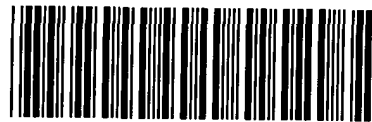


Boomsign Limited
Annual report and financial statements
for the period ended
31 December 2015

SATURDAY



A55I644W

A08

23/04/2016

#143

COMPANIES HOUSE

Contents

Officers and professional advisers	1
Strategic report.....	2
Directors' report.....	3
Independent auditors' report to the members of Boomsign Limited.....	5
Statement of comprehensive income	7
Balance sheet.....	8
Statement of changes in equity	9
Notes to the financial statements	10

Officers and professional advisers

The Board of Directors

J de Bruin
H M Cobbold
P W D Roberts
A J G Bellamy

Company secretary

A J G Bellamy

Registered office

Town Centre House
Merrion Centre
Leeds
United Kingdom
LS2 8LY

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP



Strategic report

for the period ended 31 December 2015

The directors present their strategic report for the 14 month period ended 31 December 2015.

Business Review

Boomsign Limited, a subsidiary of Tolmers Newco 1 Limited was a provider of physical fitness facilities under the LA Fitness brand until 19 December 2014 when the trade and assets of the one club held by the company was sold to another operator as a going concern. Consequently, the company is dormant and is expected to remain so for the foreseeable future.

Results and KPIs

The income statement on page 7 shows the performance of Boomsign Limited for the period ended 31 December 2015. The company made a profit for the financial period of £84,520 (year ended 31 October 2014: £559,888).

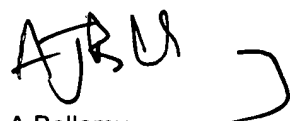
Principal risks and uncertainties

The company has receivables due from fellow group companies, the recoverability of which is dependent on their respective financial position. This risk is mitigated by regular monitoring of the financial performance and future prospects of the operating entities by a common board of directors.

Employees and diversity

Boomsign Limited has no employees, all associated staff are employed by LA Leisure Limited and full details of employees and diversity can be found in the financial statements of LA Leisure Limited.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'A Bellamy', followed by a large, stylized closing bracket ']'.

A Bellamy
Director

14 April 2016

Directors' report

for the period ended 31 December 2015

The directors present their annual report and the audited financial statements of the company for the period ended 31 December 2015.

Future developments

Likely future developments of the company are discussed within the Strategic Report on page 2. The directors do not recommend payment of a dividend.

Principal risks and uncertainties

Principal risks and uncertainties are discussed within the Strategic Report on page 2.

Directors

The directors who served the company during the period and up to signing the financial statements were as follows:

J de Bruin (appointed 28 May 2015)
H M Cobbold (appointed 28 May 2015)
P W D Roberts (appointed 28 May 2015)
A J G Bellamy (appointed 28 May 2015)
R S Chester (resigned 28 May 2015)
M Long (resigned 28 May 2015)
A McColl (resigned 28 May 2015)

Employees

LA Fitness Limited has no employees, all associated staff are employed by LA Leisure Limited and full details of employees and diversity can be found in the financial statements of LA Leisure Limited.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report (continued)

for the period ended 31 December 2015

Statement of directors' responsibilities (continued)

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.

Provision 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

In the absence of any notice proposing to terminate their appointment, PricewaterhouseCoopers LLP will be deemed to be reappointed for the next financial year. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'A Bellamy', followed by a large, stylized flourish or checkmark.

A Bellamy
Director
14 April 2016

Independent auditors' report to the members of Boomsign Limited

Report on the financial statements

Our opinion

In our opinion, Boomsign Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

What we have audited

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

- the statement of financial position as at 31 December 2015;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

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.

Independent auditors' report to the members of Boomsign Limited (continued)

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 pages 3 to 4, 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 parent 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

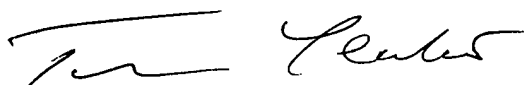
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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



Tom Yeates (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
14 April 2016

Statement of comprehensive income
for the period ended 31 December 2015

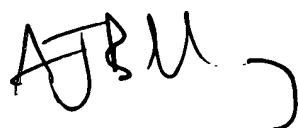
	Note	14 months ended 31 December 2015 £	Year ended 31 October 2014 £
Revenue		99,530	745,890
Exceptional administrative expense	5	-	(24,722)
Other administrative income/(expense)		10,590	(8,080)
Administrative income/(expense)		10,590	(32,802)
Operating profit	4	110,120	713,088
Income tax expense on ordinary activities	8	(25,600)	(153,200)
Total comprehensive income for the period		84,520	559,888

Balance sheet

as at 31 December 2015

	Note	2015 £	2014 £
Non-current assets			
Property, plant and equipment	9	-	-
Deferred tax assets		-	25,600
		-	25,600
Current assets			
Trade and other receivables	10	2,034,296	2,143,609
		2,034,296	2,143,609
TOTAL ASSETS		2,034,296	2,169,209
Current liabilities			
Trade and other payables	11	-	(219,433)
Total current liabilities		-	(219,433)
TOTAL LIABILITIES		-	(219,433)
NET ASSETS		2,034,296	1,949,776
Equity			
Ordinary shares	12	2	2
Retained earnings		2,034,294	1,949,774
TOTAL EQUITY		2,034,296	1,949,776

The notes on pages 10 to 22 are an integral part of these financial statements. The financial statements of Boomsign Limited, registered number 2305174, on pages 7 to 22 were approved by the board of directors and authorised for issue on 14 April 2016 and were signed on its behalf by:



A Bellamy
Director

Statement of changes in equity
for the period ended 31 December 2015

	Called up share capital	Retained earnings	Total equity
	£	£	£
Balance as at 1 November 2013 (previously stated)	2	2,105,086	2,105,088
Effect of changes in accounting policy	-	(715,200)	(715,200)
Balance as at 1 November 2013 (restated)	2	1,389,886	1,389,888
Profit for the financial year	-	559,888	559,888
Balance as at 31 October 2014	2	1,949,774	1,949,776
Profit for the financial period	-	84,520	84,520
Balance as at 31 December 2015	2	2,034,294	2,034,296

Notes to the financial statements

1 General Information

The principal activity of the company during the period of trade was the provision of facilities for physical fitness. Following the sale of its operations on 19 December 2015, the company is now dormant. The company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Town Centre House, Merrion Centre, Leeds, LS2 8LY.

2 Summary of significant accounting policies

The principal 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.

Basis of preparation

The financial statements are presented in sterling. They are prepared on a going concern basis and under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below, and, unless otherwise stated, these policies have been consistently applied to all the periods presented.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 "Reduced Disclosure Framework (FRS 101) and, the Companies Act 2006 (the Act) as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 November 2013. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements. The impact of the amendments to the Company's previously adopted accounting policies in accordance with UK GAAP (excluding FRS 101) is explained in Note 16.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

The principle disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- IFRS 7 financial instrument disclosures;
- IAS 1 information on management of capital;
- IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- IAS 24 disclosure of key management personnel compensation;
- IAS 24 disclosures in respect of related party transactions entered into between fellow group companies; and
- Roll-forward reconciliations in respect of share capital (IAS 1) and property, plant and equipment (IAS 16).

Revenue

Revenue represents sales of services provided in the year and non-refundable joining fees received during the year, exclusive of value added tax. Membership subscriptions received in advance of the year to which they relate are held in deferred income. All turnover relates to sales in the United Kingdom.

Property, plant and equipment

All fixed assets are initially recorded at cost, including those costs that were directly attributable to bringing assets into working condition. Depreciation is calculated so as to write off the cost of an asset (less any residual value) over the useful economic life of that asset, which is 6 years on a straight line basis for fixtures and fittings.

Leases

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. The notional value of any rent free and any other lease incentive provided by the landlord is spread on a straight line basis over the period of the lease.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. As the entity receives monthly membership fees in advance from members, there are no applicable trade receivables.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3 Critical accounting estimates and assumptions

Estimates and judgments 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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of property, plant and equipment

The annual depreciation charge for the property, plant and equipment is sensitive to changes in the estimates useful economic lives and residual values of the assets. The useful economic lives and residual values of the assets. The assessment of useful economic lives and residual values is determined to be a critical accounting judgement and is re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment and note 2 for the useful economic lives for each class of assets.

Notes to the financial statements (continued)

4 Operating profit

	14 month period ended 31 December 2015 £	Year ended 31 October 2014 £
Operating profit is stated after charging / (crediting)		
Depreciation of property, plant and equipment		
- owned assets	-	5,807
Operating lease charges		
- property	(93,783)	(545,297)
Rent receivable	(2,808)	(26,625)
Loss on disposal of property, plant and equipment	3,526	-
Exceptional costs (note 5)	-	24,722

5 Exceptional administrative expenses

Items that are material either because of their size or their nature, or that are nonrecurring are considered as exceptional items and are presented within the line items to which they best relate. These items are analysed further below.

	14 month period ended 31 December 2015 £	Year ended 31 October 2014 £
Impairment charges – fixed assets	-	24,673
Restructuring and legal costs	-	49
	-	24,722

6 Auditors' remuneration

Fees payable to the company's auditors for the audit of the annual statutory financial statements were £4,000 (2014: £nil).

The company is exempt from disclosing the fees payable to the company's auditors (and its associates) for other non-audit services as the consolidated financial statements of the company's ultimate UK parent, Gym Topco Limited, are required to disclose other non-audit services on a consolidated basis.

Notes to the financial statements (continued)

7 Employees and directors

	14 month period ended 31 December 2015 £	Year ended 31 October 2014 £
Wages and salaries	33,218	198,448
Social security costs	1,763	12,487
Pension costs	167	1,238
	35,148	212,173

The group operates a defined contribution pension scheme for all employees using a master trust (occupational trust-based) pension scheme. The total cost expensed in the period was £167 (2014: £1,238) and there were no outstanding pension contributions at the period-end totalled (2014: £nil).

Employees

The average monthly number of persons (including directors) employed by the company during the period was 9, relating wholly to club activities (Year ended 31 October 2014: 10).

Directors

No directors received any remuneration in respect of their services to the company (2014: nil). The key management of the group are deemed to be the same as the directors of the group, therefore no additional disclosure of key management compensation has been provided.

Notes to the financial statements (continued)

8 Tax on profit on ordinary activities

	14 month period ended 31 December 2015 £	Year ended 31 October 2014 £
-Deferred tax:		
- Origination and reversal of timing differences	25,600	153,200
Total deferred tax charge and charge in the statement of comprehensive income	25,600	153,200

Tax expense for the period is higher (2014: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2015 of 20.36% (2014: 21.83%). The differences are explained below:

	14 month period ended 31 December 2015 £	Year ended 31 October 2014 £
Profit on ordinary activities before tax	110,120	713,088
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.83%)	22,296	155,667
Effects of:		
- Expenses not deductible for tax purposes	-	6,394
- Unrelieved tax losses & other deductions arising in the period	(15,793)	-
- Impact of rate changes	316	(14,010)
- Adjustments in respect of previous periods	-	(6,247)
- Group relief	(71)	11,396
- Current year deferred tax not recognised	18,852	-
Total tax charge for the period	25,600	153,200

Notes to the financial statements (continued)

8 Tax on profit on ordinary activities (continued)

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015 and accordingly the company's profits for this period are taxed at an effective rate of 20.36% (2014: 21.83%).

Based on current capital investment plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current period.

Legislation to reduce the standard rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020 was included in the Summer Finance Bill 2015 and was substantively enacted on 26 October 2015. Accordingly deferred tax has been provided at the rate at which the temporary difference is expected to reverse.

The provision for deferred tax consists of the following deferred tax assets:

	2015 £'000	2014 £'000
Due within 12 months		
Deferred tax assets	-	25,600
Total deferred tax asset due within 12 months	-	25,600

The company recognised the following deferred tax assets:

	Other £'000	Total £'000
At 1 November 2013	178,800	178,800
Charge for the year	(153,200)	(153,200)
At 31 October 2014	25,600	25,600
Charge for year	(25,600)	(25,600)
At 31 December 2015	-	-

Notes to the financial statements (continued)

9 Property, plant and equipment

	Fixtures & Fittings £	Total £
Cost		
1 November 2014	102,481	102,481
Disposals	(102,481)	(102,481)
31 December 2015	-	-
Accumulated depreciation		
1 November 2014	102,481	102,481
Disposals	(102,481)	(102,481)
31 December 2015	-	-
Net book value		
31 December 2015	-	-
31 October 2014	-	-

10 Trade and other receivables

	2015 £	2014 £
Amounts owed by group undertakings	2,034,296	2,062,536
Prepayments and accrued income	-	81,073
	2,034,296	2,143,609

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The directors do not intend to seek repayment within one year from the date of signing these financial statements.

11 Trade and other payables

	2015 £	2014 £
Amounts owed to group undertakings	-	64,573
Accruals and deferred income	-	154,860
	-	219,433

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements (continued)

12 Ordinary Shares

Allotted and fully paid

	31 December 2015 & 31 October 2014 £	31 December 2015 & 31 October 2014 No.
Ordinary shares of £1 each	2	2

13 Capital and other commitments

As 31 December 2015 the Directors had not contracted for any future capital expenditure and had no annual commitments under non-cancellable operating leases (2014: nil).

14 Related party transactions

See note 7 for directors' remuneration.

Advantage has been taken of the exemption in IAS 24 not to disclose transactions between Gym Topco Limited and its subsidiaries.

15 Controlling party

The immediate parent undertaking is LA Fitness Limited. The smallest group into which the results of the company are consolidated is Tolmers Newco 1 Limited, a company incorporated in the UK. The ultimate UK registered parent company is Gym Topco Limited. Publically available financial statements can be obtained from the registered office.

The ultimate controlling party and largest group into which the results of the company are consolidated is CCMP Capital LP, 245 Park Avenue, 16th Floor, New York, NY 10167, United States of America.

Notes to the financial statements (continued)

16 Impact of transition to FRS 101

These are the company's first financial statements prepared under FRS 101.

The accounting policies set out in note 2 have been applied in preparing the company's financial statements for the year ended 31 October 2014 and period ended 31 December 2015, and in the preparation of an opening FRS 101 balance sheet at 1 November 2013 (the company's date of transition).

In preparing its opening FRS 101 balance sheet, the Group has adjusted amounts reported previously in financial statements prepared with UK GAAP. An explanation of how the transition from UK GAAP to FRS 101 has affected the company's statement of financial position and statement of comprehensive income is set out in the following tables and notes that accompany the tables.

Statement of comprehensive income for the year ended 31 October 2014

	UK GAAP £	Leases £	Tax £	FRS 101 £
Revenue	745,890	-	-	745,890
Exceptional administrative expenses	(24,722)	-	-	(24,722)
Other administrative expenses	(774,080)	766,000	-	(8,080)
Administrative expenses	(798,802)	766,000	-	(32,802)
Operating (loss) / profit	(52,912)	766,000	-	713,088
(Loss) / profit on ordinary activities before taxation	(52,912)	766,000	-	713,088
Income tax expense on ordinary activities	-	-	(153,200)	(153,200)
(Loss) / profit for the financial year	(52,912)	766,000	(153,200)	559,888
Total comprehensive (expense) / income for the year	(52,912)	766,000	(153,200)	559,888

Notes to the financial statements (continued)

16 Impact of transition to FRS 101 (continued)

Statement of financial position as at 31 October 2014

	Adjustments for:			
	UK GAAP £	Leases £	Tax £	FRS 101 £
Non-current assets				
Deferred tax assets	-	-	25,600	25,600
	-	-	25,600	25,600
Current assets				
Trade and other receivables	2,143,609	-	-	2,143,609
	2,143,609	-	-	2,143,609
TOTAL ASSETS	2,143,609	-	25,600	2,169,209
Current liabilities				
Trade and other payables	(91,433)	(128,000)	-	(219,433)
Total current liabilities	(91,433)	(128,000)	-	(219,433)
TOTAL LIABILITIES	(91,433)	(128,000)	-	(219,433)
NET ASSETS	2,052,176	(128,000)	25,600	1,949,776
Equity				
Ordinary shares	2	-	-	2
Retained earnings	2,052,174	(128,000)	25,600	1,949,774
Total shareholders' funds	2,052,176	(128,000)	25,600	1,949,776

Notes to the financial statements (continued)

16 Impact of transition to FRS 101 (continued)

Statement of financial position as at 1 November 2013

	Adjustments for:			
	UK GAAP £	Leases £	Tax £	FRS 101 £
Non-current assets				
Property, plant and equipment	16,829	-	-	16,829
Deferred tax assets	-	-	178,800	178,800
	16,829	-	178,800	195,629
Current assets				
Trade and other receivables	2,121,252	-	-	2,121,252
	2,121,252	-	-	2,121,242
TOTAL ASSETS	2,138,081	-	178,800	2,316,881
Current liabilities				
Trade and other payables	(32,993)	(894,000)	-	(926,993)
Total current liabilities	(32,993)	(894,000)	-	(926,993)
TOTAL LIABILITIES	(32,993)	(894,000)	-	(926,993)
NET ASSETS	2,105,088	(894,000)	178,800	1,389,888
Equity				
Ordinary shares	2	-	-	2
Retained earnings	2,105,086	(894,000)	178,800	1,389,886
Total shareholders' funds	2,105,088	(894,000)	178,800	1,389,888

Notes to the financial statements (continued)

16 Impact of transition to FRS 101 (continued)

Lease Incentives

Under UK GAAP, the policy on recognition of lease incentives is to spread the incentive over the period to the first rent review. Under SIC 15 the requirement is to spread over the life of the lease. Similarly where lease contain fixed or determinable rent increases, these form part of the minimum lease payments and as such IAS 17 requires that the fixed increases are spread of the life of the lease.

	31 October 2014 £
Decrease in rent expense for the year under IAS 17 and SIC 15	766,000
Decrease in P&L reserve due to increase in prior year charge	(894,000)
Total decrease in P&L reserve due to IAS 17 and SIC 15	(128,000)
Increase in trade payables due to IAS 17 and SIC 15	(128,000)

Deferred tax

Due to the transition from UK GAAP to FRS 101 a deferred tax movement has been recognised as follows.

	31 October 2014 £'000
Increase in deferred tax liability	(153,200)
Increase in P&L reserve due to decrease in prior year charge	178,800
Total increase in P&L reserve	25,600