'non-GAAP' measures part of your audited financial statements for the first time. You'll see three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Effective from 1 January 2027	IFRS 19 offers eligible subsidiaries a practical way of addressing the problems of over-disclosure while reducing their reporting costs – removing the need to either provide disclosures beyond users' needs or to maintain two separate sets of accounting records

All standards and Interpretations will be adopted at their effective date (except for those standards and Interpretations that are not applicable to the Company and Group). The adoption of these amendments are not expected to have a material impact on the financial statements of the Group and Company.

### iii) Early adoption of standards

The Company and Group did not early adopt any new or amended standards and interpretations in 2024.

## 6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the entity's accounting policies, the directors have made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Recoverability of deferred tax assets

The carrying amount of deferred tax assets is reviewed at each balance 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. The significant judgement and estimate include growth rates applicable to the subsidiaries based on directors' view of future business prospects.

### Investment in subsidiaries

The Company assesses the carrying value of its investment in subsidiaries undertakings to determine if any impairment has occurred. Where this indicates that an investment may be impaired, the Company applies the requirements of IAS 36 in assessing the carrying amount of the investment. This process includes comparing its recoverable amount with the carrying value. The recoverable amount is defined as the higher of fair value less costs to sell and value in use. The significant accounting judgements and estimates include below:



## 6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

- Estimation of the future cash flows expected to be generated by the subsidiaries,
- The discount rates applied to the projected future cash flows to arrive at the present value, and
- Growth rates applicable to the subsidiaries based on directors' view of future business prospects.

### Expected Credit Loss

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's Expected Credit Losses (ECL) calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Historical default and expected loss rates;
- The Group's criteria for assessing if there has been a significant increase in credit risk; and
- Development of ECL models, including the various formulas and the choice of inputs.

### Revenue recognition-Principal versus agency assessment on media buying services.

The Group's accounting for media buying services requires significant judgment in determining whether the Group acts as a principal or an agent in its delivery of media buying services. This is despite its legal relationships with media suppliers and clients is that of a principal. This assessment is crucial for the appropriate application of IFRS 15, *Revenue from Contracts with Customers*, which dictates whether revenue is recognized on a gross basis (as a principal) or a net basis (as an agent). The elements considered accounting judgements and estimates include.

- Whether the elements of media revenue transactions that include media planning (strategy, planning, content, creative aspect etc), media buying, monitoring and optimisation is capable of being distinct. A service is determined to be distinct if the customer can benefit from that good or service on its own or with other resources that are readily available.
- Whether the services are Separately identifiable.
- Whether the Group obtains control of the services before they are transferred to the customer.

### Taxation

Judgment is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.



## 7. REVENUE (RESTATED\*)

The Group and Company derive revenue from the transfer of services overtime in the following major geographical regions and product lines:

### 7 (a) Disaggregation of revenue from contracts with customers by product line and timing for revenue recognition. All revenue below is recognised over time.

All figures in Sh'000	CONSOLIDATED					
	2024			2023 RESTATED*		
	Gross billings	Pass through costs	Net Revenue	Gross billings	Pass through costs	Net Revenue
Media revenue	3,968,603	(3,802,414)	166,189	3,435,893	(3,414,775)	21,118
Production revenue	910,335	-	910,335	1,723,693	-	1,723,693
Fee revenue	1,365,382	-	1,365,382	1,452,776	-	1,452,776
	6,244,320	(3,802,414)	2,441,906	6,612,362	(3,414,775)	3,197,587

All figures in Sh'000			COMPANY			
	2024			2023 RESTATED*		
	Gross billings	Pass through costs	Net Revenue	Gross billings	Pass through costs	Net Revenue
Media revenue	41,821	(38,398)	3,423	155,535	(142,175)	13,360
Fee revenue	-	-	-	300	-	300
	41,821	(38,398)	3,423	155,835	(142,175)	13,660

\*Refer to note 38 for details

### 7 (b) Gross billings by geographical regions

All figures in Sh'000		CONSOLIDATED		COMPANY	
		2024	2023	2024	2023
Kenya (including export sales)		4,509,919	4,169,492	41,821	155,835
<b>Rest of Africa</b>					
Uganda		600,599	763,067	-	-
Tanzania		491,841	612,341	-	-
South Africa		23,212	119,535	-	-
Ghana		265,552	399,047	-	-
Nigeria		261	107,621	-	-
Others		352,936	441,259	-	-
		<b>6,244,320</b>	<b>6,612,362</b>	<b>41,821</b>	<b>155,835</b>

## 8. DIRECT COSTS (RESTATED\*)

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023 restated*	2024	2023 restated*
Fee cost of sales	8,827	9,373	-	-
Production cost of sales	425,749	962,754	-	-
	<b>434,576</b>	<b>972,127</b>	-	-

\*Refer to note 38 for details



## 9. OPERATING AND ADMINISTRATIVE EXPENSES

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Advertising and sales promotion	11,152	18,393	3,643	4,222
Auditors' remuneration	40,602	29,872	5,836	6,020
Bank Charges	7,838	9,059	1,053	1,493
Communication	38,274	42,790	27,205	29,429
Computer Expenses	94,126	41,573	86,330	36,383
Depreciation	44,739	36,131	12,623	12,682
Depreciation of right-of-use assets	52,260	49,492	23,010	26,806
Non-executive directors remuneration	18,412	19,661	12,400	13,700
Donation and Contribution	588	2,690	-	-
Entertainment	1,418	2,032	517	91
Insurances	25,104	21,595	14,596	9,903
Leave pay	10,342	18,613	2,145	2,664
Legal and professional fees	46,098	71,726	21,311	32,569
Licenses	3,711	4,347	224	102
Loss on sale of assets	-	129	-	-
Maintenance	12,363	9,687	5,777	4,512
Medical Expenses	85,028	89,799	24,686	29,755
Operating lease rentals	26,860	35,275	5,702	8,420
Other Expenses	211,680	150,470	45,210	24,037
Other Staff Costs	159,729	134,862	60,706	54,241
Penalties	22,338	16,142	218	80
Printing and Stationery	3,318	2,819	618	836
Recharge costs	10,824	20,094	(453,680)	(388,675)
Salaries and Wages	1,391,409	1,706,782	304,774	322,088
Security	593	747	-	-
Social security	62,857	67,119	10,129	9,477
SPOT bonus	15,733	19,431	-	220
Subscription	15,926	12,642	9,655	7,025
Travel and transport	37,633	43,778	6,569	8,549
Utilities	7,202	10,174	2,829	3,838
	<b>2,458,157</b>	<b>2,687,924</b>	<b>234,086</b>	<b>260,467</b>





## 10. INTEREST INCOME AND INTEREST EXPENSE

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
<b>Interest income</b>				
Interest on deposits	246,597	230,324	234,822	211,469
Interest on related party loan	14,142	7,388	14,142	7,388
Other interest income	88	17	37	-
	<b>260,827</b>	<b>237,729</b>	<b>249,001</b>	<b>218,857</b>
<b>Interest expense</b>				
Interest expense on bank overdraft	21,179	14,948	21,041	14,940
Interest on related party loan	-	-	2,897	8,680
Interest on lease liabilities	33,634	7,817	13,437	1,745
	<b>54,813</b>	<b>22,765</b>	<b>37,375</b>	<b>25,365</b>

Interest income above has been calculated using the effective interest rate.

## 11. (a) OTHER INCOME

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Profit on disposal of assets	297	585	263	69
Dividend income from subsidiaries	-	-	114,718	25,254
Miscellaneous income*	97,535	40,483	429	69
	<b>97,832</b>	<b>41,068</b>	<b>115,410</b>	<b>25,392</b>

\*Relates to reversal of long outstanding accruals and other liabilities which management deems not payable.

## 11. (b) OTHER GAINS OR LOSSES

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Capital gains *	36,613	238,248	-	238,248
Capital loss	-	(28,133)	-	-
	<b>36,613</b>	<b>210,115</b>	<b>-</b>	<b>238,248</b>

\*Capital gains related to the sale of net assets of Hill + Knowlton Strategies SA Pty Ltd. The sale has impacted all line items to the statement of cash flows to which these balances related to as the entity operated in the financial year ended 31 December 2024. Hill + Knowlton Strategies SA Pty Ltd subsequently became dormant.

## 12. PROFIT BEFORE TAX

The profit before tax is arrived at after charging/(crediting):

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Staff costs				
- Salaries and wages	1,391,409	1,706,782	304,774	322,088
- Social security	62,857	67,119	10,129	9,477
- Medical expenses	85,028	89,799	24,686	29,755
- Leave pay	10,342	18,613	2,145	2,664
- Other staff costs	155,029	125,468	35,625	38,365
	<b>1,704,665</b>	<b>2,007,781</b>	<b>377,359</b>	<b>402,349</b>
Depreciation on equipment	44,739	36,131	12,623	12,682
Depreciation on right-of-use assets	52,261	49,492	23,011	26,806
Net impairment loss/(gain) on financial and contract assets	62,952	(100,137)	3,677	(7,359)
Auditors' remuneration	40,602	29,872	5,836	4,485
Directors' remuneration				
- non – executive directors' emoluments	26,412	28,961	12,400	13,700
- executive directors emoluments	51,352	45,567	51,352	45,567

## 13. TAXATION

### 13.1 Tax charge

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
<b>Current taxation based on the adjusted profit</b>				
For companies at 30%	107,728	123,548	78,257	69,214
For companies charged at different rates	29,391	39,670	-	-
Corporate tax recoverable provided *	35,531	49,172	2,787	2,352
Prior year over provision	(27,598)	1,138	-	-
	<b>145,052</b>	<b>213,528</b>	<b>81,044</b>	<b>71,566</b>
<b>Deferred tax</b>				
- current year (credit) / charge (Note 21)	(157,143)	27,186	(125,487)	70,376
- deferred tax on tax losses derecognised	109,745	45,273	-	-
recognition of deferred tax on asset on losses previously derecognised	(10,197)	(30,693)	(6,372)	(30,693)
Prior year over provision	(7,398)	(7,472)	-	-
	<b>(64,993)</b>	<b>34,294</b>	<b>(131,859)</b>	<b>39,683</b>
	<b>80,059</b>	<b>247,822</b>	<b>(50,815)</b>	<b>111,249</b>

\*Relates to provision for withholding taxes deemed no longer recoverable.

### 13.2 Reconciliation of expected tax based on accounting profit to tax charge

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Accounting profit before taxation	(426,680)	377,960	(329,338)	305,014
Tax at the applicable rate of 30%	(128,004)	113,388	(98,801)	91,504
Effect of expenses not deductible for tax purposes	127,768	99,387	85,986	55,662
Effect of companies charged at different rates	(25,445)	(28,261)	-	-
Effect of income not taxable	-	-	(34,415)	(7,576)
Corporate tax recoverable provided	35,531	49,172	2,787	2,352
Deferred tax on tax losses derecognised	109,745	45,273	-	-
Recognition of deferred tax asset on losses previously derecognised	(10,197)	(30,693)	(6,372)	(30,693)
Tax paid on interCompany dividend income	5,657	5,890	-	-
Prior years over provision-deferred tax	(7,398)	(7,472)	-	-
Prior years over/(under) provision-income tax	(27,598)	1,138	-	-
	<b>80,059</b>	<b>247,822</b>	<b>(50,815)</b>	<b>111,249</b>



## 13. TAXATION (continued)

### 13.3 Movement in net of tax recoverable and tax payable

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
At beginning of year	998,033	869,851	78,334	66,048
Tax paid*	387,640	314,723	66,211	83,852
Charge for the year	(145,052)	(213,528)	(81,044)	(71,566)
Effect of exchange rate difference	(5,532)	26,987	-	-
<b>At the end of the year</b>	<b>1,235,089</b>	<b>998,033</b>	<b>63,501</b>	<b>78,334</b>
Breakup of net tax recoverable				
Tax recoverable	1,262,992	1,099,511	63,501	78,334
Tax payable	(27,903)	(101,478)	-	-
	<b>1,235,089</b>	<b>998,033</b>	<b>63,501</b>	<b>78,334</b>

\* Reconciliation of tax paid on operating activities

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Total tax paid	387,640	314,723	66,211	83,852
Less: Tax on interest income	(43,655)	(34,770)	(41,565)	(31,355)
Less: Tax on dividend income	(5,657)	(5,890)	-	-
Add: Impact of 2023 restatement on cashflow	-	15,027	-	-
<b>Tax paid on operating activities</b>	<b>338,328</b>	<b>289,090</b>	<b>24,646</b>	<b>52,497</b>

## 14. SEGMENTAL REPORTING

Substantially, most of the Group's revenue is from contracts with clients. The Group is organised into three reportable segments based on geographical region – Kenya, Uganda and Rest of Africa.

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 Chief Executive Officer. Provided certain quantitative and qualitative criteria are fulfilled, IFRS 8 permits the 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 Gross revenue contribution per region.

## 14. SEGMENTAL REPORTING (continued)

### Segment revenues and profits

The following is an analysis of the Group's revenue and results by reportable segment in 2024:

All figures in Sh'000

Income statement	Segment revenue	Segment operating loss	Share of profit of associates	Interest income	Interest expense	Other gain and losses	Profit before tax	Tax charge	Profit / (loss) after tax
<b>2024</b>									
Kenya	1,580,982	(200,100)	8,065	215,650	(16,549)	(350,638)	(327,023)	(75,247)	(576,490)
Uganda	314,417	(34,138)	-	-	(1,998)	(3,864)	(38,002)	416	(153,110)
Rest of Africa	546,507	(216,589)	1,372	45,177	(36,266)	163,198	(61,655)	(5,228)	222,861
	<b>2,441,906</b>	<b>(450,827)</b>	<b>9,437</b>	<b>260,827</b>	<b>(54,813)</b>	<b>(191,304)</b>	<b>(426,680)</b>	<b>(80,059)</b>	<b>(506,739)</b>
<b>2023</b>									
Kenya	1,840,105	(452,961)	14,316	216,084	(16,549)	525,013	302,452	(120,188)	182,264
Uganda	435,872	38,618	-	-	(2,221)	6,758	45,376	(6,512)	38,864
Rest of Africa	921,610	(48,121)	9,071	21,645	(3,995)	70,302	30,132	(121,122)	(90,990)
	<b>3,197,587</b>	<b>(462,464)</b>	<b>23,387</b>	<b>237,729</b>	<b>(22,765)</b>	<b>602,073</b>	<b>377,960</b>	<b>(247,822)</b>	<b>130,138</b>



## 14. SEGMENTAL REPORTING (continued)

All figures in Sh'000	Segment assets		Segment liabilities	
	2024	2023	2024	2023
Kenya	6,179,437	6,072,881	3,324,623	4,895,103
Uganda	375,852	547,152	434,145	547,358
Rest of Africa	604,979	1,394,768	3,401,500	2,572,340
	<b>7,160,268</b>	<b>8,014,801</b>	<b>7,160,268</b>	<b>8,014,801</b>
Other segment information	Depreciation and amortisation		Additions to non-current assets	
	2024	2023	2024	2023
Kenya	72,813	69,241	59,528	28,965
Uganda	2,373	1,649	3,642	3,666
Rest of Africa	21,814	14,733	140,008	54,965
	<b>97,000</b>	<b>85,623</b>	<b>203,178</b>	<b>87,596</b>

The Company operates in Kenya and the revenue and results have been disclosed under Kenya.

## 15. EARNINGS/ (LOSS) PER SHARE

## 15.1 Basic earnings / (loss) per share

Basic earnings / (loss) per share is calculated based on the profit attributable to shareholders divided by the weighted average number of ordinary shares in issue in each period as follows:

Earnings/(loss) per share	Consolidated		Company	
	2024	2023	2024	2023
Profit attributable to shareholders of the holding Company (Sh000)	(507,629)	133,300	(278,523)	193,765
Weighted average number of shares (in thousands)	432,156	432,156	432,156	432,156
Basic/diluted earnings per share (Sh)	<b>(1.17)</b>	<b>0.31</b>	<b>(0.64)</b>	<b>0.45</b>

## 15.2 Diluted earnings / (loss) per share

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2024 and 31 December 2023 no such instruments were outstanding. Hence diluted (loss)/ earnings per share is same as basic (loss)/ earnings per share.



## 16. EQUIPMENT

### 16.1 Equipment – Group

All figures in Sh'000	Computers and accessories	Motor vehicles	Furniture, fittings and equipment	Total
<b>COST</b>				
At 1 January 2023	619,737	34,880	348,697	1,003,314
Additions	38,642	-	1,476	40,118
Disposals	(7,701)	(2,555)	(2,838)	(13,094)
Exchange rate adjustment *	10,516	220	14,575	25,311
<b>At 31 December 2023</b>	<b>661,194</b>	<b>32,545</b>	<b>361,910</b>	<b>1,055,649</b>
At 1 January 2024	661,194	32,545	361,910	1,055,649
Additions	70,581	30	12,467	83,078
Disposals	(18,339)	(1,685)	(8,919)	(28,943)
Written off	(63,287)	(1,879)	(53,274)	(118,440)
Exchange rate adjustment *	(21,725)	(1,733)	(24,150)	(47,608)
<b>At 31 December 2024</b>	<b>628,424</b>	<b>27,278</b>	<b>288,034</b>	<b>943,736</b>
<b>DEPRECIATION</b>				
At 1 January 2023	565,627	17,829	278,564	862,020
Charge for the year	21,971	3,989	10,171	36,131
Elimination on disposals	(4,488)	(637)	(2,671)	(7,796)
Exchange rate adjustment *	9,947	152	12,804	22,903
<b>At 31 December 2023</b>	<b>593,057</b>	<b>21,333</b>	<b>298,868</b>	<b>913,258</b>
At 1 January 2024	593,057	21,333	298,868	913,258
Charge for the year	32,838	2,822	9,079	44,739
Elimination on disposals	(11,721)	(1,530)	(9,132)	(22,383)
Written off	(63,068)	(1,874)	(53,453)	(118,395)
Exchange rate adjustment *	(18,478)	(1,626)	(21,756)	(41,860)
<b>At 31 December 2024</b>	<b>532,628</b>	<b>19,125</b>	<b>223,606</b>	<b>775,359</b>
<b>NET BOOK VALUE</b>				
At 31 December 2024	95,796	8,153	64,428	168,377
At 31 December 2023	68,137	11,212	63,042	142,391

\*Exchange rate adjustments relate to effect of translation of equipment held in foreign subsidiaries.

At 31 December 2024, equipment with a cost of Sh 243,804,632 (2023 – Sh 335,636,000) had been fully depreciated. The annual depreciation charge in respect of these assets would have been Sh 60,317,469 (2023 – Sh 78,291,000).



## 16. EQUIPMENT (continued)

## 16.2 Equipment – Company

All figures in Sh'000	Computers and accessories	Motor vehicles	Furniture fittings and equipment	Total
<b>COST</b>				
At 1 January 2023	329,594	20,438	75,343	425,375
Additions	2,680	-	18	2,698
Disposals	(2,106)	-	-	(2,106)
<b>At 31 December 2023</b>	<b>330,168</b>	<b>20,438</b>	<b>75,361</b>	<b>425,967</b>
At 1 January 2024	330,168	20,438	75,361	425,967
Additions	21,414	-	6,674	28,088
Disposals	(2,194)	(816)	-	(3,010)
<b>At 31 December 2024</b>	<b>349,388</b>	<b>19,622</b>	<b>82,035</b>	<b>451,045</b>
<b>DEPRECIATION</b>				
At 1 January 2023	307,356	8,718	53,610	369,684
Charge for the year	7,086	2,927	2,669	12,682
Elimination on disposals	(1,438)	-	-	(1,438)
<b>At 31 December 2023</b>	<b>313,004</b>	<b>11,645</b>	<b>56,279</b>	<b>380,928</b>
At 1 January 2024	313,004	11,645	56,279	380,928
Charge for the year	7,382	2,195	3,046	12,623
Elimination on disposals	(67)	(815)	-	(882)
<b>At 31 December 2024</b>	<b>320,319</b>	<b>13,025</b>	<b>59,325</b>	<b>392,669</b>
<b>NET BOOK VALUE</b>				
At 31 December 2024	29,069	6,597	22,710	58,376
At 31 December 2023	17,164	8,793	19,082	45,039

At 31 December 2024, equipment with a cost of Sh 111,514,308 (2023 – Sh 105,514,308) had been fully depreciated. The annual depreciation charge in respect of these assets would have been Sh 32,792,642 (2023 – Sh 29,792,642).

## 17. RIGHT-OF-USE ASSETS

The Group and Company leases office space for its use. Information about the leases in which the Group and Company is a lessee is presented below:

All figures in Sh'000		BUILDINGS			
	CONSOLIDATED		COMPANY		
	2024	2023	2024	2023	
<b>COST</b>					
At 1 January	342,420	404,045	153,392	153,392	
Additions/lease asset recognized	120,100	47,478	109,918	-	
Disposals	(170,831)	(115,292)	-	-	
Modification of lease	(27,532)	-	(17,288)	-	
Exchange rate adjustment *	(20,253)	6,189	-	-	
<b>At 31 December</b>	<b>243,904</b>	<b>342,420</b>	<b>246,022</b>	<b>153,392</b>	
<b>DEPRECIATION</b>					
At 1 January	232,520	286,881	145,264	118,458	
Charge for the year	52,261	49,492	23,011	26,806	
Disposals	(170,831)	(105,553)	-	-	
Exchange rate adjustment *	(2,722)	1,700	-	-	
<b>At 31 December</b>	<b>111,228</b>	<b>232,520</b>	<b>168,275</b>	<b>145,264</b>	
<b>NET BOOK VALUE</b>					
<b>At 31 December</b>	<b>132,676</b>	<b>109,900</b>	<b>77,747</b>	<b>8,128</b>	

\* Exchange rate adjustments relate to effect of translation of right of use assets held in foreign subsidiaries.



## 18. INVESTMENT IN SUBSIDIARIES

	2024		2023	
	%	Sh'000	%	Sh'000
Ogilvy Kenya Limited	100%	209,849	100%	268,462
Ogilvy Africa Limited	100%	256,338	100%	390,175
O&M Africa B.V.	100%	309,370	100%	309,370
Scangroup Mauritius Holding Limited	100%	177,436	100%	209,934
Hill & Knowlton East Africa Limited	100%	132,052	100%	147,582
J. Walter Thompson Kenya Limited	90%	18,000	90%	18,000
Grey East Africa Limited	100%	40	100%	40
Scanad Africa Limited	100%	-	100%	-
Scanad Kenya Ltd	100%	-	100%	-
Scangroup Zambia Ltd	100%	-	100%	-
GroupM Africa Ltd	100%	-	100%	-
MediaCompete East Africa Ltd	100%	-	100%	-
Squad Digital Ltd	75.5%	-	75.5%	-
Mec Africa Limited	100%	-	100%	-
Scangroup (Mauritius) Ltd	100%	-	100%	-
Scanad East Africa Limited	100%	-	100%	-
Ogilvy Africa Tanzania Limited	100%	-	100%	-
		<b>1,103,085</b>		<b>1,343,563</b>

### Movement in investment in subsidiaries

All figures in Sh'000	2024	2023
At the beginning of the year as previously reported	1,343,563	1,415,897
Impaired during the year	(240,478)	(72,334)
<b>At the end of the year as previously reported</b>	<b>1,103,085</b>	<b>1,343,563</b>

All the subsidiaries have a similar year end to the consolidating Company.

During 2024, the Company carried out a detailed review of the carrying value of investment in subsidiaries. As a result of uncertainty regarding the future profitability and future net cash flows resulting from a deterioration in the economic outlook during 2024 for some of the Company's subsidiaries, mainly resulting from economic environment, the Company determined that an impairment provision was required. The recoverable amounts for the subsidiaries have been calculated based on their value in use, determined by discounting the future cash flows expected to be generated from the continuing use of the Cash Generating Unit (CGU). The present value of the recoverable amount of the investments considered to have impairment indicators was Sh 775,675,238 (2023: Sh 1,235,231,558)

Accordingly, impairment provisions totalling Sh 240,477,762 (investments in Hill and Knowlton East Africa Limited, Ogilvy Africa Limited, Ogilvy Africa Limited and Scangroup Mauritius Holding Limited) (2023: 72,334,000



## 18. INVESTMENT IN SUBSIDIARIES (continued)

investment in Ogilvy Kenya Limited and Ogilvy Africa Limited) were made to during the financial year.

Management has projected five years cash flows based on financial budgets for subsidiaries. Due to having a number of subsidiaries, different yearly growth rates were used by management for different units which ranges from 0% to 2% (2023: 0% to 2%) for five years projections. Management also assumed long-term growth rate of 5.0% (2023: 5.7%) and applied post-tax discount rates specific to the resident countries for the investments as below.

In developing the cash flows, management considered the impact of the economic environment to our businesses and adjusted projected revenue less pass-through costs and operating margins in 2024 and/or 2024 accordingly.

The long-term growth rate is derived from management's best estimate of the likely long-term inflation rate. As at 31 December 2024, management have assessed long-term industry trends based on recent historical data and assumed a long-term growth rate of 5% (2023: 5.7%). Management have made the judgement that the long-term growth rate does not exceed the long-term average growth rate for the industry.

The sensitivity of the inputs to the valuation model as at 31 December 2024 are set out below:

- If the discount rate was 1% higher or lower, the impairment provision for the group would have increased or decreased by approximately Sh 14.8 million.
- If the long-term growth rate was 0.3% higher or lower, the impairment provision for the group would have increased or decreased by approximately Sh 2.3 million; and
- If the yearly growth rates were 1% higher or lower, the impairment provision for the group would have increased or decreased by approximately Sh 5.5 million.

WPP Scangroup PLC is the ultimate holding Company of the following companies which are subsidiaries of Scanad East Africa Limited, a wholly owned subsidiary of WPP Scangroup PLC:

	Shareholding %
Scanad Uganda Limited	100%
Scanad Tanzania Limited	82%
Roundtrip Limited	100%
JWT Tanzania Limited (subsidiary of Scanad Tanzania Limited)	82%





## 18. INVESTMENT IN SUBSIDIARIES (continued)

Scangroup Mauritius Holding Limited is the holding Company of other subsidiaries incorporated outside Kenya as follows:

	Shareholding %
Hill & Knowlton Strategies Nigeria Limited	100%
Hill & Knowlton Strategies Uganda Limited	100%
Scanad Rwanda Limited	100%
JWT Uganda Limited	100%
Scangroup (Malawi) Limited	100%
Scangroup (Zambia) Limited	100%
Scangroup Mozambique Limited	100%
Scanad Nigeria Limited	100%
Ogilvy Africa Ghana Limited	80%
Scanad Ghana Limited	80%
Squad Digital Nigeria Limited	75%
STE Scanad DRC	100%
Scanad Burundi Limited SPRL	100%

Hill & Knowlton East Africa Limited, (a wholly owned subsidiary of WPP Scangroup PLC) holds 51% equity shares in Hill + Knowlton Strategies South Africa Pty Limited.

MEC Africa Limited, (a wholly owned subsidiary of WPP Scangroup PLC) holds 100% equity shares in WPP Team Gabon SARL.

Ogilvy Africa Limited, (a wholly owned subsidiary of WPP Scangroup PLC) holds 70% equity shares in Ogilvy Mather Zambia Limited.

Ogilvy Kenya Limited is the holding Company of other subsidiaries incorporated in Kenya as follows:

	Shareholding %
Ogilvy Africa Media Limited	100%
Ogilvy Public Relations Limited	100%
Mindshare Kenya Limited	100%
Ogilvy & Mather (EA) Limited	100%
Geometry Global Limited	100%

## 18. INVESTMENT IN SUBSIDIARIES (continued)

**Summarised financial information on subsidiaries with material non-controlling interest**

The summarised financial information below represents amounts before intragroup eliminations.

All figures in Sh'000	Squad Digital Limited		JW Thompson Kenya Limited	
	2024	2023	2024	2023
<b>As at 31 December</b>				
Assets	152,401	229,595	233,709	252,323
Liabilities	490,624	577,904	29,910	44,640
Equity attributable to the owners of the Company	(255,358)	(262,973)	183,419	186,915
Accumulated non-controlling interest	(82,865)	(85,336)	20,380	20,768
Non-controlling interest	24.5%	24.5%	10%	10%
Revenue	63,819	109,001	26,265	169,192
Expenses	(46,656)	(115,763)	(27,830)	(162,684)
Profit / (loss) before tax for the year	17,163	(6,762)	(1,565)	6,508
Profit / (loss) attributable to the owners of the Company	7,616	(10,236)	(3,496)	4,146
Profit / (loss) attributable to non-controlling interest	2,471	(3,322)	(388)	461
Profit / (loss) after tax for the year	10,087	(13,558)	(3,884)	4,607
Net cash (outflow) / inflow from operating activities	(5,150)	14,255	(7,632)	(2,849)
Net cash inflow / (outflow) from investing activities	11	(1,973)	12	(452)
Net cash outflow from financing activities	(1)	-	(13)	-
Net cash (outflow)/inflow	(5,140)	12,282	(7,633)	(3,301)



## 18. INVESTMENT IN SUBSIDIARIES (continued)

The summarised financial information below represents amounts before intragroup eliminations.

All figures in Sh'000	Ogilvy Africa Ghana Limited		Scanad Ghana Limited	
	2024	2023	2024	2023
<b>As at 31 December</b>				
Assets	245,349	409,937	78,972	125,217
Liabilities	234,018	239,096	19,173	95,926
Equity attributable to the owners of the Company	9,065	136,673	47,839	23,433
Accumulated non-controlling interest	2,266	34,168	11,960	5,858
Non-controlling interest	20%	20%	20%	20%
Revenue	235,008	347,557	30,545	27,305
Expenses	(243,815)	(248,813)	31,537	(28,868)
(Loss)/profit before tax for the year	(8,807)	98,744	62,082	(1,563)
(Loss)/profit attributable to the owners of the Company	(5,720)	57,206	33,884	(1,103)
(Loss)/profit attributable to non-controlling interest	(1,430)	14,302	8,471	(276)
(Loss)/profit after tax for the year	(7,150)	71,508	42,355	(1,379)
Net cash inflow/ (outflow) from operating activities	24,846	70,591	2,421	(11,432)
Net cash (outflow)/ inflow from investing activities	(9,951)	(2,286)	3,286	9,268
Net cash outflow from financing activities	(98,635)	(40,711)	-	-
Net cash (outflow)/inflow	(83,740)	27,594	5,707	(2,164)

## 18. INVESTMENT IN SUBSIDIARIES (continued)

The summarised financial information below represents amounts before intragroup eliminations.

All figures in Sh'000	Scanad Tanzania Limited		Ogilvy and Mather Zambia	
	2024	2023	2024	2023
<b>As at 31 December</b>				
Assets	108,574	88,485	131,260	207,823
Liabilities	556,999	520,685	130,754	175,299
Equity attributable to the owners of the Company	(367,709)	(354,404)	354	22,767
Accumulated non-controlling interest	(80,717)	(77,796)	152	9,757
Non-controlling interest	18%	18%	30%	30%
Revenue	184,702	262,586	255,117	344,552
Expenses	(270,223)	(266,926)	(290,195)	(368,213)
Loss before tax for the year	(85,521)	(4,340)	(35,078)	(23,661)
Loss attributable to the owners of the Company	(60,263)	(7,988)	(18,831)	(21,429)
Loss attributable to non-controlling interest	(13,229)	(1,753)	(8,071)	(9,184)
<b>Loss after tax for the year</b>	<b>(73,492)</b>	<b>(9,741)</b>	<b>(26,902)</b>	<b>(30,613)</b>
Net cash (outflow)/ inflow from operating activities	(172)	(11,856)	(32,414)	43,522
Net cash inflow/ (outflow) from investing activities	89	-	(1,745)	2,692
Net cash outflow from financing activities	(11,604)	(11,856)	-	-
Net cash (outflow)/inflow	(11,687)	(23,712)	(34,159)	46,214

The principal place of business for the above subsidiaries is disclosed on page 6 of these financial statements.







## 19. INVESTMENT IN ASSOCIATES AND OTHER EQUITY INVESTMENTS

### 19.1 Investments in Associates

At 31 December 2024 WPP Scangroup PLC owned shares in First Primus West Africa Limited and O&M Africa B.V, a fully owned subsidiary of WPP Scangroup PLC, owned shares in Ogilvy and Mather Advertising Namibia (Pty) Ltd and Ogilvy Zimbabwe (Private) Limited. Details of shareholdings are given below:

ASSOCIATE COMPANIES	COUNTRY	%SHARES
First Primus West Africa Limited	Nigeria	24.9%
Ogilvy and Mather Advertising Namibia (Pty) Ltd	Namibia	30.0%
Ogilvy Zimbabwe (Private) Limited	Zimbabwe	25.0%

The results of First Primus West Africa Limited and Ogilvy and Mather Advertising Namibia (Pty) Ltd have been accounted for using the equity method of accounting in the consolidated financial statements. The Group does not consider Ogilvy Zimbabwe (Private) Limited to be material. Accordingly, the results of this Company have not been included in the consolidated profit or loss account.

The movement in investment in associate companies is as follows:

All figures in Sh'000	CONSOLIDATED		Company	
	2024	2023	2024	2023
At the beginning of year	19,345	7,688	-	-
Share of profit in associates	9,437	23,387	8,065	14,316
Impairment of investment in associates	(14,009)	(14,316)	(8,065)	(14,316)
Exchange rate adjustment	(3,574)	2,586	-	-
<b>At the end of the year</b>	<b>11,199</b>	<b>19,345</b>	<b>-</b>	<b>-</b>

The impairment of investment in associates relates to Ogilvy and Mather Advertising Namibia (Pty) Ltd of Sh 5,944,000 (2023: Nil), and First Primus West Africa Limited of Sh 8,065,000 (2023: Sh 14,316,000). Due to uncertainty regarding the future profitability and future net cash flows resulting from a deterioration in the economic outlook, an impairment provision of Sh 14,009,000 be made during the year ended 31 December 2024. The balance at the end of the year of Sh 11,199,000 relates to Ogilvy and Mather Advertising Namibia (Pty) Ltd.

## 19. INVESTMENT IN ASSOCIATES AND OTHER EQUITY INVESTMENTS (continued)

Summarised financial information for Ogilvy and Mather Advertising Namibia (pty) Ltd is as below.

All figures in Sh'000		
As at 31 December	2024	2023
Assets	77,978	103,483
Liabilities	(40,648)	(39,000)
Equity attributable to the owners of the Company	26,131	45,138
Accumulated non-controlling interest	11,199	19,345
Non-controlling interest	30%	30%
Revenue	246,333	230,931
Expenses	(240,079)	(212,843)
Taxation	(2,001)	(5,788)
Profit after tax for the year	4,253	12,300
Net cash (outflow) inflow from operating activities	(8,532)	17,137
Net cash inflow/ (outflow) from investing activities	-	-
Net cash outflow from financing activities	187	-
Net cash (outflow)/inflow	(8,345)	17,137

### 19.2 Other Equity Investments

O&M Africa B.V. also owns shares in the following companies:

ASSOCIATE COMPANIES	COUNTRY	%SHARES
Ocean Ogilvy Gabon	Gabon	25.0%
Ocean Central Africa	Cameroon	25.0%
Ocean Burkina Faso	Burkina Faso	25.0%
Ocean Afrique Occidentale	Senegal	25.0%
Ocean Conseil	Cote d'Ivoire	25.0%

The equity investments have been accounted at nil value. None of the associates have quoted market price. Further, there are no commitments or contingent liabilities in respect of the above associates. The Company was able to ascertain that the associates above are not trading.

## 20. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Transactions between the Company and its subsidiaries which are related parties have been eliminated on consolidation.

WPP Scangroup Plc is 56.26% owned by WPP Plc, a Company incorporated in Jersey, and ultimate parent Company of WPP Scangroup Plc.



## 20. RELATED PARTIES (continued)

All figures in Sh'000

	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
<b>Balances recoverable from related parties</b>				
<b>Due after one year</b>				
Loans recoverable from related companies *	821,254	479,486	1,036,238	662,233
Less: Allowance for expected credit loss	(306,880)	(306,880)	(521,864)	(489,627)
	<b>514,374</b>	<b>172,606</b>	<b>514,374</b>	<b>172,606</b>
<b>Due within one year</b>				
Current receivables from various related parties	338,968	444,520	3,280,584	2,884,349
	<b>338,968</b>	<b>444,520</b>	<b>3,280,584</b>	<b>2,884,349</b>
<b>Balances payable to related parties</b>				
Current payables to various related parties	<b>178,797</b>	<b>80,870</b>	<b>426,737</b>	<b>409,327</b>
<b>Transactions with related parties</b>				
Sale of services	145,530	253,667	871,809	535,428
Purchase of services	219,540	186,280	118,061	126,087
Interest on related party loan	14,142	7,388	14,142	7,388
Remuneration of directors and key management compensation	77,764	75,637	63,752	60,376
Directors' remuneration – Executive directors' emoluments (included in key management compensation above)	51,352	55,976	51,352	55,976

\*The long-term loans recoverable are from WPP Group Services SNC, Sh 514,374,000 for both group and Company. The WPP Group Services SNC loan is denominated in US Dollar (USD) and the equivalent amount at the end of the year 2024 is of USD 3,978,000. The movement in loan receivable from related companies is as follows:

All figures in Sh'000

	CONSOLIDATED		Company	
	2024	2023	2024	2023
At the beginning of year	172,606	24,604	172,606	24,604
Loan advance during the year	383,642	156,742	383,642	156,742
Loan repaid during the year	(15,864)	-	(15,864)	-
Exchange rate adjustment	(26,010)	(8,740)	(26,010)	(8,740)
<b>At the end of the year</b>	<b>514,374</b>	<b>172,606</b>	<b>514,374</b>	<b>172,606</b>

## 21. DEFERRED TAX

Deferred income taxes are calculated on all temporary differences under the liability method using the currently enacted tax rates applicable for the various entities within the Group ranging from 3% to 30%. The net deferred tax asset is attributable to the following items:

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Equipment	1,657	6,484	(1,312)	310
Unrealised exchange gains	80,738	(58,646)	53,068	(50,858)
Tax losses carried forward	302,998	267,765	108,595	39,996
Provisions	249,119	277,070	3,777	18,500
Deferred tax on tax losses derecognised	(109,745)	(45,273)	-	-
Recognition of deferred tax asset on losses previously derecognised	10,197	30,693	6,372	30,693
	<b>534,964</b>	<b>478,093</b>	<b>170,500</b>	<b>38,641</b>
<b>Movement in deferred tax account is as follows</b>				
At beginning of year	478,093	506,235	38,641	78,324
Credit/ (charge) for the year	157,143	(27,186)	125,487	(70,376)
Deferred tax on tax losses derecognised	(109,745)	(45,273)	-	-
Recognition of deferred tax asset on losses previously derecognised	10,197	30,693	6,372	30,693
Prior year under provision	7,398	7,472	-	-
Effect of exchange rates	(8,122)	6,152	-	-
At end of period	<b>534,964</b>	<b>478,093</b>	<b>170,500</b>	<b>38,641</b>
<b>Breakup of deferred tax asset and liability</b>				
Deferred tax asset	535,500	480,533	170,500	38,641
Deferred tax liability	(536)	(2,440)	-	-
	<b>534,964</b>	<b>478,093</b>	<b>170,500</b>	<b>38,641</b>

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.



## 21. DEFERRED TAX (continued)

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.

A deferred taxation asset has been recognized on accumulated tax losses of Sh 180,643,475 (2023: Sh 633,808,000) for the Group and Sh 66,824,809 (2023: Sh 252,334,000) for the Company.

## 22. TRADE AND OTHER RECEIVABLES

All figures in Sh'000

	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Trade receivables	2,264,017	2,428,649	115,512	7,897
Less: Allowance for expected credit loss	(823,218)	(796,236)	(4,626)	(106)
	<b>1,440,799</b>	<b>1,632,413</b>	<b>110,886</b>	<b>7,791</b>
Value Added Tax recoverable	368,064	352,239	-	35,913
Staff recoverable	1,023	418	889	-
Other receivables and prepayments	95,524	225,073	23,538	53,774
	<b>1,905,410</b>	<b>2,210,143</b>	<b>135,313</b>	<b>97,478</b>
<b>Movement in allowance for expected credit loss</b>				
Balance at the beginning of the year	796,236	968,643	106	-
Provision for bad debts for the year	62,952	100,137	3,677	(7,359)
Amounts written off during the year as uncollectible	(17,060)	(99,788)	-	-
Reversal of provision for bad debts	1,439	(191,524)	843	7,465
Effect of exchange rate movements	(20,349)	18,768	-	-
Balance at the end of the year	<b>823,218</b>	<b>796,236</b>	<b>4,626</b>	<b>106</b>

The Group and Company uses a provision matrix to measure the ECLs of trade receivables from customers. The loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write off.



## 22. TRADE AND OTHER RECEIVABLES (continued)

Allowance for expected credit loss (ECL) for the group includes a provision for trade receivables of Sh 62,868,000 (2023: reversal of provision of Sh 91,386,000), reversal of provision for bank balances and short-term deposits with banks of Sh 2,811,067 (2023: reversal of provision of Sh 8,751,000). Allowance for expected credit loss (ECL) for the Company includes provision for trade receivables of Sh 4,520,006 (2023: reversal of provision of Sh 106,000), reversal of provision for bank balances and short-term deposits with banks of Sh 842,563 (2023: reversal of provision of Sh 7,465,000).

### 23. CONTRACT ASSETS

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Contract assets	31,524	8,560	-	-

Contract assets relate to direct recoverable costs chargeable to clients not yet billed at the end of the reporting period. Management has assessed that the credit risk for these balances is minimal since they relate to ongoing work hence no expected credit loss has been recognised on the balances.



## 24. CASH, BANK AND DEPOSITS BALANCES

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
<b>24 (a) Cash and cash equivalents</b>				
Cash in hand	370	464	370	461
Bank balances	516,180	789,390	8,521	50,746
Short term deposits				
- Fixed deposits with banks	1,684,373	403,976	1,620,395	373,501
- Call deposits with banks	21,297	43,015	404	390
	<b>2,222,220</b>	<b>1,236,845</b>	<b>1,629,690</b>	<b>425,098</b>
Bank overdraft	(79,081)	(71,882)	(79,679)	(71,882)
Cash and cash equivalents	<b>2,143,139</b>	<b>1,164,963</b>	<b>1,550,011</b>	<b>353,216</b>
<b>24 (b) Cash, bank and short-term deposits</b>				
Cash and cash equivalents	2,143,139	1,164,963	1,550,011	353,216
Add: Bank overdraft presented separately	79,081	71,882	79,679	71,882
	<b>2,222,220</b>	<b>1,236,845</b>	<b>1,629,690</b>	<b>425,098</b>
Accrued interest	39,831	17,667	39,645	-
	<b>2,262,051</b>	<b>1,254,512</b>	<b>1,669,335</b>	<b>425,098</b>
Less: Allowance for expected credit loss	(2,803)	(990)	(2,520)	-
Cash, bank and deposits balances	<b>2,259,248</b>	<b>1,253,522</b>	<b>1,666,815</b>	<b>425,098</b>
<b>24 (c) Fixed deposits with bank (maturing after 3 months)</b>				
Fixed deposits with bank	-	2,013,829	-	2,001,650
Accrued interest	-	66,599	-	81,923
	-	<b>2,080,428</b>	-	<b>2,083,573</b>
Less: Allowance for expected credit loss	-	(6,658)	-	(3,362)
Fixed deposits with bank (maturing after 3 months)	-	<b>2,073,770</b>	-	<b>2,080,211</b>
<b>Movement in allowance for expected credit loss *</b>				
Balance at the beginning of the year	7,648	16,331	3,362	10,827
Impairment of bank balances	263	106	-	-
Reversal of impairment of bank balances	(4,387)	(8,857)	(842)	(7,465)
Effect of exchange rate movements	(721)	68	-	-
Balance at the end of the year	<b>2,803</b>	<b>7,648</b>	<b>2,520</b>	<b>3,362</b>

## 24. CASH, BANK AND DEPOSITS BALANCES (continued)

Currency	2024			2023		
	Amounts equivalent to Ksh'000			Amounts equivalent to Ksh'000		
	Fixed deposits	Call deposits	Total	Fixed deposits	Call deposits	Total
Kenya Shilling	1,280,000	404	1,280,404	1,718,501	390	1,718,891
United States Dollar	340,395	-	340,395	656,650	-	656,650
Ghanaian Cedi	-	-	-	-	-	-
South African Rand	-	20,893	20,893	-	42,625	42,625
Malawian Kwacha	3,062	-	3,062	3,683	-	3,683
Zambia Kwacha	-	-	-	38,971	-	38,971
Mozambique Meticals	60,916	-	60,916	-	-	-
	<b>1,684,373</b>	<b>21,297</b>	<b>1,705,670</b>	<b>2,417,805</b>	<b>43,015</b>	<b>2,460,820</b>

\*The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA, BB and B, based on third party credit rating agencies. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures.

The short-term deposits under 24 (a) are short term investments with maturity of three months or less as at date of reporting, highly liquid and readily convertible into known amounts of cash and subject to insignificant risk of changes in value.

The accrued interest is interest income calculated using the effective interest rate. The effective interest on the fixed deposits for the year ended 31 December 2024 was 12.09% (2023: 9.64%) while the effective interest rate on the call deposits was 4% (2023: 4 %).

The table below shows the analysis of short-term and fixed deposits by currency for the Group:



## 25. NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES

CASH GENERATED FROM/USED IN OPERATING ACTIVITIES					
		CONSOLIDATED		COMPANY	
All figures in Sh'000	Notes	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before tax		(426,680)	377,960	(329,338)	305,014
Depreciation on equipment	9	44,739	36,131	12,623	12,682
Depreciation on Right-of-use assets	9	52,261	49,492	23,011	26,806
Allowance for expected credit loss	12	62,952	(100,137)	3,677	(7,359)
Interest expense	10	54,813	22,765	37,375	25,365
Impairment of investment in subsidiaries	16	-	-	240,478	72,334
Impairment of investment in associates	17.1	14,009	14,316	8,065	14,316
Share of profit in associates	17.1	(9,437)	(23,387)	(8,065)	(14,316)
Net exchange loss on long term loan to related Company	20	26,010	8,740	26,010	8,740
Profit on disposal of assets	10	(297)	(585)	(263)	(69)
Loss on diposal of assets		-	129	-	-
Interest income	10	(260,827)	(237,729)	(249,001)	(218,857)
Dividend income	11 (a)	-	-	(114,718)	(25,254)
Working capital adjustments:					
Decrease / (increase) in trade and other receivables		240,342	396,061	(42,355)	198,218
(Increase)/decrease in contract assets		(22,964)	16,644	-	-
(Decrease) / increase in trade and other payables		(243,972)	(176,975)	114,018	(94,945)
Movement in related party balances		203,479	(122,455)	(378,825)	(243,755)
Cash (used in)/generated from operating activities after working capital changes		(265,572)	260,970	(657,308)	58,920

**26. SHARE CAPITAL**

All figures in Sh'000	2024	2023
<b>Authorised share capital:</b>		
Ordinary shares 500,000,000 (2023: 500,000,000) of Sh 1 each	500,000	500,000
Issued and fully paid up shares		
Ordinary shares 432,155,985 (2023: 432,155,985) of Sh 1 each	432,156	432,156

**27. SHARE PREMIUM**

All figures in Sh'000	2024	2023
At the end of the year	4,436,532	4,436,532

**28. MERGER RESERVE**

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
At the beginning of year	1,457,248	1,457,248	1,420,617	1,492,951
Transfer to accumulated deficit from Merger Reserve	-	-	(207,980)	(72,334)
At the end of the year	1,457,248	1,457,248	1,212,637	1,420,617

- (i) In 2013, the Company acquired remainder of shareholding in Ogilvy Africa Limited, Ogilvy Tanzania Limited, O&M Africa B.V., Ogilvy Mauritius Holdings Limited (amalgamated with Scangroup Mauritius Holdings Limited in 2014), Ogilvy Kenya Limited, Hill + Knowlton Strategies Africa Holding Limited (amalgamated with Scangroup Mauritius Holdings Limited in 2014), Hill & Knowlton East Africa Limited, Millward Brown Mauritius Limited and Millward Brown East Africa Limited (together the "Acquired Companies") from Cavendish Square Holding B.V. Each of these companies became a 100% subsidiary of the Company for a consideration of 72,720,076 shares with a par value of Sh 1 each in the Company, issued at a price of Sh 66.04 per share (i.e. at a premium of Sh 65.04). The premium was credited to Share Premium Account (total Sh 4,729,713,743), less the costs of issuing these shares of Sh 11,079,310, giving rise to a net Share Premium amount of Sh 4,718,634,433.
- (ii) Section 388 of the Kenyan Companies Act, 2015, allows that if an acquiring Company acquires at least ninety percent (90%) equity in another Company or companies (the Acquired Companies) and the consideration includes an issue of the acquirer's shares, then the acquiring Company will be eligible for merger relief. Merger relief enables the acquiring Company to credit the difference between the issue price of shares and their nominal value to a Merger Reserve instead of crediting share premium to a Share Premium Account.
- (iii) Under the transitional arrangements set out in paragraph 16 of the Sixth Schedule to the Kenyan Companies Act, 2015, section 388 of the Companies Act can be applied to prior year transactions and accordingly the Company transferred the sum of Sh 4,718,634,433 from Share Premium Account to the





## 28. MERGER RESERVE (continued)

Merger Reserve.

- (iv) The Company received legal advice on the appropriation of the merger reserve.
- (v) The Shareholders approved the resolution for the appropriation of the merger reserve in the Annual General Meeting held in September 2021.
- (vi) The Company informed Capital Market Authority (CMA) regarding this appropriation of the merger reserve.
- (vii) The transfer to accumulated deficit relates to:

### 28.1 On Consolidated:

In 2013 when the Company acquired the balance of shares not already owned in the companies listed in (i) above (excluding Millward Brown which was sold in 2020), the carrying value of the assets and liabilities of the Acquired Companies were not adjusted to fair value on consolidation and any difference between the value of consideration provided and net assets acquired was not recognised as goodwill but was adjusted directly against reserves, which amounted to Sh 3,261,386,000. This amount was adjusted against Merger Reserve.

### 28.2 On the Company:

Following a review of the carrying value of investments in subsidiaries, the Company has made a total impairment provision of Sh 3,599,617,000 in respect of subsidiaries which has been charged to profit and loss account of the Company (2024: 72,334,000, 2023: Sh 137,723,000 and 2021: Sh 140,988,000). Out of the total amount of Sh 3,599,617,000, Sh 3,298,017,000 (2024: Sh 72,334,000, 2023: Sh 122,723,000 and 2020: Sh 3,102,960,000) has subsequently been appropriated to Merger Reserve.

## 29. LEASE LIABILITIES

All figures in Sh'000		BUILDINGS		
	CONSOLIDATED		Company	
	2024	2023	2024	2023
<b>Analysed as:</b>				
Non – Current	60,345	54,323	37,945	-
Current	76,162	50,063	43,958	4,006
At 31 December	<b>136,507</b>	<b>104,386</b>	<b>81,903</b>	<b>4,006</b>
The movement in the lease liabilities is as follows:				
At 1 January	104,386	121,828	4,006	38,732
Additions	120,099	47,478	109,918	-
Payment of lease liabilities	(70,969)	(82,408)	(28,170)	(36,471)
Interest on lease liabilities	33,634	7,817	13,437	1,745
Modification of lease	(27,531)	-	(17,288)	-
Exchange rate adjustment *	(23,112)	9,671	-	-
At 31 December	<b>136,507</b>	<b>104,386</b>	<b>81,903</b>	<b>4,006</b>
Lease liabilities maturity analysis				
Year 1	76,162	50,063	43,958	11,622
Year 2	69,719	42,733	49,954	3,843
Year 3	28,955	28,796	10,532	4,071
Year 4	13,796	19,559	13,796	4,359
	<b>188,632</b>	<b>141,151</b>	<b>118,240</b>	<b>23,895</b>

\* Exchange rate adjustments relate to effect of translation of lease liabilities held in foreign subsidiaries.



**30. TRADE AND OTHER PAYABLES**

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Trade payables	1,380,965	1,549,259	140,523	52,491
Other payables *	492,236	606,543	86,442	150,208
Leave pay provision	37,406	42,098	7,964	7,596
Value Added Tax payable	182,940	139,619	89,384	-
	<b>2,093,547</b>	<b>2,337,519</b>	<b>324,313</b>	<b>210,295</b>
<b>Movement in leave pay provision</b>				
Balance at the beginning of the year	42,098	41,050	7,596	5,650
Provision for leave pay	11,394	19,371	2,145	2,664
Paid during the year	(12,676)	(19,236)	(1,777)	(718)
Reversals of provision for leave pay	(1,051)	(758)	-	-
Effect of exchange rates	(2,359)	1,671	-	-
Balance at the end of the year	<b>37,406</b>	<b>42,098</b>	<b>7,964</b>	<b>7,596</b>

\*Other payables mainly relate to general accruals, provision for professional fees, withholding tax payables and Pay as You Earn (PAYE) accruals.

**31. DIVIDENDS PAYABLE**

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
At 1 January	41,751	41,979	41,751	41,979
Dividends declared	74,898	39,641	-	-
Dividends transferred to UFAA*	(41,751)	-	(41,751)	-
Dividends paid	(74,898)	(39,869)	-	(228)
<b>At 31 December</b>	<b>-</b>	<b>41,751</b>	<b>-</b>	<b>41,751</b>

\*Dividends transferred to Unclaimed Financial Assets Authority (UFAA) relate to unclaimed dividends remitted to UFAA during the year amounting to Sh 41m (2023: nil). Dividend declared and paid in the Group includes dividend paid to minority shareholders in respective subsidiaries.

**32. BANK OVERDRAFTS**

The Company has, for and on behalf of all its Kenyan subsidiaries, availed a general short-term banking facility, incorporating overdrafts, letter of credit and / or guarantee of bank facility of Sh500million and forward

## 32. BANK OVERDRAFTS (continued)

exchange contract facility of USD 12 million from Stanbic Bank Kenya Limited. The utilisation of these facilities are monitored at a Group level. The maximum amount of the facilities used was Sh 423 million on 22 August 2024 by the Group. Securities offered for the facilities are as follows:

- i. A Joint and several debenture over all the present and future moveable and immovable assets of WPP Scangroup PLC and all the subsidiaries in Kenya for an amount of Sh 500 million.
  - ii. Cross corporate guarantees and indemnities by WPP Scangroup PLC and its subsidiaries in Kenya for an amount of Sh500million.
  - iii. Right of set-off.
- At year-end, none of the Kenya subsidiaries had outstanding overdraft balances; only the Company had overdraft balances. Further, there were no forward exchange contracts in place. (2023: Similar position).

## 33. CAPITAL COMMITMENTS

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Authorised but not contracted	-	-	-	-
Authorised and contracted	11,582	9,199	1,501	2,190
	<b>11,582</b>	<b>9,199</b>	<b>1,501</b>	<b>2,190</b>

Capital commitments relates to purchase of IT equipment and renovation of office.

## 34. CONTINGENT LIABILITIES

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Pending claims	688,402	151,532	536,870	-
Guarantees	600	2,700	-	2,700
	<b>689,002</b>	<b>154,232</b>	<b>536,870</b>	<b>2,700</b>

- i. The pending claims relate to claims against the Group by various parties. The likely outcome of these claims cannot be determined as at the date of signing these financial statements. The directors' estimate of the maximum liability arising from these pending claims is set out above. However, based on the legal advice received, the directors' do not expect any significant liability to arise from these pending matters.
- ii. The Company is a defendant in a case filed by Bharat Thakrar at the high court in Nairobi. Bharat Thakrar is a former CEO, former Director, and a current shareholder of the Company. The Company has entered an appearance in the matter and filed a suitable defence. The Company cannot comment any further as the matter is the subject of an active litigation in court.
- iii. There are also tax matters that are currently the subject of discussion between the Group and different Revenue Authorities in jurisdictions the group is present. Based on the information currently available, the directors do not expect material effect on the financial statements other than as provided for in these financial statements.

## 35. RISK MANAGEMENT POLICIES

The Group's financial risk management objectives and policies are detailed below:

### 35.1 Capital risk management

The Group manages its capital with an aim to:

- retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- allocate capital efficiently to support growth
- safeguard Company and its subsidiaries ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- provide an adequate return to shareholders by pricing advertising, media investment management, advertising research, public relations, digital advertising and specialty communications services commensurately with the level of risk.

An important aspect of the Group's overall capital management process is the setting of a target risk-adjusted rate of return which is aligned to performance objectives and ensures that the Group is focused on the creation of value for shareholders.

The Group has a number of sources of capital available to it and seeks to optimise its equity/debt structure in order to ensure that it can consistently maximize returns to shareholders. As at the year-end the Group's borrowing are not in excess of its cash and cash equivalents.

### 35.2 Financial risk management objectives

The Group's activities expose it to a variety of financial risks including credit and liquidity risks, effects of changes in foreign currency and interest rates. The Group's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Group does not hedge any risks and has in place policies to ensure that credit is extended to customers with an established credit history.

### 35.3 Credit risk

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns generally, trade receivables are written off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

The Board of Directors sets the Group's and Company's treasury policies and objectives and lays down parameters within which the various aspects of treasury risk management are operated. The Board has set limits for investing in specified banks and financial institutions and cash surpluses are maintained with credible institutions.

The carrying amount of financial assets represents the maximum exposure to credit risk:

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Trade receivables	1,440,799	1,632,413	110,886	7,791
Loan to related companies	514,374	172,606	514,374	172,606
Receivable from related parties	338,968	444,520	3,280,584	2,884,349
Bank balances and short term deposits	2,259,248	1,253,522	1,629,690	425,098
Fixed deposits with bank (maturing after 3 months)	-	2,073,770	-	2,080,211
	<b>4,553,389</b>	<b>5,576,831</b>	<b>5,535,534</b>	<b>5,570,055</b>



## 35. RISK MANAGEMENT POLICIES (continued)

### 35.3 Credit risk (Continued)

In order to minimise credit risk, the Group has tasked its Risk Management Committee to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default.

The credit rating information is supplied by independent rating agencies where available and, if not available, the Risk Management Committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

CATEGORY	DESCRIPTION	BASIS FOR RECOGNIZING EXPECTED CREDIT LOSSES
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12 month Expected Credit Loss (ECL)
Doubtful	Amount is past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
In default	We have considered historical data (including customer payment patterns) to determine that using a 180-day period is more appropriate for identifying receivables in default.	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's and Company's financial assets as well as the Group's and Company's maximum exposure to credit risk by credit risk rating grades.



## 35. RISK MANAGEMENT POLICIES (continued)

### 35.3 Credit risk (Continued)

Group						
2024	External credit rating	Internal credit rating	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				Sh'000	Sh'000	Sh'000
Trade receivables	N/A	Performing	Lifetime ECL	2,264,017	(823,218)	1,440,799
Loan to related companies	N/A	Performing	Lifetime ECL	821,254	(306,880)	514,374
Receivable from related companies	N/A	Performing	Lifetime ECL	338,968		338,968
Bank balances and short term deposits	A, BBB, B+, B-	Performing	12 month ECL	2,262,051	(2,803)	2,259,248
Fixed deposits with bank (maturing in more than 3 months)	A, BBB, B+, B-	Performing	12 month ECL	-	-	-
Contract assets	N/A	Performing	Lifetime ECL	31,524	-	31,524
				<b>5,717,814</b>	<b>(1,132,901)</b>	<b>4,584,913</b>
2023	External credit rating	Internal credit rating	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				Sh'000	Sh'000	Sh'000
Trade receivables	N/A	Performing	Lifetime ECL	2,428,649	(796,236)	1,632,413
Loan to related companies	N/A	Performing	Lifetime ECL	479,486	(306,880)	172,606
Receivable from related companies	N/A	Performing	Lifetime ECL	444,520	-	444,520
Bank balances and short term deposits	A, BBB, B+, B-	Performing	12 month ECL	1,254,512	(990)	1,253,522
Fixed deposits with bank (maturing in more than 3 months)	A, BBB, B+, B-	Performing	12 month ECL	2,080,428	(6,658)	2,073,770
Contract assets	N/A	Performing	Lifetime ECL	8,560	-	8,560
				<b>6,696,155</b>	<b>(1,110,764)</b>	<b>5,585,391</b>

## 35. RISK MANAGEMENT POLICIES (continued)

## 35.3 Credit risk (Continued)

Company						
2024	External credit rating	Internal credit rating	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				Sh'000	Sh'000	Sh'000
Trade receivables	N/A	Performing	Lifetime ECL	115,512	(4,626)	110,886
Loan to related companies	N/A	Performing	Lifetime ECL	1,036,238	(521,864)	514,374
Receivable from related companies	N/A	Performing	Lifetime ECL	3,327,960	(47,376)	3,280,584
Bank balances and short term deposits	A, BBB, B+, B-	Performing	12 month ECL	1,669,335	(2,520)	1,666,815
Fixed deposits with bank (maturing in more than 3 months)	A, BBB, B+, B-	Performing	12 month ECL	-	-	-
				6,149,045	(576,386)	5,572,659
2023	External credit rating	Internal credit rating	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				Sh'000	Sh'000	Sh'000
Trade receivables	N/A	Performing	Lifetime ECL	7,897	(106)	7,791
Loan to related companies	N/A	Performing	Lifetime ECL	662,233	(489,627)	172,606
Receivable from related companies	N/A	Performing	Lifetime ECL	2,884,349	-	2,884,349
Bank balances and short term deposits	A, BBB, B+, B-	Performing	12 month ECL	425,098	-	425,098
Fixed deposits with bank (maturing in more than 3 months)	A, BBB, B+, B-	Performing	12 month ECL	2,083,573	(3,362)	2,080,211
				6,063,150	(493,095)	5,570,055



## 35. RISK MANAGEMENT POLICIES (continued)

### 35.3 Credit risk (Continued)

#### Credit risk profile based on provision matrix

Group							
2024	< 30	31-60	61-90	91-180	181-360	Over 361	Total
	days	days	days	days	days	days	
ECL rate	5%	2%	6%	4%	8%	96%	36%
Expected Gross Carrying Amount (Sh'000)	1,007,752	201,411	84,864	113,036	68,985	787,969	2,264,017
Lifetime ECL (Sh'000)	49,228	3,151	5,206	4,279	5,385	755,969	823,218
2023	< 30	31-60	61-90	91-180	181-360	Over 361	Total
	days	days	days	days	days	days	
ECL rate	3%	5%	9%	9%	15%	77%	33%
Expected Gross Carrying Amount (Sh'000)	944,233	237,482	127,691	97,169	72,155	949,919	2,428,649
Lifetime ECL (Sh'000)	26,084	11,354	11,036	8,802	10,579	728,381	796,236
Company							
2024	< 30	31-60	61-90	91-180	181-360	Over 361	Total
	days	days	days	days	days	days	
ECL rate	0.2%	-	-	-	-	106.4%	4%
Expected Gross Carrying Amount (Sh'000)	111,376	-	-	-	-	4,136	115,512
Lifetime ECL (Sh'000)	226	-	-	-	-	4,400	4,626
2023	< 30	31-60	61-90	91-180	181-360	Over 361	Total
	days	days	days	days	days	days	
ECL rate	-	0%	0%	0%	100%	100%	1%
Expected Gross Carrying Amount (Sh'000)	-	6,790	580	421	12	94	7,897
Lifetime ECL (Sh'000)	-	-	-	-	12	94	106

## 35. RISK MANAGEMENT POLICIES (continued)

## 35.3 Credit risk (Continued)

## Credit risk profile based on provision matrix

A reconciliation of the impairment loss accounts:

Group	Trade receivables	Loan to related companies	Bank balances and short term deposits	Fixed deposits with bank (maturing in more than 3 months)	Total
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
<b>At 31 December 2023</b>					
At 1 January 2023	968,643	306,880	31,275	23,187	1,329,985
Increase in loss allowance	100,137	-	2,065		102,202
Reversal of provision for loss allowance	(191,524)	-	(30,412)	(11,472)	(233,408)
Amounts written off during the year as uncollectible	(99,788)	-	-	-	(99,788)
Effect of exchange rate movements	18,768	-	1,563	125	20,456
At 31 December 2023	<b>796,236</b>	<b>306,880</b>	<b>4,491</b>	<b>11,840</b>	<b>1,119,447</b>
<b>31 December 2023</b>					
At 1 January 2024	796,236	306,880	4,491	11,840	1,119,447
Increase in loss allowance	62,952	-	-	-	62,952
Reversal of provision for loss allowance	(15,621)	-	(3,589)	(5,182)	(24,392)
Effect of exchange rate movements	(20,349)	-	88	-	(20,261)
At 31 December 2024	<b>823,218</b>	<b>306,880</b>	<b>990</b>	<b>6,658</b>	<b>1,137,746</b>

Company	Trade receivables	Loan to related companies	Bank balances and short term deposits	Fixed deposits with bank (maturing in more than 3 months)	Total
	Sh'000	Sh'000	Sh'000	Sh'000	Sh'000
<b>At 31 December 2023</b>					
At 1 January 2023	-	457,390	-	10,827	468,217
Reversal of provision for loss allowance	106	32,237	-	(7,465)	24,878
At 31 December 2023	<b>106</b>	<b>489,627</b>	<b>-</b>	<b>3,362</b>	<b>493,095</b>
<b>At 31 December 2024</b>					
At 1 January 2024	106	489,627	-	3,362	493,095
Increase in loss allowance	4,520	32,237	-	(842)	35,915
At 31 December 2024	<b>4,626</b>	<b>521,864</b>	<b>-</b>	<b>2,520</b>	<b>529,010</b>



## 35. RISK MANAGEMENT POLICIES (continued)

### 35.3 Credit risk (Continued)

#### Credit risk profile based on provision matrix

The Directors believe that the unimpaired amounts that are past due (more than 30 days in arrears) are still collectible in full based on historical payment behaviour and extensive analysis of customer credit risk. Bank balances and bank deposits are not restricted and include deposits held with banks that have high credit ratings. Bank balances and bank deposits are thus considered investment grade.

### 35.4 Liquidity risk management

Liquidity risk is the risk that cash may not be available to settle obligations when due, at a reasonable cost. The primary liquidity risk of the Group is its obligation to pay vendors as they fall due. Management has built an appropriate liquidity risk management framework for the Group's short, medium and long-term needs. The Group manages liquidity risk by monitoring forecast and actual cash flows and by maintaining credit facilities from banks. Refer note 31 for details of bank credit facilities the Group has. The tables below analyses the Group's and Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

#### Group

All Figures in Sh'000	Less than 1 moth	Between 1 – 3 months	Between 3 – 12 months	Over 1 year	Total
<b>At 31 December 2024</b>					
Payable to related parties	87,298	7,640	8,3859	-	178,787
Trade payables	694,185	204,954	48,1826	-	1,380,965
Lease liabilities	-	-	76,162	112,470	188,632
Bank overdraft	79,081	-	-	-	79,081
	<b>860,564</b>	<b>212,594</b>	<b>641,847</b>	<b>112,470</b>	<b>1,827,475</b>
<b>At 31 December 2023</b>					
Payable to related parties	19,642	29,110	32,118	-	80,870
Trade payables	127,692	969,678	451,889	-	1,549,259
Lease liabilities	-	-	50,063	91,088	141,151
Bank overdraft	71,822	-	-	-	71,882
Dividends payable	41,751	-	-	-	41,751
	<b>260,967</b>	<b>998,788</b>	<b>534,070</b>	<b>91,088</b>	<b>1,884,913</b>

## 35. RISK MANAGEMENT POLICIES (continued)

### 35.3 Credit risk (Continued)

#### Credit risk profile based on provision matrix

##### Company

All Figures in Sh'000	Less than 1 moth	Between 1 – 3 months	Between 3 – 12 months	Over 1 year	Total
<b>At 31 December 2024</b>					
Payable to related parties	390,891	8,655	27,191	-	426,737
Trade payables	123,121	4,238	13,164	-	140,523
Lease liabilities	-	-	43,958	74,282	118,240
Bank overdraft	79,679	-	-	-	79,679
	<b>593,691</b>	<b>12,893</b>	<b>84,313</b>	<b>74,282</b>	<b>765,179</b>
<b>At 31 December 2023</b>					
Payable to related parties	156,669	112,991	139,667	-	409,327
Trade payables	29,205	1,167	22,119	-	5,2491
Lease liabilities	-	-	11,622	12,273	23,895
Overdraft	71,822	-	-	-	71,882
Dividends payable	41,751	-	-	-	41,751
	<b>299,507</b>	<b>114,158</b>	<b>173,408</b>	<b>12,273</b>	<b>599,346</b>

### 35.5 Interest rate risk

Interest rate risk arises primarily from bank borrowings. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates. The potential impact of 1% increase or decrease in interest rate on profitability of the company would have been a decrease or increase of Sh0.15million (2023: Sh0.68million) with a corresponding similar impact on retained earnings.

### 35.6 Foreign currency risk

The Group's operations are predominantly in Kenya where the currency has been fluctuating against the major convertible currencies. A portion of the Group's purchases and sales are denominated in foreign currencies principally in US dollars. The Group does not hedge its foreign currency risk.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

At 31 December 2024, if the average exchange rate for the year was 5% higher or lower, the profit before tax would have increased or decreased by approximately Sh 16 million (2023: Sh5.9million) for the Group and Sh 14.7 million (2023: Sh 2.1million) for the Company.

The tables below summarise the Group's and Company's exposure to foreign currency risks





## 35. RISK MANAGEMENT POLICIES (continued)

### 35.6 Foreign currency risk (continued)

2024							
Amounts equivalent to Sh'000							
Currency	Trade receivables	Cash balances	Intercompany loans	Related party receivables	Trade Payables	Related party payables	Total
United States Dollar	184,798	493,018	514,374	14,363	(109,682)	(109,116)	<b>987,755</b>
Great British Pound	-	-	-	-	(402)	(2,184)	<b>(2,586)</b>
The Euro	16	-	-	-	(4,667)	-	<b>(4,651)</b>
Uganda shillings		101,754	-	-	(48,554)	-	<b>53,200</b>
Tanzania Shillings	88,757	41,089	-	12,258	(92,278)	-	<b>49,826</b>
Others	121,304	78,421	-	14,300	(71,594)	-	<b>142,431</b>
	<b>394,875</b>	<b>714,282</b>	<b>514,374</b>	<b>40,921</b>	<b>(327,177)</b>	<b>(111,300)</b>	<b>1,225,975</b>

2023							
Amounts equivalent to Sh'000							
Currency	Trade receivables	Cash balances	Intercompany loans	Related party receivables	Trade Payables	Related party payables	Total
United States Dollar	364,753	976,699	172,606	68,263	(204,187)	(16,703)	<b>1,361,431</b>
Great British Pound	-	-	-	5,099	(402)	(10,529)	<b>(5,832)</b>
The Euro	-	-	-	3,525	-	(239)	<b>3,286</b>
Uganda shillings	-	85,904	-	-	-	-	<b>85,904</b>
Tanzania Shillings	140,978	55,228	-	7,877	(98,853)	-	<b>105,230</b>
Others	224,779	139,147	-	23,608	(196,269)	(806)	<b>190,459</b>
	<b>730,510</b>	<b>1,256,978</b>	<b>172,606</b>	<b>108,372</b>	<b>(499,711)</b>	<b>(28,277)</b>	<b>1,740,478</b>

## 35. RISK MANAGEMENT POLICIES (continued)

### 35.6 Foreign currency risk (continued)

2024							
Amounts equivalent to Sh'000							
Currency	Trade receivables	Cash balances	Intercompany loans	Trade Payables	Related party receivables	Related party payables	Total
United States Dollar	4,604	347,350	514,374	-	(72,918)	(93,626)	699,784
Great British Pound	-	-	-	(402)	-	(2,034)	(2,436)
	<b>4,604</b>	<b>347,350</b>	<b>514,374</b>	<b>(402)</b>	<b>(72,918)</b>	<b>(95,660)</b>	<b>697,348</b>

2023							
Amounts equivalent to Sh'000							
Currency	Trade receivables	Cash balances	Intercompany loans	Trade Payables	Related party receivables	Related party payables	Total
United States Dollar	4,604	662,023	172,606	-	(96,305)	(22,687)	720,241
Great British Pound	-	-	-	(402)	-	(2,152)	(2,554)
	<b>4,604</b>	<b>662,023</b>	<b>172,606</b>	<b>(402)</b>	<b>(96,305)</b>	<b>(24,839)</b>	<b>717,687</b>

### 35.7 Price risk

Price risk arises from fluctuations in the prices of equity investments. At 31 December 2024 and 31 December 2023, the group did not hold investments that would be subject to price risk; hence this risk is not applicable.

### 35.8 Concentration risk

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties.

## 36. FAIR VALUE MEASUREMENT

The directors considered that the carrying amount of financial assets and financial liabilities recognised in consolidated and company financial statements approximate their fair values. The Group does not have any material assets and liabilities that require measurement at fair value on a recurring basis.

## 37. DIVIDENDS

The directors did not declare a dividend for the Company for the financial year ended 31 December 2024 (2023: Nil).



### 38. RESTATEMENT IN REVENUE PRESENTATION DUE TO REASSESSMENT OF MEDIA BUYING ACTIVITIES

During the year ended 31 December 2024, the Company and Group performed a comprehensive reassessment of media buying activities based on media contracts in accordance with IFRS 15 – Revenue from Contracts with Customers. This review necessitated a change in the presentation of media revenue to reflect treatment as an agent. Historically, the Company and Group had been reporting and recognizing revenue as a principal with the media billings being reported under Revenue and direct costs.

This conclusion aligns with IFRS 15, Paragraph 31 which states that "An entity is a principal if it controls the specified good or service before it is transferred to the customer. If the entity does not control the good or service before it is transferred, then it is an agent and should recognize revenue on a net basis, representing the amount earned for arranging the transfer". After the reassessment under IFRS 15, and despite the contractual framework setting the Company and Group media agencies up as principal, obligations relating to delivery of media buying services are delivered as agent.

The restatement has no impact on the overall reported income statements for the Company and Group. Further, the restatement does not have an impact on the gross profits, statement of financial position, or the statements of cash flows for either the Company or the Group. The effect of this restatement is limited to the presentation of media revenue and its related costs within the income statements of the Company and Group

All figures in Sh'000	CONSOLIDATED			COMPANY		
	2023 balance previously reported	Adjustment for restatement	2023 restated	2023 balance previously reported	Adjustment for restatement	2023 restated
Revenue	6,612,362	(3,414,775)	3,197,587	155,835	(142,175)	13,660
Direct costs	(4,386,902)	3,414,775	(972,127)	(142,175)	142,175	-
<b>Gross profit</b>	<b>2,225,460</b>	<b>-</b>	<b>2,225,460</b>	<b>13,660</b>	<b>-</b>	<b>13,660</b>

### 39. HYPERINFLATION

For the financial year ended 31 December 2024, the directors evaluated and determined the economy of Ghana to be hyperinflationary. The standard requires significant judgments to be made by the financial statement preparer considering guidelines provided in IAS 29. The Directors considered the following factors in determining and concluding that the Ghana economy was hyperinflationary:

- The population's preference to keep wealth in non-monetary assets or a relatively stable foreign currency.
- Prices for credit transactions being set at levels to compensate for expected loss of purchasing power during the credit period.
- Interest rates and wages are frequently adjusted to compensate the loss of purchasing power; and
- The cumulative inflation rate over the past three years exceeding 100%.

The data below represents the Consumer Price Indexes (CPI) used in 2024. The source of the price indexes used was the Ghana Statistical Services.

CPI as at 31 December 2023	200.54
CPI as at 31 December 2024	248.34
Average CPI in 2023	183.7
Average CPI in 2024	225.65



## 39. HYPERINFLATION (continued)

### 39 (a) LOSS ON MONETARY POSITION

All figures in Sh'000	CONSOLIDATED		COMPANY	
	2024	2023	2024	2023
Loss in Monetary Position	13,508	10,450	-	-

The application of IAS 29 resulted in loss on the net monetary position of Sh 13.5m (2023: Sh 10.4m) which represents the difference resulting from the restatement of non-monetary assets, owners' equity and items in the statement of comprehensive income items. The consolidated financial statements have not been adjusted for hyperinflation in both Scanad Ghana Limited and Ogilvy Africa Ghana Limited as the resultant loss in monetary position and individual statement of financial position line items was deemed not material to the Group financial statements.

### 40. EVENTS AFTER THE REPORTING DATE

Ms Miriam Kaggwa was appointed as Chief Operating Officer of the company and Mr Sanjeev Panwar was appointed as Chief Finance Officer of the company on 1 January 2025.

### 41. INCORPORATION

The company is domiciled and incorporated in Kenya as a public limited liability company under the Kenyan Companies Act, 2015. 56.26% shares of the company are beneficially held by WPP Plc, a company incorporated in Jersey, and ultimate parent company of WPP Scangroup Plc. The financial statements of WPP Plc are available at [www.wpp.com](http://www.wpp.com).



The background features a dark blue gradient with several concentric, faint white circles. Scattered around these circles are various colorful spheres: a large purple one at the top right, a smaller purple one with a red and yellow dot at the top center, a blue one on the left, and a red and blue one at the bottom center. The text 'WPP | SCANGROUP PLC' is centered horizontally in the middle of the image.

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