

**Registered number: 2139689**

**Paramount Home Entertainment International Limited**

**Annual report and financial statements for the year  
ended 30 September 2016**

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## Paramount Home Entertainment International Limited

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### Company information

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<b>Directors</b>	J Kanhai B Rathouse
<b>Company secretary</b>	FFW Secretaries Limited
<b>Registered number</b>	2139689
<b>Registered office</b>	Building 5 Chiswick Park 566 Chiswick High Road London W4 5YF
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

## **Paramount Home Entertainment International Limited**

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# Paramount Home Entertainment International Limited

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## Strategic report for the year ended 30 September 2016

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The directors present their strategic report on Paramount Home Entertainment International Limited (the "Company") for the year ended 30 September 2016.

### Principal activity

On 1 September 2015 the Company transferred all its assets and liabilities and their principal activities, the provision of professional and consulting services, to Paramount Pictures International Limited ("PPIL"), a limited company organised under the laws of the United Kingdom, which is based at Building 5, Chiswick Park, 566 Chiswick High Road, London, W4 5YF. Therefore the going concern basis of accounting is no longer appropriate. The financial statements have been prepared on a basis other than going concern as described on page 9.

### Review of the year

The Company's profit for the financial year amounts to £ 307 (2015: £ 361,140).

The Company received interest of £ 1,285 (2015: £ 15,692) on its bank accounts and paid bank fees to an amount of £ 978, which resulted in a profit for the financial year of £ 307.

### Key performance indicators (KPIs)

Given that the going concern basis of accounting is no longer appropriate, no key performance indicators are necessary for an understanding of the development, performance or position of the Company.

### Principal risks and uncertainties

The management of the Company and execution of the Company's strategy are subject to a number of risks. The directors have identified the need to manage the Company's material financial risks, including foreign exchange, liquidity, credit and interest rate risks. These risks are monitored through a Group Treasury management function which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for Viacom Inc. group companies (the "Group").

Group Treasury also seeks to limit counter-party risk by conducting all of its banking and dealing activities with a limited number of major international banks, whose status is kept under review.

### Liquidity Risk

The Company finances its operations through a combination of retained earnings, intercompany payables and loans from the Group.

### Interest rate risk

To the extent that the Company enters into banking agreements, the Company's exposure to interest risk arises on surplus cash. Interest income in USD is based on 0/N Libor, interest income in EUR is based on Eonia and interest income in GBP is based on 0/N Libor. When accounts are overdrawn interest expense in USD and GBP are based on 0/N Libor +62.5bps, interest expense in EUR is based on Eonia +62.5bps. The Company does not participate in interest rate hedging.

### Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board. The Company also has exposure to financial institutional risk in its money market investments and bank deposits which is actively reviewed and managed by the group treasury.

## Paramount Home Entertainment International Limited

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### Strategic report for the year ended 30 September 2016

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#### Foreign exchange risk

To the extent that the Company enters into banking arrangements and intercompany agreements in currencies different to that of the Company's functional currency of US dollar, there is an exposure to movements in exchange rates. The Company does not participate in cross-currency hedging.

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

  
**B Rathouse**  
Director

Date: 2 June 2017

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**Directors' report for the year ended 30 September 2016**

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The directors present their report and the audited financial statements of the Company for the year ended 30 September 2016.

**Dividends**

The directors do not recommend the payment of a dividend (2015: £ nil). No dividends were paid or declared during the year (2015: £ nil).

**Qualifying third party indemnity provisions**

The Company has in effect through its ultimate holding company, Viacom Inc., a directors' indemnity insurance. This is a qualifying third party indemnity provision and was in force during the financial year and at the date of the approval of the financial statements.

**Directors**

The directors who held office during the year and to the date of signing these financial statements are listed below:

J Kanhai  
B Rathouse

**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with FRS 102 (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

As explained on page 9, the directors do not consider it appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Paramount Home Entertainment International Limited**

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**Directors' report for the year ended 30 September 2016**

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**Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report and the financial statements on pages 7 to 15 were approved by the board and signed on its behalf



**B Rathouse**  
Director

Date: 2 June 2017

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**Independent auditors' report to the members of Paramount Home Entertainment International**

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**Report on the financial statements**

**Our opinion**

In our opinion, Paramount Home Entertainment International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. In prior year the company transferred all its assets and the principal trade to another group company. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

**What we have audited**

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 30 September 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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**Independent auditors' report to the members of Paramount Home Entertainment International Limited (continued)**

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**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**What an audit of financial statements involves**

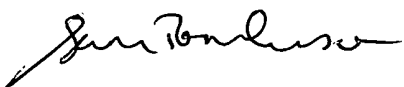
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sam Tomlinson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 2 June 2017

**Paramount Home Entertainment International Limited**

**Statement of comprehensive income for the year ended 30 September 2016**

	Note	2016 £	2015 £
<b>Turnover</b>	<b>2</b>	-	3,442,125
Administrative expenses		(978)	(3,003,970)
<b>Gross profit/(loss)</b>		<b>(978)</b>	<b>438,155</b>
Interest receivable and similar income	<b>5</b>	1,285	15,692
Interest payable and similar charges	<b>6</b>	-	(470)
Other finance costs	<b>7</b>	-	11,000
<b>Profit on ordinary activities before taxation</b>	<b>8</b>	<b>307</b>	<b>464,377</b>
Tax charge on profit on ordinary activities	<b>8</b>	(61)	(103,237)
<b>Profit for the financial year</b>		<b>246</b>	<b>361,140</b>
<b>Other comprehensive income</b>			
Transfer of current tax expense to PPIL pension scheme		-	(36,678)
<b>Total other comprehensive loss</b>		<b>-</b>	<b>(36,678)</b>
<b>Total comprehensive income for the year</b>		<b>246</b>	<b>324,462</b>

The notes on pages 9 - 15 form part of these financial statements.

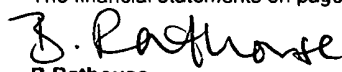
# Paramount Home Entertainment International Limited

## Balance sheet as at 30 September 2016

	Note	2016 £	2015 £
<b>Current assets</b>			
Cash at bank		187,656	-
		187,656	-
<b>Creditors: amounts falling due within one year</b>	9	(187,410)	-
<b>Net current assets</b>		246	-
<b>Capital and reserves</b>			
Called up share capital	10	10,000	10,000
Profit and loss account		(9,754)	(10,000)
<b>Total shareholders' funds</b>		246	-

The notes on pages 9 - 15 form part of these statements.

The financial statements on page 7 - 15 were approved by the Board of Directors and signed on its behalf by:

  
**B Rathouse**  
 Director

Date: 2 June 2017

Company registered number: 2139689

## Statement of changes in equity for the year ended 30 September 2016

	Note	Called up share capital £	Profit and loss account £	Total shareholders' (deficit)/funds £
<b>Balance as at 1 October 2014</b>		10,000	(334,462)	(324,462)
Total comprehensive income for the year		-	324,462	324,462
<b>Balance as at 30 September 2015</b>		10,000	(10,000)	-
Profit for the financial year and total comprehensive income		-	246	246
<b>Balance as at 30 September 2016</b>		10,000	(9,754)	246

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Notes to the financial statements for the year ended 30 September 2016

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**1 Principal accounting policies**

**General information**

The Company is a limited liability company organised under the laws of the United Kingdom which is based at Building 5, Chiswick Park, 566 Chiswick High Road, London, W4 5YF, United Kingdom. The ultimate parent is Viacom Inc., New York, United States of America.

**Statement of compliance**

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**Summary of significant accounting policies**

The principles accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**1.1 Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention as modified by the recognition of certain financial assets and liabilities at fair value. This is the first year in which the financial statements have been prepared under FRS 102. FRS 102 has been adopted by the Company at 30 September 2016. The date of transition to FRS 102 is 1 October 2014. details of the transition to FRS 102 are disclosed in note 15.

**1.2 Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 1 to 2.

On 1 September 2015 the Company transferred all its assets and liabilities and their principal activities, the provision of professional and consulting services, to Paramount Pictures International Limited ("PPIL"), a limited company organised under the laws of the United Kingdom, which is based at Building 5, Chiswick Park, 566 Chiswick High Road, London, W4 5YF. Therefore the going concern basis of accounting is no longer appropriate. The financial statements have been prepared on a basis other than going concern.

**1.3 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the consolidated financial statements of Viacom Inc. which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102; and
- ii) from the requirement to disclose the key management personnel compensation in total as required by FRS 102 paragraph 33.7; and
- iii) from the requirement to disclose transactions with related parties which are not wholly owned within the same Group as required by FRS 102 paragraph 33.8; and
- iv) from the requirement to disclose detailed information about the movements of the granted and exercised stock options as required by FRS 102 paragraph 26.18.

Accordingly, these financial statements present information about the Company as an individual undertaking and not as a group.

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**Notes to the financial statements for the year ended 30 September 2016 (continued)**

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**1 Principal accounting policies (continued)**

**1.4 Turnover**

Turnover consists of professional and consulting services to Viacom Global (Netherlands) B.V., and Viacom International Hungary Kft. A fellow subsidiary undertaking, during the year, inclusive of pension related net finance costs, exclusive of VAT and foreign exchange gains and losses plus an 8% mark-up.

**1.5 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are expressed in Pound Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are expressed in Pound Sterling at the rate of exchange prevailing on the date of the transaction. The resulting profits or losses are dealt with in the Profit and loss account. Any non-monetary assets and liabilities denominated in foreign currencies are translated into the presentational currency at the closing date of the balance sheet and recognised as a separate component of equity.

**1.6 Cash at bank**

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

**1.7 Taxation**

Taxation expense for the year comprises current and deferred tax recognised in the reporting period.

Current or deferred taxation assets and liabilities are not discounted.

**i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**ii) Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted. The recoverability of tax losses is assessed by reference to forecasts, which have been prepared and approved by the board of Directors.

**1.8 Employee benefits**

The Company provided a range of benefits to employees, including a defined contribution and a defined benefit pension plan and holiday pay. On 1 September 2015 the Company transferred its assets and liabilities including the pension scheme obligations to Paramount Pictures International Limited. Therefore no pension obligation is presented in the balance sheet and no pension expenses are paid by the Company during the year ended 30 September 2016, with reference to the financial statements for financial year 2015.

Notes to the financial statements for the year ended 30 September 2016 (continued)

**2 Turnover**

	2016 £	2015 £
Professional and consulting services	-	3,442,125

Turnover consists of professional and consulting services to Viacom Global (Netherlands) B.V., and Viacom International Hungary Kft. A fellow subsidiary undertaking, during the year, inclusive of pension related net finance costs, exclusive of VAT and foreign exchange gains and losses plus an 8% mark-up.

**3 Profit on ordinary activities before taxation**

Operating profit is stated after charging:

	2016 £	2015 £
Wages and salaries	-	1,337,058
Social security costs	-	217,114
Other pension costs	-	334,328
<b>Staff cost charged to profit and loss</b>	<b>-</b>	<b>1,888,500</b>
Fees payable to the Company's auditor and their associates for the audit of the Company's financial statements	-	60,470
Fees payable to the Company's auditor and their associates for other services:		
- Audit-related assurance services	-	-
- Tax advisory services	-	685
- Tax compliance services	-	28,745
<b>Total amount payable to the Company's auditors and their associates</b>	<b>-</b>	<b>89,900</b>

**4 Employees and directors**

**Employees**

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2016 No.	2015 No.
Finance, administrative and management information systems	-	12
Product services/marketing	-	8
	<b>-</b>	<b>20</b>

**Directors**

None of the directors are remunerated by the Company (2015: nil) in respect of qualifying services to the Company. Two (2015: nil) directors are remunerated by Paramount Pictures International Limited. Details are available in the financial statements of that company.

**Paramount Home Entertainment International Limited**

**Notes to the financial statements for the year ended 30 September 2016 (continued)**

**5 Interest receivable and similar income**

	2016 £	2015 £
Bank interest received	1,285	15,692

**6 Interest payable and similar charges**

	2016 £	2015 £
Bank interest payable	-	470

**7 Other finance costs**

	2016 £	2015 £
Interest income on plan assets	-	592,000
Interest expense on defined benefit obligation	-	(581,000)
	-	11,000

**8 Tax charge on profit on ordinary activities**

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax charge on profit for the year	61	84,197
Adjustments in respect of prior years	-	(42,197)
<b>Total current tax</b>	<b>61</b>	<b>42,000</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	61,237
<b>Total deferred tax charge</b>	<b>-</b>	<b>61,237</b>
<b>Tax on profit on ordinary activities</b>	<b>61</b>	<b>103,237</b>

Notes to the financial statements for the year ended 30 September 2016 (continued)

8 Tax charge on profit on ordinary activities (continued)

Reconciliation of tax charge

The tax assessed for the year is the same as (2015: lower) the standard rate of corporation tax in the UK for the year ended 30 September 2016 of 20.0% (2015: 20.5%) and the differences are explained in the following table:

	2016 £	2015 £
Profit on ordinary activities before tax	307	464,377
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2015: 20.5%)	61	95,197
Effects of:		
Capital allowances for year in excess of depreciation	-	(18,000)
Adjustments to tax charge in respect of previous years	-	(42,197)
Group relief	-	7,000
Current tax charge for the year	61	42,000

Factors that may affect future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 had already been substantively enacted in the period.

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	187,349	-
Corporation tax	61	-
At 30 September	187,410	-

Amounts owed to group undertakings

Amounts due to group companies are unsecured and are payable on demand as determined from time to time within the group.

10 Called up share capital

	2016 £	2015 £
Authorised		
1,000 (2015 - 1,000) ordinary shares of £ 100 each	100,000	100,000
Allotted, called up and fully paid		
100 (2015 - 100) ordinary share of £ 100	10,000	10,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.



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Notes to the financial statements for the year ended 30 September 2016 (continued)

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**11 Related party transactions**

The Company is exempt under section 33.1A of FRS102 from disclosing related party transactions with entities that are part of the Viacom Inc. group.

**12 Controlling party**

The Company is a subsidiary undertaking of Paramount Pictures International Limited incorporated in the United Kingdom.

Paramount Pictures International Limited is owned by Viacom Alto Overseas C.V., limited partnership under Dutch law and Viacom Inc. respectively, incorporated in the USA. The ultimate controlling party of Viacom Inc. is National Amusements Inc., the beneficial owner of the majority of Viacom Inc. voting shares. Viacom Inc's voting and non-voting shares are quoted.

The only group in which the results of Paramount Pictures International Limited are consolidated is Viacom Inc. The consolidated financial statements for this group are available to the public and may be obtained from 1515 Broadway, New York, N.Y., 10036 5794, USA.

**13 Transition to FRS 102**

FRS 102 has been adopted by the Company at 30 September 2016. This is the first year that the Company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 30 September 2015. The date of transition to FRS 102 was 1 October 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 30 September 2015 and the total equity as at 1 October 2014 and 30 September 2015 between UK GAAP as previously reported and FRS 102.

**Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the consolidated financial statements of Viacom Inc. which are publicly available.

As a qualifying entity, the Company has taken advantage of the exemptions as disclosed in note 1.3.

**Transition exemption:**

The Company has taken advantage of the exemption under paragraph 35.10(p) of FRS 102 to continue to recognise the existing lease incentives at the transition date on the same basis as previous UK GAAP. Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives to be spread over the lease period.

**Reconciliation of profit for the year**

	<b>30 September 2015 £</b>
Profit for the financial year as previously reported under UK GAAP	361,140
Adjustments on transition	-
<i>Profit for the financial year as reported under FRS 102</i>	<u><u>361,140</u></u>

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Notes to the financial statements for the year ended 30 September 2016 (continued)

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**13 Transition to FRS 102 (continued)**

**Reconciliation of other comprehensive income for the year**

	<b>30 September 2015 £</b>
As previously reported under UK GAAP	(36,678)
Adjustments on transition	-
As reported under FRS 102	<u>(36,678)</u>

**Reconciliation of equity as at 1 October 2014 and 30 September 2015**

	<b>1 October 2014 £</b>	<b>30 September 2015 £</b>
Total reserves as previously reported under UK GAAP	(324,462)	-
Adjustments on transition	-	-
Total reserves as reported under FRS102	<u>(324,462)</u>	<u>-</u>