CBS OUTDOOR LIMITED

REPORT OF THE DIRECTORS
AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2012

REGISTERED NUMBER

02866133

CBS OUTDOOR LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors present their annual report and the audited financial statements of CBS Outdoor Limited ("the Company") for the year ended 31 December 2012

Principal activities

The principal activity of the Company is that of a poster advertising contractor, operating in the transport and retail sectors in the UK The principal activities of the Company's subsidiaries are disclosed in note 9

Business review and future developments

The results for the year are shown in the attached financial statements

During the year, the Company exercised its option granted as part of the settlement with the London Underground to cancel the existing contract and enter into a new London Underground Limited (LUL) concession under a new group company, CBS Outdoor Metro Services Limited
The Company elected to action this option with the new LUL concession and transfer of related businesses and contracts was completed on the 30th April 2012 The onerous lease contract provision and finance lease liability relating to the London Underground Contract were released as part of this transfer resulting in a one off profit and loss credit of £91,111,048 in 2012 Assets related to concession were transferred as part of the option agreement at net book value

In June 2012, the Company repurchased and cancelled the 111,991,335 preferred shares held by fellow group undertaking CBS International Television (UK) Limited, CBS PIMCO UK & CBS UK Group (2007) Ltd for £20,500,001 in cash In addition to this the investment in the ordinary share capital of Simon & Schuster Limited was sold to CBS Canada Holdings Co , a fellow group company, for £24,750,000 cash, this resulted in a one-off profit upon sale of £3,361,187 A dividend of £25,424,215 was declared and paid to the company's direct parent LDI Limited

The Company continues to review its existing operations for efficiency as well as any new opportunities in the outdoor advertising sector

On 16 January 2013, CBS Corporation announced its intention to divest from the outdoor advertising market within Europe, consequently this Company is part of an ongoing sale process

On 16 July 2013, CBS Corporation announced that Platinum Equity had made an irrevocable binding offer to acquire the businesses and assets of CBS Outdoor International, of which this Company is a part The transaction is expected to be completed by the end of September 2013

Principal risks and uncertainties

Risks and uncertainties associated with operating poster advertising concessions with the Company's partners include the following

- The cyclical nature of advertising revenue and the health of the UK economy,
- Sales revenues derived from the resale of advertising space must cover minimum guarantees payable to franchise partners and deliver a commercial return on any capital investment programmes,
- Contractual commitments must be adhered to, including the provision of accurate sales, delivery and other operating data to franchise partners, and
- Health and safety is of paramount importance given the requirement to post advertising campaigns in complex environments

In order to monitor and minimise any potential adverse impact of these key uncertainties, the Company's management meets at least once a month to discuss financial and other key performance metrics of the business, including
- sales and the sales pipeline, key client relationships, research and marketing initiatives,
- financial performance by franchise partner, upcoming franchise renewals and potential tender opportunities,
- delivery statistics and incidences of non-display together with appropriate resolution,
- safety and quality indicators such as incidents at work and reviews of the quality of posted campaigns across nationwide locations, and
- employee turnover by department and other employee-related matters

Key performance indicators (KPIs)

The Company's Directors monitor progress and strategy by reference to, but not limited to, the following KPI's

	2012	2011	Definition and analysis
Turnover growth (%)	-20 75%	2 39%	Growth in turnover year on year
Gross margin (%)	21 67%	1 08%	Gross profit as a % of turnover
Profit/loss margin before exceptional items (%)	3 32%	-20 83%	Loss before tax and exceptionals as a % of turnover prior to impairment charges
Operating profit/loss margin after exceptional items (%)	67 00%	-17 78%	Operating loss before tax as a % of turnover after exceptional items

The financial position of the Company is presented in the balance sheet Total shareholders' funds at 31 December 2012 were £64,315,000 (2011 deficit of £30,384,000) comprising fixed assets of £16,431,000 (2011 £32,850,000) plus net current assets of £55,522,000 (2011 £28,723,000)

Results and dividends

The Company's turnover has reduced compared to 2011 due to the cancellation of the CAC with London Underground The cancellation of the CAC also led to the Company releasing its onerous lease provision, resulting in a credit totalling £91,111,048 (2011 release of £7,710,000), details of which are set out in note 12 The Company's profit after tax for the financial year is £140,280,000 (2011 loss £37,108,000) The Company also recognised a foreign exchange loss of £1,109,000 (2011 gain of £1,902,000) on the USD denominated treasury accounts (note 3) recorded as cash and intercompany balances recorded in USD and Euros The Directors recommended a payment of a final ordinary dividend of £30,000,000 which was paid in January and April 2013 (2011 £nil) The directors did not recommend a payment of a preference dividend (2011 £nil)

Directors and their interests

The directors of the Company who were in office during the year and up to the date of signing the financial statements were

A Booker
J Cotterrell
A Alonso
P Brown

No Director held any disclosable interest in the issued share capital of the Company or any parent company during the year The Company maintains liability insurance, which includes indemnity for its Directors and Officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006, and was in force during the entire financial year and as of the date of approval of the financial statements

Research and development

The Company undertook external research in site exposure and recollection to improve future campaign allocations These costs were expensed in the year

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Company continues and the appropriate training is arranged It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability

Employees (continued)

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole Communication with all employees continues through the Company intranet, email communications and an in-house newsletter

Financial risk management

The Company's operations expose it to a variety of financial risks that include

Credit risks

The Company continues to monitor and amend its policies to ensure that appropriate credit checks are carried out on potential customers before advertising bookings are taken and campaigns are displayed Outstanding debtors are monitored closely, are reported in monthly management reporting and are reviewed regularly by the Company's Operating Board

Foreign exchange, interest and liquidity risks

The Company's bank accounts form part of a GBP and USD cash pooling arrangement managed by another group company, CBS International Netherlands BV ("CBSIN BV"), to ensure that the Company has sufficient available funds to meet its obligations as they fall due The Treasury function of CBSIN BV also manages the operation of the Company's short-term investment accounts (i e money market funds, time deposits, etc) in order to minimise the Company's and the wider CBS Group net interest and liquidity exposure Named individuals within the wider CBS Group who are not employees of the Company have authority to draw down funds from these bank accounts for the benefit of other CBS Group companies

The Company had previously financed its capital investment programme in the London Underground advertising estate through a sale and leaseback transaction Upon the cancellation of the Commercial Advertising Concession agreement (CAC) with London Underground Limited these assets were transferred to CBS Outdoor Metro Services Limited, a fellow group undertaking, and financed through the creation of a sub lease with the Company acting as the lessor The term of the lease matches the term of the Advertising Concession contract with the London Underground with interest charged at a market related rate

Creditor payment policy

The Company aims to pay all of its creditors in accordance with agreed terms of business, contractual and other legal obligations The number of days of average daily purchases included in trade creditors as at 31 December 2012 was 28 (2011 16)

Statement of Directors' responsibilities

The Directors are responsible for preparing 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 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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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

Post balance sheet events

In January 2013, a cash dividend of £15,000,000 was declared and paid to the Company's direct parent In April 2013, a cash dividend of £15,000,000 was declared and paid to the Company's direct parent

On 16 January 2013, CBS Corporation announced its intention to divest from the outdoor advertising market within Europe, consequently this Company is part of an ongoing sale process

On 16 July 2013, CBS Corporation announced that Platinum Equity had made an irrevocable binding offer to acquire the businesses and assets of CBS Outdoor International, of which this Company is a part The transaction is expected to be completed by the end of September 2013

During 2013 the Company began the process of dissolving the dormant companies in which it owns the whole of the ordinary share capital

On 17 April 2013 the Company provided a loan of £3,385,954 to CBS Outdoor S A (CBS Outdoor company incorporated in Spain)

Disclosure of information to auditors

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

(1) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are
(2) each Director has taken all the steps that he ought to have taken as a Director in order to make himself any relevant audit information 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 Section 418 of the Companies Act 2006

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the Annual General Meeting

On behalf of the Board

A Booker

A Booker
Director
27th August 2013
Registered Office
Camden Wharf
28 Jamestown Road
London NW1 7BY

CBS OUTDOOR LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CBS OUTDOOR LIMITED

We have audited the financial statements of CBS Outdoor Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 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) 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

Scope of the audit of the financial statements

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 In addition, we have read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report

Opinion on Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Andrew Lowe

Andrew Lowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 *August 2013*

CBS OUTDOOR LIMITED
REGISTERED NUMBER 02866133
BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible assets	(8)	8,450	8,605
Investments	(9)	-	21,389
Other long term assets	(10)	1,172	6,361
Finance debtors amounts falling due after more than one year	(10)	6,809	-
		16,431	36,355
CURRENT ASSETS			
Debtors amounts falling due within one year	(10)	76,926	79,657
Finance debtors amounts falling due within one year	(10)	6,964	-
Cash at bank and in hand		43,221	53,206
Deferred tax asset	(7)	20,033	-
		147,144	132,863
Creditors Amounts falling due within one year	(11)	(91,622)	(107,645)
NET CURRENT ASSETS		55,522	25,218
TOTAL ASSETS LESS CURRENT LIABILITIES		71,953	61,573
Creditors Amounts falling due after more than one year	(11)	(7,638)	(846)
Provisions for liabilities	(12)	-	(91,111)
NET ASSETS/(LIABILITIES)		**64,315**	**(30,384)**
CAPITAL AND RESERVES			
Called up share capital	(13)	650	112,641
Share premium account	(15)	2	2
Share based payment reserve	(15)	1,405	1,062
Profit and loss account	(15)	62,258	(144,089)
TOTAL SHAREHOLDERS' FUNDS/ (DEFICIT)	(16)	**64,315**	**(30,384)**

The accompanying notes form an integral part of these financial statements The financial statements on pages 7 to 21 were approved by the Board of Directors on 29 August 2013 and were signed on its behalf by

A Booker
Director
29th August 2013

CBS OUTDOOR LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
TURNOVER	(2)	142,053	179,240
Cost of sales		(111,266)	(177,297)
Gross profit		30,787	1,943
Distribution costs		(11,425)	(11,625)
Administrative expenses		(14,803)	(27,932)
Other operating income		152	275
Operating profit/(loss) before exceptional items		**4,711**	**(37,339)**
Other income	(3)	3,361	13,175
Provision charge against asset impairment	(3)	(5,130)	(1,311)
Provision release/(charge) against onerous contract - net	(3)	92,231	(6,399)
Exceptional administrative income - net		90,462	5,465
Operating profit/(loss)		**95,173**	**(31,874)**
Net interest receivable/(payable)	(4)	25,074	(5,234)
Profit/(loss) on ordinary activities before taxation	(2)	**120,247**	**(37,108)**
Tax credit on profit/(loss) on ordinary activities	(7)	20,033	-
Profit/(loss) for the financial year	(16)	**140,280**	**(37,108)**

The Company had no recognised gains or losses other than the profit/(loss) reported above and therefore no separate statement of total recognised gains and losses is presented

There are no differences between the profit/(loss) on ordinary activities before taxation and profit/(loss) for the financial years stated above, and their historical cost equivalents

The accompanying notes form an integral part of these financial statements

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

a) Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006 and under the historical cost convention As a wholly-owned subsidiary of CBS Corporation, a company incorporated in the United States of America which prepares consolidated financial statements, the Company has taken the exemption, under section 401 of the Companies Act 2006, from preparing consolidated financial statements

The Company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement as it was a wholly owned subsidiary undertaking of CBS Corporation at the year end and is included in the consolidated financial statements of that company

The Company has taken advantage of the exemption provided under Financial Reporting Standard Number 8 from disclosing group related party transactions and balances The financial statements of CBS Corporation are publicly available in the United States of America There are no other material related party transactions

b) Turnover – poster advertising

Turnover represents the amounts (excluding the value added tax) derived from the provision of goods and services to customers during the year, net of commissions and discounts, and is recognised when the advertisement is displayed Deferred revenue represents revenue when customers have been invoiced prior to the display of the advertisement, and is released to the income statement when the recognition criteria has been met
Commission revenue from group undertakings in similarly recognised when the related advertisement is displayed

c) Fixed assets and depreciation

Fixed assets are recorded at historical cost less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Advertising structures – 10 years or life of contract for Traditional and 3-5 years for Digital
Computer equipment – 3 to 5 years
Leasehold improvements – 10 years
Vehicles, plant and machinery – 4 to 10 years
Furniture & fittings - 10 years

d) Investments

Investments in subsidiaries are held at cost less amounts provided for any permenant dimunition in value after taking into account their net asset value

1 ACCOUNTING POLICIES (CONTINUED)

e) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognised for the amount by which the assets carrying value exceeds its recoverable amount

f) Work in progress

Work in progress include components and finished goods purchased for incorporation into advertising sites, which are recorded at the lower of cost and net realisable value of the separate items of stock or of groups of similar items Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation Work in progress is recorded at cost to date and represents the amount of other expenditure on advertising sites which are not yet installed or ready for service

g) Leases

When assets are leased out under a finance lease, the present value of the lease payment is recognised as a receivable The difference between the gross receiveable and the present value of the receivable is recognised as unearned finance income Where assets are financed by leasing arrangement that give rights approximating to ownership, the assets are treated as if they have been purchased outright The amount capitalised is the present value of the minimum lease payments payable during the lease term The corresponding lease commitments are shown as obligations to the lessor Lease payments are split between capital and interest elements using the annuity method Depreciation on the relevant assets and interest are charged to the profit and loss account All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term

h) Provisions

Provisions for onerous contracts are recognised when the expected benefits from a contract are lower than the unavoidable costs of meeting the contract's obligations Where an onerous contract exists the related assets are impaired by the value of the forecasted loss of the contract Where the loss of the contract exceeds the value of the total assets held, a further provision is made In determining the provision for onerous controls, the forecast cash flows have been discounted

i) Pensions

The Company operates a defined contribution pension scheme The pension cost charge represents contributions payable to the scheme in respect of the accounting period

j) Taxation

The charge for current income tax is based on the results for the period as adjusted for items which are not taxed or disallowed It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

In accordance with FRS 19 'Deferred Tax', deferred tax is recognised on all timing differences originated but not reversed, on a non-discounted basis, where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured at the average tax rates that are expected to apply in the periods 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

1 ACCOUNTING POLICIES (CONTINUED)

k) Foreign currencies

Transactions denominated in foreign currencies are translated at the rate applicable at the transaction date Monetary assets and liabilities denominated in foreign currencies are recorded at the rate applicable at the accounting date Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as a foreign exchange gain or loss in the profit and loss account

l) Financial instruments

Financial instruments are classified as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement The instruments are recorded at cost including any attributable transactions costs All related transactions that affect the profit and loss (such as interest or dividends) are recognised based on the substance of the underling financial instrument

Trade receivables are recognised at their fair value An allowance for doubtful debts is calculated based on a specific account balances and general provision for those balances exceeding their credit terms

m) Research and development

Expenditure on research is charged to the profit and loss account in the year in which it is incurred Expenditure on the development of certain advertising media and products where the outcome of those projects is assessed as being reasonably certain as regards to viability and technical feasibility is capitalised and depreciated over the shorter of life of the media and advertising contract for which it is utilised

n) Share based compensation schemes

Where share based compensation (such as restricted stock units) are granted to employees a charge is recognised in the profit and loss account based on the fair value of the awards granted at the date of the grant with a corresponding credit to equity The total amount expensed is recognised over the vesting period

o) Dividends

Dividends are recorded in the year when approved and declared

p) Interest
Interest is recognised in the period in which it is incurred or earned at the applicable interest rate

2 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	Turnover 2012	Attributable pre-tax profit 2012	Turnover 2011	Attributable pre-tax Loss 2011
	£'000	£'000	£'000	£'000
All turnover and loss was earned in the United Kingdom and was derived predominantly from poster advertising contracts	142,053	120,247	179,240	(37,108)

Further business segmental reporting disclosures, as required under Statement of Standard Accounting Practice 25, have not been given as, in the opinion of the Directors, this would be prejudicial to the commercial interest of the Company

Included in turnover are commission amounts of £9,056,636 (2011 nil) from transactions with group undertakings

3 OPERATING PROFIT/(LOSS) AND EXCEPTIONAL ITEMS
Operating loss is stated after charging / (crediting) the following

	2012	2011
	£'000	£'000
Auditors' remuneration for audit services	144	119
Auditors' remuneration for non-audit services	90	19
Staff costs (note 6)	23,974	26,223
Depreciation on tangible fixed assets	2,295	3,360
Operating leases		
- Rental of buildings	1,688	1,730
- Vehicles	816	539
Gain on sale of fixed asset investment	(3,361)	-
Gain on sale of asset	-	(67)
Foreign exchange (loss)/gain	(1,109)	1,902
Provision (release)/charge against onerous contract - net	(92 231)	6,399
Income from settlement	-	(13,175)
Donations	62	19
Impairment of intercompany receivables	5,130	-
Impairment of assets related to onerous contract	-	1,311
Management charges - intra group	1,278	2,770
Income from mark up applied to recharges to group undertakings	(595)	-

Administrative income for the year totalled £72,298,000 (2011 expense £22,467,000) including exceptional income of £92,231,000 (2011 £5,465,000) This relates to exceptional income relating to the onerous contract of £92,231,000 (2011 charge £7,710,000) (see note 13) and £0 (2011 £13,175,000) of exceptional income in relation to the settlement of disputes with the London Underground associated with the costs of servicing the contract

The Company recorded an impairment of £5,130,000 against its intercompany loan to CBS Outdoor S A, a company incorporated in Spain

Included in the depreciation charge above is £0 (2011 £858,957) relating to leased assets

Non-audit services performed by the auditors include agreed upon procedures for revenue certifications and accounting advice

4 NET INTEREST RECEIVABLE / (PAYABLE)

	2012 £'000	2011 £'000
Interest receivable – Group companies	143	211
Interest receivable – Bank	598	661
Interest receivable- Finance lease - group company	27,342	-
Total interest receivable	28,083	872
Interest payable – Finance lease	(1,718)	(3,312)
Interest payable – Bank	(171)	(65)
Interest payable – Group Companies	-	(114)
Total interest and similar charges payable	(1,889)	(3,491)
Unwinding of discount factor in provisions (note 13)	(1,120)	(2,615)
Net interest receivable/(payable) and similar items	25,074	(5,234)

5 EMOLUMENTS OF DIRECTORS

	2012 £'000	2011 £'000
Aggregate emoluments	539	710
Compensation for loss of office	-	377
Company pension contributions to money purchase schemes	50	49
	589	1,136
Highest paid Director		
Emoluments and benefits	364	398
Compensation for loss of office	-	377
Company pension contributions to money purchase schemes	35	23
	399	798

A charge of £61,124 (2011 £9,663) is reflected in the financial statements relating to restricted stock units (refer note 20) awarded to the Directors for the year ended 31 December 2012 of which a charge of £49,111 (2011 credit £11,939) relates to the highest paid Director 6,113 (2011 9,190) shares were issued to Directors in the year with 5,434 (2011 7,352) being issued to the highest paid Director Retirement benefits were accruing to 2 Directors (2011 2) under money purchase schemes

The above details of directors' emoluments do not include the emoluments of Mr A Alonso and Mr P Brown, which are paid by the parent company and recharged to the company as part of a management charge This management charge, which in 2012 amounted to £1,277,713 also includes a recharge of administration costs borne by the parent company on behalf of the Company and it is not possible to identify separately the amount of A Alonso's and Mr P Brown's emoluments

6 STAFF NUMBERS AND COSTS

The average monthly number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows

	2012 Number	2011 Number
By activity		
Sales and Marketing	208	207
Operations	127	177
Administration	93	96
	428	480

6 STAFF NUMBERS AND COSTS (CONTINUED)

The aggregate payroll costs of these persons were as follows

	2012 £'000	2011 £'000
Wages and salaries	20,083	22,036
Social security costs	2,401	2,588
Share based payments	342	472
Other pension costs	1,148	1,127
	23,974	26,223

7 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax assessment for the year is based on the results for the year and is comprised of the following

	2012 £'000	2011 £'000
Tax on profit (loss) on ordinary activities		
Corporation Tax on profits (losses) of the year at 24 5% (2011 26 5%)	-	-
Total current tax charge/(credit)	-	-
Deferred tax		
Origination and reversal of timing differences	30,627	-
Changes in tax rates and laws	1,742	-
Recognition of previously unrecognised timing differences	(52,402)	-
Total deferred tax	(20,033)	-

The tax assessed for the year varied from the amount computed by applying the standard rate of corporation tax in the UK (24 5%) (2011 26 5%) to the profit on ordinary activities before tax The differences were attributed to the following factors

	2012 £'000	2011 £'000
Profit /(Loss) on ordinary activities before tax	120,247	(37,108)
Profit/(Loss) on ordinary activities at the standard rate in the UK of 24 5% (2011 26 5%)	29,460	(9,834)
Effects of		
Expenses (allowable) / not deductible for tax purposes	1,362	176
Accelerated capital allowances	660	1,436
Non taxable income	(823)	-
Losses carried forward not recognised	-	8,288
Utilisation of unrecognised losses brought forward	(30,770)	-
Other short-term timing differences	60	(79)
Accounting expense in excess of tax relief	35	8
Surplus charges on income	15	5
Current tax credit for the period	-	-

7 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

Factors that may effect future tax charges

A number of changes to the UK Corporation tax system were announced in the March 2012 Budget Statement Finance Act 2012 was enacted on 17 July 2012 and included legislation to reduce the main rate of corporation tax to 24% with effect from 1 April 2012 and 23% with effect from 1 April 2013

The November 2012 Autumn Statement proposed to reduce the main rate of corporation tax to 21% from 1 April 2014 The March 2013 Budget Statement further proposed to reduce the main rate of corporation tax to 20% from 1 April 2015 The changes had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements

Deferred tax is measured on a non discounted basis at the tax rate which is expected to apply in the periods in which timing differences reverse based on tax rates and laws substantively enacted at the balance sheet date The deferred tax asset recognised as at 31 December 2012 has therefore been stated at the enacted rate of 23% in accordance with FRS 19

Finance Act 2013 was substantively enacted on 2 July 2013 and reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015 The overall effect of the further changes from 23% to 20% if applied to the deferred tax balance at 31 December 2012 would be to reduce the deferred tax asset by £2 612 940 (being £1 741 960 recognised in 2014 and £870 980 recognised in 2015)

The deferred tax (credit)/charge was mainly as a result of the tax effect of timing differences as follows

	2012 £'000	2011 £'000
Accelerated capital allowances	(248)	-
Utilisation of tax losses	32 684	-
Other timing differences	(67)	-
Recognition of previously unrecognised timing differences	(52 402)	-
Total deferred tax (credit)/charge	(20,033)	-

The elements of the deferred taxation asset in the financial statements are as follows

	2012 £'000	2011 £'000
Accelerated capital allowances	4 890	-
Other short term timing differences	350	-
Unrelieved tax losses carried forward	14 792	
Total deferred tax asset	20 033	-
Deferred tax asset		
At 1 January		
Credited to profit for the year	20 033	-
At 31 December	20 033	-

8 TANGIBLE FIXED ASSETS

	Leasehold Improvements £'000	Furniture, Fittings and Computers £'000	Vehicles £'000	Advertising Structures £'000	WIP £'000	Total £'000
COST						
At 1 January 2012	3 083	7 940	220	108,062	3 505	122 810
Additions	126	849	-	1,288	2 996	5 259
Capatalisations					(2 263)	(2 263)
Transfers	-	-	-	(90 915)	(496)	(91 411)
At 31 December 2012	3 209	8 789	220	18 435	3 742	34 395
ACCUMULATED DEPRECIATION						
At 1 January 2012	2 644	7 526	190	103,844	-	114,204
Charge for year	163	791	3	1,338	-	2 295
Transfers	-	-	-	(90,554)	-	(90 554)
At 31 December 2012	2,807	8 317	193	14 628	-	25 945
NET BOOK VALUE						
At 31 December 2011	440	414	30	4,218	3 505	8 605
At 31 December 2012	403	472	27	3,806	3 742	8 450

Transfer balance relates to assets covered under the LU contract which were transferred to CBS Outdoor Metro Services Limited at net book value

Work in progress relates to the programme of capital investment to upgrade the advertising estate on the Company s advertising estate

8 TANGIBLE FIXED ASSETS (CONTINUED)

Included in fixed assets are advertising sites subject to the sale and leaseback agreement (refer to note 11)

	2012	2011
	£'000	£'000
Cost	-	89,505
Accumulated depreciation	-	(89,505)
Net book value	-	-

9 FIXED ASSET INVESTMENTS

	2012	2011
	£'000	£'000
Cost		
As at 1 January	50,606	156,009
Dividend received	-	(105,403)
Disposal	(50,606)	-
As at 31 December	-	50,606
Impairment		
As at 1 January	(29,217)	(29,217)
Release of Impairment on disposal	29,217	-
As at 31 December	-	(29,217)
Net book value as at 31 December	0	21,389

In June 2012 the fixed investment in the ordinary share capital of Simon & Schuster Limited was sold to CBS Canada Holdings Co for £24,750,000 cash, this resulted in a profit upon sale of £3,361,187

The Company owns directly the whole of the issued ordinary share capital of

Entity	Country of incorporation	Principal activity
CBS Outdoor Leasing (UK) Limited	England & Wales	Investment company
TDI (BP) Limited	England & Wales	Dormant
TDI Buses Limited (50%)	England & Wales	Dormant
TDI Mail Holdings Limited	England & Wales	Dormant
TDI Transit Advertising Limited	England & Wales	Dormant

During 2013 the Company began the process of dissolving the dormant Companies it owns

10 DEBTORS

	2012 £'000	2011 £'000
Due within one year		
Trade debtors	54,306	49,298
Amounts owed by parent undertaking	7,997	9,671
Amounts owed by fellow subsidiary undertakings	10,890	4,734
Other debtors	1,130	11,070
Corporation tax	45	32
Prepayments and accrued income	2,558	4,852
Finance lease	6,964	-
	83,890	79,657
Amounts falling due after more than one year		
Finance lease	6,809	-
Loans to fellow subsidiary undertakings	-	5,130
Other debtors	1,172	1,231
	7,981	6,361

All amounts owed by related companies within the UK are non-interest bearing, unsecured and due on demand All amounts owed by related companies based outside the United Kingdom are interest bearing, unsecured and due on demand The applicable interest rate is linked to the GBP-LIBOR plus 100 basis points (GBP-LIBOR plus 200 basis points prior to 1 October 2011)

A finance lease was entered with CBS Outdoor Metro Services Limited on 30 April 2012 where the Company is the lessor, this had a lease end date of 14 December 2012 An effective interest rate of 6 75% p a is applied with monthly repayments over the term of the agreement The lease had the option to extend the term by two years which was exercised on 14 December 2012

11 CREDITORS

	2012 £'000	2011 £'000
Amounts falling due within one year		
Bank overdraft	17,202	19,024
Trade creditors	11,116	7,340
Finance lease	6,979	36,414
Amounts owed to parent undertaking	6,270	4,618
Amount owed to fellow subsidiary undertakings	20,902	9,812
Corporation tax creditor	45	32
Other taxation and social security	3,138	1,955
Accruals and deferred income	25,970	28,450
	91,622	107,645
Amounts falling due after more than one year		
Finance lease	6,809	17
Deferred consideration on acquisition of TDI Transit Advertising Limited	829	829
	7,638	846

The above amount of deferred consideration of £829,000 will be offset against a similar amount of indebtedness due from the vendor to TDI Transit Advertising Limited All amounts owed to parent or fellow subsidiaries within the UK are non-interest bearing unsecured and due on demand All amounts due to related companies based outside the United Kingdom are interest bearing unsecured and due on demand The applicable interest rate is linked to the GBP-LIBOR plus 100 basis points

The finance sale and leaseback was entered into on 14 December 2007 for a term of 5 years The contract contains a clause to extend the agreement for a further two years This clause was exercised by the lessor on the 14 December 2012 An effective interest rate of 6 75% p a is applied with monthly repayments over the term of the agreement

	2012 £'000	2011 £'000
Future minimum payments under the finance lease are as follows		
Within one year	7,696	38,036
In two to five years inclusive	7,041	-
Total gross payments	14,737	38,036
Less finance charges	(949)	(1,638)
	13,788	36,398

12 PROVISION FOR LIABILITIES AND CHARGES

	Onerous Contract 2012 £'000	Onerous Contract 2011 £'000
At 1 January	91,111	82,097
Unwinding of the discount factor (note 4)	1,120	2,615
Utilisation of provision in year	(11,116)	(20,982)
(Released) / Charged to the income statement in year	(81,115)	27,381
At 31 December	-	91,111

The Company reached a settlement with London Underground in December 2012 Included within this settlement was the option to cancel the existing contract and enter into a new LUL concession under a new group company The Company elected to action this option and the CAC between the Company and LUL was cancelled on 30 April 2012 The onerous lease contract provision was released as part of this transfer

13 CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
(2011 650,000) ordinary shares of £1 each	650	650
(2011 111,991,335) 6% non-cumulative fixed preference shares of £1 each	-	111,991
	650	112,641

The preference shares were issued with no redemption date or rights attaching to them The shares were all held by companies within the CBS Group Dividends of £nil (2011 £nil) were declared and paid on the Company's preference shares

In June 2012, the Company repurchased and cancelled the 111,991,335 preferred shares held by CBS International Television (UK) Limited, CBS PIMCO & CBS UK Group for £20,500,001 in cash

14 DIVIDENDS

	2012 £'000	2011 £'000
Dividends paid in the year	25,424	-

The Company paid a dividend to LDI Limited, the Company's immediate parent company on 28 June 2012

15 RESERVES

	Share premium account	Share based payment reserve	Profit and Loss account
	£'000	£'000	£'000
As at 1 January 2011	2	863	(106,981)
Loss for the financial year	-	-	(37,108)
Share based payment	-	199	-
At 31 December 2011	2	1,062	(144,089)
Profit for the financial year	-	-	140,280
Repurchase of preference shares (note 13)	-	-	91,491
Dividends (note 14)	-	-	(25,424)
Share based payment	-	342	-
At 31 December 2012	2	1,405	62,258

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS/(DEFICIT)

	2012	2011
	£'000	£'000
Profit/(loss) for the financial year	140,280	(37,108)
Dividends (note 14)	(25,424)	-
Retained profit/(loss) for the financial year	114,856	(37,108)
Share based payments	342	199
Re-purchase of preference shares (note 13)	(20,500)	-
Opening shareholders' (deficit)/funds	(30,384)	6,525
Closing shareholders' funds/(deficit)	64,315	(30,384)

17 COMMITMENTS

The Company has the following annual commitments

	Land and Buildings 2012	Other 2012	Land and Buildings 2011	Other 2011
	£'000	£'000	£'000	£'000
Operating leases, renting and other agreements, which expire				
Within one year	-	161	154	151
In two to five years inclusive	121	487	203	328
Over five years	1,165	-	1,165	-
	1,286	648	1,522	479

As part of the operations activity, the Company has entered into contracts with key suppliers for the delivery of components, products and services The total value of these commitments as at 31 December 2012 was £2,368,000 (2011 £2,051,000)

In the normal course of business and in line with accepted practice in the industry in which it operates, the Company has entered into contracts to provide advertising services to site owners The terms of these contracts include commitments to pay future minimum guaranteed fees to the site owners concerned, which are not included in the above table due to commercial sensitivity

The Company is participating in group banking facilities under which all surplus cash balances are held as collateral for bank facilities advanced to group members In addition, the Company has issued an unlimited guarantee to the bank to support these group facilities

18 PENSIONS

Dunng the year, certain of the Company's employees were members of the CBS Outdoor Pension Scheme

The CBS Outdoor Scheme, a money purchase scheme, is an exempt approved scheme under Chapter 1, Part XIV of the Taxes Act (2001) The assets of the scheme are held in trust in an independently managed fund and are therefore completely separate from the assets of the Company The pension scheme is independently advised and its accounts are independently audited The pension cost relating to the scheme for the year was £1,148,280 (2011 £1,127,000) of which £ 81,688 (2011 £94,000) was accrued and unpaid at the year end

19 HOLDING COMPANY

CBS Outdoor Limited is a wholly owned subsidiary of CBS Corporation The largest group and smallest into which the Company is consolidated is headed by CBS Corporation, a company listed on the New York Stock Exchange in the United States of America

The Directors consider LDI Limited, a company registered in England and Wales, to be the immediate parent company, and National Amusements Inc (the beneficial owner of the majority of CBS Corporation voting shares) to be the ultimate controlling company Copies of the consolidated financial statements of CBS Corporation are available on-line at www cbscorporation com

20 RESTRICTED STOCK UNITS

CBS Corporation operates a restricted Stock Unit ("RSU") Scheme for certain employees of the group A number of employees of the Company have been granted RSUs under this scheme RSUs give the employees the right to receive CBS Corp Class B Common Stock for nil consideration provided they are in employment within the group at the date the RSU vests

A further grant of RSUs was given during 2012 to 12 eligible Company employees As a result 25,132 (2011 34,004) RSUs were issued which will vest over four years in four equal annual instalments from the date of grant, subject to forfeiture and other restrictions All RSUs awarded are equity settled, with an exercise price of £nil

At 31 December 2012 there were a total of 44,537 (2011 49,463) RSUs to vest in future years with an exercise price of £nil, a weighted average remaining contractual life of 2 3 (2011 2 2) years and a fair value per RSU of $22 72 (2011 $15 68), and of which none were exercisable The charge for the year arising from these share based payments was £342,239 (2011 £199,086)

A reconciliation of the movement in shares is shown below

	Number of restricted stock units/ restricted share 2012	Weighted average fair value 2012	Number of restricted stock units/ restricted share 2011	Weighted average fair value 2011
	shares	$	shares	$
Outstanding as at 1 January	49,463	15 68	42,514	6 83
Granted during the year	25,132	29 44	34,004	21 76
Vested during the year	(13,252)	11 65	(12,565)	9 76
Forfeited and cancelled during the year	(16,807)	20 77	(14,490)	18 29
Outstanding at 31 December	44,536	22 72	49,463	15 68

The exercise price for all restricted stock units/restricted shares above are £nil

The fair value of the RSUs for 2012 and 2011 was measured based upon the closing stock price of CBS Common Stock on the date of grant Under the Scheme rules RSU holders are entitled to receive dividends from the date of grant, irrespective of the exercise date

21 POST BALANCE SHEET EVENTS

In January 2013, a cash dividend of £15,000,000 was declared and paid to the Company's direct parent In April 2013, a cash dividend of £15,000,000 was declared and paid to the Company's direct parent

On 16 January 2013, CBS Corporation announced its intention to divest from the outdoor advertising market within Europe, consequently this Company is part of an ongoing sale process

On 16 July 2013, CBS Corporation announced that Platinum Equity had made an irrevocable binding offer to acquire the businesses and assets of CBS Outdoor International, of which this Company is a part The transaction is expected to be completed by the end of September 2013

During 2013 the Company began the process of dissolving the dormant companies in which it owns the whole of the ordinary share capital

On 17 April 2013 the Company provided a loan of £3,385,954 to CBS Outdoor S A (a company incorporated in Spain)