Exterion Media (UK) Limited

Annual Reports and Financial Statements

31 December 2015

Registered No 02866133

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COMPANIES HOUSE

Directors
S Gregory
D Madden
J Cotterrell
A Booker

Auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office
Camden Wharf
28 Jamestown Road
London NW1 7BY

Strategic Review

The directors present their strategic report for the year ended 31 December 2015

Review of Business

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 10

During the year the company transitioned from previously extant UK GAAP to FRS 101 - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard The Company's parent undertaking, Doubleplay I Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions Details of the recognition or measurement differences arising on the adoption of FRS 101 are included in note 19 to these financial statements

Key performance indicators (KPIs)

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

	2015	*2014*	*Definition*
Turnover (£'000)	113,939	112,238	
Turnover growth (%)	1 52%	(0 49%)	Growth in turnover year on year
Gross margin (%)	36 53%	36 67%	Gross profit as a % of turnover
Operating profit (£'000)	6,344	6,222	
Operating profit (%)	5 6%	5 5%	Operating profit before tax as a % of turnover
Average number of employees	301	299	

Underlying turnover for the full year was behind expectations but ahead of prior year

Gross margin was in line with prior year, the benefits of the outsourcing initiative implemented in 2014 offset by distributions received from subsidiaries in the prior year Operating profit increasing due mainly to the turnover growth

The average number of employees in the Company stayed consistent year on year

The Company also recognised a foreign exchange loss of £654,037 (2014 loss of £841,571) on the USD and EUR denominated accounts (note 4) consisting mainly of cash and intercompany balances in USD and Euros

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 programme,
- 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

Strategic Review (continued)

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

The profile of the Company's operations exposes it to financial risks including the effects of liquidity risks

a Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generation by its operations

The Group, to which the Company belongs, central finance department is responsible for ensuring there are appropriate funding requirements to meet the ongoing requirements of the Group and for managing effectively liquid funds in the Group

Regular cash flow forecasts are prepared by the Company and reviewed by management Management reviews annual strategy plans, budgets and forecasts, as well as daily cash balances and weekly forecasts to ensure that optimal use is made of liquid funds within the Group to avoid unnecessary borrowing

b. Interest rate risk

It is the Company's objective to minimise the cost of borrowings and maximise the value from its cash resources, whilst retaining the flexibility of funding opportunities

The Group, to which the Company belongs, has entered into an external loan with an interest rate which can flex resulting from financial covenant test results and movements in the LIBOR interest rate

c. Currency risk

Foreign currency transaction exposures result from sales or purchases by the Company in a currency other than their functional currency The Group, to which the Company belongs, seeks to comply with the requirements of hedge accounting where considered appropriate

d. Financial credit risk

The credit profiles of the Company's customers are obtained from credit rating agencies and are closely monitored The scope of these reviews includes amounts overdue and credit limits

Trade receivables are considered impaired when the amount is in dispute, customers are in financial difficulty or for other reasons which imply there is doubt over the recoverability of the debt

Strategic Review (continued)

Principal risks and uncertainties (continued)

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 (UK) Limited, 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

On the 30th September 2013 a sub concession was signed between CBS Outdoor Metro Services Limited and Exterion Media Metro Services (UK) Limited related to the commercial advertising contract ("CAC") with London Underground, this agreement had a fixed transition term of 6 months beginning on the 1st October 2013 In order for the Exterion Media Metro Services (UK) Limited to perform its obligations under the sub-concession a sub-sublease was signed on the 30th September 2013 with CBS Outdoor Metro Services Ltd for the fixed assets related to the CAC This had a fixed term of 6 months to the 31st March 2014

On the 1st April 2014 the sub-lease between the Company and CBS Outdoor Metro Services Limited was novated to Exterion Media Metro Services (UK) Limited

Anthony Booker
Director
11th March 2016

Directors' report

Registered No 02866133

The directors present their report for the year ended 31 December 2015

Directors

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
D Madden
S Gregory

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

Dividends

The directors do not recommend the payment of a final ordinary dividend (2014 – nil)

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

Future Developments

The Company enters in to a large number of long term franchise contracts These contracts have a range of expiry dates and are usually subject to a competitive tender at the end of the contract term Management assesses all tender opportunities, this will include an assessment to tender for existing contracts, based on the strategic focus of the Company

Events since the balance sheet date

There have been no material events since the balance sheet date

Going Concern

The Company's business activities, together with the factors likely to affect its future development are described in the Strategic Report on pages 2 to 4

The Company has long term contracts with a number of franchise partners, it is also part of a group with considerable financial resources The Company is forecast to make a positive profit contribution in 2016 and 2017

As a consequence, the directors believe the Company is well placed to manage its business risks successfully

The directors continue to adopt the going concern basis in preparing the annual report and accounts

Directors' report (continued)

Disabled employees and Employee involvement

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

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

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed to the shareholders for reappointment of Ernst & Young LLP as auditor of the Company

On behalf of the Board

Anthony Booker
Director
11th March 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable UK law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare 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 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 estimates that are reasonable and prudent, and
- 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 a going concern basis, unless they consider that to be inappropriate

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 Company's 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

Independent auditors' report

to the members of Exterion Media (UK) Limited

We have audited the financial statements of Exterion Media (UK) Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of changes in equity, the Balance Sheet and the related notes 1 to 19 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities set out on page 7, 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

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 read all the financial and non-financial information in the Annual Reports and financial statements 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

Opinion on the 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 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with UK GAAP (FRS 101), and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters 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

Independent auditors' report (continued)

to the members of Exterion Media (UK) Limited

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

Ernst & Young LLP

Philip Young (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
11th March 2016

Income Statement

for the year ended 31 December 2015

	Notes	**Year ended 31.12 2015**	**Year ended 31 12 2014**
		£000	*£000*
Turnover	3	113,939	112,238
Cost of sales		(72,318)	(71,076)
Gross profit		41,621	41,162
Distribution costs		(10,692)	(11,583)
Administrative expenses		(20,730)	(20,926)
Other operating expenses		(4,037)	(4,601)
Other operating income		182	2,170
Operating profit	4	6,344	6,222
Net interest receivable	7	607	226
Profit on ordinary activities before taxation		6,951	6,448
Tax expense	8	(2,953)	(3,362)
Profit for the year		3,998	3,086
Other comprehensive income		-	-
Total comprehensive income for the year		3,998	3,086

All amounts relate to continuing activities

Statement of changes in equity

	Share capital £000	Share premium account £000	Share based payment reserve £000	Retained earnings £000	Total equity £000
Balance at 31 December 2013	650	2	-	39,232	**39,884**
Total comprehensive income for the year	-	-	-	3,086	**3,086**
Transactions with owners, recorded directly in equity					
Share based payment			428		**428**
Total transactions with owners of the company			428		**428**
Balance at 31 December 2014	**650**	**2**	**428**	**42,318**	**43,398**
Total comprehensive income for the year	-	-	-	3,998	**3,998**
Transactions with owners, recorded directly in equity					
Share based payment			740		740
Total transactions with owners of the company			740		740
Balance at 31 December 2015	**650**	**2**	**1,168**	**46,316**	**48,136**

Balance Sheet

at 31 December 2015

	Notes	2015 £000	2014 £000
Noncurrent assets			
Tangible fixed assets	9	9,603	10,160
Investments	10	-	93
Other long term assets	11	1,399	725
Finance debtors amounts falling due after more than one year	11	-	892
Deferred tax asset	8	9,633	12,586
		20,635	24,456
Current assets			
Debtors amounts falling due within one year	11	100,070	101,413
Finance debtors amounts falling due within one year	11	1,013	1,391
Cash and cash equivalents		20,144	21,056
		121,227	123,860
Creditors amounts falling due within one year	12	(90,124)	(99,909)
Net current assets		31,103	23,951
Total assets less current liabilities		51,738	48,407
Creditors amounts falling due after more than one year	12	(2,021)	(3,382)
Provisions for liabilities	14	(1,581)	(1,627)
Net assets		48,136	43,398
Equity			
Called up share capital	15	650	650
Share premium account		2	2
Share based payment reserve	6	1,168	428
Retained earnings		46,316	42,318
Total equity		48,136	43,398

These financial statements were approved by the board and were signed on its behalf by

Anthony Booker
Director
11th March 2016

Company registered number 02866133

Notes to the financial statements

at 31 December 2015

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Exterion Media (UK) Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of directors on 11 March 2016 and the balance sheet was signed on the board's behalf by Anthony Booker Exterion Media (UK) Limited is incorporated and domiciled in England and Wales

These financial statements were prepared in accordance with UK GAAP (Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with the requirements of the Companies Act 2006

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Doubleplay I Limited which prepares group accounts under IFRS as adopted by the European Union and are available from Camden Wharf, 28 Jamestown Road, London, NW1 7BY These financial statements represent the results of operations of the Company and not of its group

The principal accounting policies adopted by the Company are set out in note 2

2. Accounting policies

2.1 Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented Transition reconciliations showing all material adjustments are disclosed in note 19 The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015

The Company has taken advantage of the following disclosure exemptions under FRS 101

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment
(b) the requirements of IFRS 7 Financial Instruments Disclosures
(c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
(d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment,
(e) the requirements of IAS 7 Statement of Cash Flows and paragraph 10(d) and 111 of IAS 1,
(f) the requirements of paragraphs 10(d), 10(f), 39(c) 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements,
(g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors,
(h) the requirements of paragraph 17 of IAS 24Related Party Disclosures,
(I) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Notes to the financial statements (continued)

2.1 Judgements and key sources of estimation uncertainty

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in future periods, to the carrying amounts of assets or liabilities affected

a Judgements

Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use For the purpose of impairment testing, management has calculated value in use by discounting future cash flows to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to each individual market

The Company bases its impairment calculation on detailed budget and long range plan The budget covers the immediately succeeding year and the long range plan covers the following three years A long-term growth rate is calculated and applied to project future cash flows after the fourth year The resulting value is compared to the carrying value of the asset to determine any impairment

Dilapidation provisions

The company recognises a provision the estimated costs for returning its leased buildings and warehouses to its original state at the end of the lease term Dilapidation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows The cash flows are discounted at a current pre-tax market rate of 1 87% The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost The estimated future costs are reviewed annually and adjusted as appropriate

Onerous contract provisions

Onerous contract provisions are recognised mainly for loss making franchise contracts whereby the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it The value of the provision is calculated using the cash flow forecast based on the life of the franchise contract and discounted using a risk adjusted discount rate specifically related to the franchise relationships The provision is reversed to the profit and loss over the estimated life of the franchise contract

Notes to the financial statements (continued)

b. Estimates

Litigation provisions

The Company recognises a provision for estimated cash outflow arising from outstanding litigations or claims brought against companies within it A provision is only recognised when it is probable that an outflow of economic events will be required to settle the obligation based on the expert advice of its internal and external legal counsel If the effect is material, the provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and when appropriate, the risks to the liability

Tax estimates

The company's tax charge is based on the results for the period and tax rates in effect The determination of appropriate provisions for current and deferred income taxation requires the company to take into account anticipated decisions of tax authorities and estimate the company's ability to utilise tax benefits through future earnings and tax planning These estimates and assumptions may differ from future events

2.2 Significant Accounting Policies

Going concern

The company's business activities, together with the factors likely to affect its future development are described in the Strategic Report on pages 2 to 4

The company has long term contracts with a number of franchise partners, it is also part of a group with considerable financial resources The company is forecast to make a positive profit contribution in 2016 and 2017

As a consequence, the directors believe the company is well placed to manage its business risks successfully

The directors continue to adopt the going concern basis in preparing the annual reports and financial statements

Foreign currencies

The company's financial statements are presented in sterling, which is also the company's functional currency

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date All differences are taken to the income statement

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

Notes to the financial statements (continued)

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, investments subsidiaries, loans and borrowings, and trade and other payables

Trade and other receivables

Trade and other receivables are recognised initially at fair value Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses

Trade and other payables

Trade and other payables are recognised initially at fair value Subsequent to initial recognition they are measured at amortised cost using the effective interest method

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses

Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and accumulated impairment losses 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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses Lease payments are accounted for as described below

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets Land is not depreciated The estimated useful lives are as follows

Advertising Structures	10 years or life of contract for Traditional and 3-5 years for Digital
Computers	3-5 years
Leasehold improvements	shorter of lease contract or life of the improvement
Vehicles	4-10 years
Furniture and Fittings	10 years
Capitalised leases	shorter of franchise contract or life of the assets

Traditional advertising structures relate to non-animated, static advertising displays
Digital advertising structures relate to advertising displays where advertising content is displayed electronically

Depreciation methods, useful lives and residual values are reviewed at each reporting date

Notes to the financial statements (continued)

Assets in the course of construction 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 Assets in the course of construction 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

Impairment excluding deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate Interest on the impaired asset continues to be recognised through the unwinding of the discount When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss

Non-financial assets

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit")

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount Impairment losses are recognised in profit or loss Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which a company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees

Notes to the financial statements (continued)

Share based payment

Employees (including senior executives) of the Group are invited to participate in the equity of the Company through depository receipts held by a Dutch foundation Stichting AdminstratiekantoorDoubleplay as consideration for services rendered

Equity settled transactions

The cost of equity-settled transaction is determined by the fair value at the date when the grant is made using an appropriate valuation method

That cost is recognised, together with a corresponding increase in other reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired The expense or credit in the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the awards are met An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee s measured at the date of modification

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured Turnover is measured at the fair value of the consideration received, net of discounts, rebates, value added tax and other sales taxes

The Company's reported turnover consists of media and production revenues Media revenues are recognised rateably over the period that the advertisement is displayed Production revenues are recognised in total on the first day the advertisement is displayed Deferred revenue represents revenue when customers have been invoiced prior to the display of the advertisement or the completion of the production, this is released to the income statement when the recognition criteria have been met

The Company falls outside the scope of IFRS 8, therefore the Company is not required to nor has it elected to provide details of its operating segments

Research and Development

Expenditure on research is charged to the income statement 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

Notes to the financial statements (continued)

Leases

Company as a lessee

Assets held under finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term

Company as a lessor

Assets leased out under operating leases are included in tangible fixed assets and depreciated over their estimated useful lives Rental income, including the effect of lease incentives, is recognised on a straight line basis over the lease term

Where the Company transfers substantially all the risks and benefits of ownership of the asset, the arrangement is classified as a finance lease and a receivable is recognised for the initial direct costs of the lease and the present value of the minimum lease payments As payments fall due, finance income is recognised in the income statement so as to achieve a constant rate of return on the remaining net investment in the lease

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease Lease incentives received are recognised in the income statement as an integral part of the total lease expense

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability

Finance income and expenses

Finance expenses comprise interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy) Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset Finance income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method Dividend income is recognised in the income statement on the date the entity's right to receive payments is established Foreign currency gains and losses are reported on a net basis

Notes to the financial statements (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes The following temporary differences are not provided for the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised

Stocks

Stocks are stated at the lower of cost and net realisable value Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials and consumables - purchase cost on a first-in, first-out basis

Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity, excluding borrowing costs

3. Turnover

A breakdown of turnover by geographical market was not included as it is prejudicial to the interest of the Company

Included in turnover are commission amounts of £5,072,159 (2014 £4,279,773) from transactions with group undertakings

Notes to the financial statements (continued)

4. Operating profit

This is stated after charging/(crediting)	*2015*	*2014*
	£000	*£000*
Auditors' remuneration	140	106
Auditors' remuneration for non-audit services	22	10
Staff costs (note 6)	23,213	24,437
Depreciation of owned fixed assets	2,510	2,465
Depreciation of leased assets	685	1,662
Operating leases – rental of buildings	1,246	1,549
– vehicles	449	531
Foreign exchange loss	654	842
Charitable donations	46	48
Impairment of intercompany receivables	3,944	3,386
Legal settlement	-	299
Distributions from subsidiaries	(110)	(1,908)
Impairment of investments in subsidiaries	93	916

5. Directors' remuneration

	2015	*2014*
	£000	*£000*
Aggregate remuneration in respect of qualifying services	2,396	2,871
Company pension contributions to money purchase schemes – 4 directors (2014 4 Directors)	73	56
	2,469	2,927
Highest paid Director		
Remuneration and benefits	1,199	1,674
Company pension contributions to money purchase schemes	30	15
	1,229	1,689

In 2015 a charge of £739,880 (2014 - £427,778) is reflected in the financial statements relating to a Director's share based payment, £429,723 (2014 - £206,032) of which relates to the highest paid Director

Notes to the financial statements (continued)

6 Staff costs

	2015 £000	2014 £000
Wages and salaries	19,540	20,574
Social security costs	2,139	2,297
Share based payments	740	428
Other pension costs	794	1,138
	23,213	24,437

The table above includes amounts paid to directors

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

	2015 No	2014 No
By activity		
Sales and Marketing	185	173
Operations	25	39
Administration	91	87
	301	299

7. Net interest receivable

	2015 £000	2014 £000
Interest receivable – group companies	1,087	1,016
Interest receivable – bank	58	59
Interest receivable – finance lease – group company	121	246
Total interest receivable	1,266	1,321
Interest payable – finance lease intercompany	(121)	(246)
Interest payable – finance lease third party	(224)	(410)
Interest payable – group companies	(104)	(366)
Total interest and similar charges payable	(449)	(1,022)
Unwinding of discount factor in provisions (note 14)	(54)	(73)
Discounting of long term receivable	(156)	-
Net interest receivable and similar items	607	226

Notes to the financial statements (continued)

8. Tax

Recognised in the income statement

	2015 £000	2014 £000
Current tax:		
UK corporation tax on the profits for the year at 20 25% (2014 21 49%)	–	–
Current tax expense	–	–
Deferred tax:		
Accelerated capital allowances	(538)	(415)
Utilisation of tax losses	2,831	2,980
Other timing differences	27	101
Changes in tax rate	816	–
Prior year adjustments	(183)	696
Deferred tax expense	2,953	3,362
Tax expense in income statement	2,953	3,362

Income tax recognised in other comprehensive income

There was no tax charged or credited to other comprehensive income in 2015 (2014 nil)

Reconciliation of effective tax rate

The tax assessed for the year differs from the blended rate of corporation tax in the UK of 20 25% (2014 – 21 49%) The differences are explained below

	2015 £000	2014 £000
Profit on ordinary activities before tax	6,951	6,448
Tax using the UK corporation tax rate of 20 25% (2014 21 49%)	1,408	1,386
Effects of		
Expenses not deductible for tax purposes	1,030	1,838
Depreciation in excess of capital allowances	617	361
Non-taxable income	(22)	(410)
Other short-term timing differences	(28)	(108)
Utilisation of recognised tax losses brought forward	(2,866)	(3,202)
Differences in recognised losses	2,814	3,497
	2,953	3,362

Notes to the financial statements (continued)

Factors that may affect future tax charges

A number of changes to the UK Corporation tax system as announced in the Summer Budget Statement for 2015 were enacted by the Finance (no 2) Act 2015 which received royal assent on 18 November 2015 This included legislation to reduce the main rate of corporation tax from 20% down to 19% with effect from April 2017 and then a further decrease to 18% from April 2020

Deferred tax

The deferred tax included in the balance sheet is as follows

	2015	*2014*
	£000	*£000*
Deferred tax liability	-	-
Deferred tax asset		
Accelerated capital allowances	5,289	5,399
Other short term timing differences	35	64
Unrelieved tax losses carried forward	4,309	7,123
	9,633	12,586
Disclosed on the balance sheet:		
Deferred tax asset	9,633	12,586

9. Tangible fixed assets

	Leasehold Improvements	*Furniture, fittings and Vehicles*	*Computers*	*Advertising structures*	*Assets in the course of construction*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Cost						
At 1 January 2015	4,464	684	9,679	26,530	2,851	44,208
Additions	409	-	-	-	2,439	2,848
Capitalisations	116	11	294	67	(488)	-
Transfers to other group companies	-	-	-	-	(148)	(148)
Disposals	-	-	-	(112)	-	(112)
At 31 December 2015	4,989	695	9,973	26,485	4,654	46,796
Accumulated depreciation						
At 1 January 2015	3,232	615	9,320	20,881	-	34,048
Charge for year	470	69	457	2,199	-	3,195
Disposals	-	-	-	(50)	-	(50)
At 31 December 2015	3,702	684	9,777	23,030	-	37,193
Net book value						
At 1 January 2015	1,232	69	359	5,649	2,851	10,160
At 31 December 2015	1,287	11	196	3,455	4,654	9,603

Notes to the financial statements (continued)

9. Tangible fixed assets *(continued)*

Assets in the course of construction materially relates to the programme of capital investment to upgrade the advertising structures on the Company's advertising estate

Vehicles have been amalgamated into furniture and fittings column and computers disclosed separately This is the due to the material nature of the computer assets and the similar useful lives of furniture, fittings and vehicles

The depreciation charge for advertising structures includes a charge of £685,365 on assets under a finance lease

10. Investments

	Subsidiary undertakings £000
Cost:	
At 1 January 2015	1,063
Additions	–
At 31 December 2015	1,063
Impairment:	
At 1 January 2015	970
Impairment	93
At 31 December 2015	1,063
Net book value as at 1 January	93
Net book value as at 31 December	-

During the year the group, in which the company belongs, undertook steps to allow some of the company's subsidiaries to be dissolved

This resulted in the receipt of distributions from ABC Outdoor Limited of £110,025

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

Entity	*Country of incorporation*	*Principal activity*
Exterion Leasing (UK) Limited	England & Wales	Investment company
ABC Outdoor Limited	Northern Ireland	Dormant

During 2014 and 2015 the Company began the process of dissolving the dormant Companies it owns

- TDI (BP) Limited was dissolved on 4th February 2014
- TDI Transit Advertising was dissolved on 4th February 2014
- Outdoor Images Ltd was dissolved on 4th February 2014
- Metrobus Advertising Ltd was dissolved on 4th February 2014
- TDI (FB) Ltd was dissolved on 4th February 2014
- TDI Mail Holdings was dissolved on 18th November 2014
- ABC Outdoor Limited was put into administration and a liquidator was appointed in 2014 The Company has been liquidated in the current year

Notes to the financial statements (continued)

11. Debtors

	2015 £000	2014 £000
Due within one year		
Trade debtors	65,485	55,309
Amounts owed by parent undertakings	4,608	20,493
Amounts owed by fellow group undertakings	23,104	19,035
Amounts owed by owned subsidiaries	10	10
Other debtors	1,573	2,294
VAT receivable	989	–
Prepayments and accrued income	4,301	4,272
	100,070	101,413
Amounts falling due after more than one year		
Other debtors	1,399	725
	1,399	725

All amounts owed by parent companies and fellow subsidiary undertakings within the UK are non-interest bearing, unsecured and due on demand, these amounted to £9,951,427 (2014 £5,069,388) All amounts owed by parent companies and fellow subsidiary undertakings based outside the United Kingdom are interest bearing, unsecured and due on demand, with the exception of three loans provided to Exterion Media Spain S A, with interest charged GBP-LIBOR plus 250 basis points These loans were impaired in 2014 resulting in a charge of £3,385,954 and 2015 resulting in a charge of £3,944,129 For all other amounts owed by related companies outside of the United Kingdom 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) These amounted to £21,779,165 (2014 £34,468,558)

As part of the acquisition in 2013, most of the assets of CBS Outdoor Metro Services Limited were transferred to Exterion Media Metro Services Limited (UK) ("EMMS") with another sub-lease agreement created between these two parties On 1 April 2014, the sub-lease agreement was novated and CBS Outdoor Metro Services Limited ceased to be a party to the sub-lease Subsequently the lease was extended again to 30 September 2016 with an effective interest rate payable of 7 10%

	2015 £000	2014 £000
Future minimum receipts under the finance lease are as follows		
Within one year	1,043	1,391
In two to five years inclusive	-	1,044
Total gross payments	1,043	2,435
Less finance charges	(30)	(152)
	1,013	2,283

Notes to the financial statements (continued)

12. Creditors

	2015 £000	2014 £000
Amounts falling due within one year		
Trade creditors	5,867	4,478
Finance lease creditor - intercompany	1,013	1,391
Finance lease creditor – third party	469	452
Amounts owed to parent undertaking (note 13)	12,827	30,012
Amounts owed to fellow group undertakings (note 13)	28,548	25,045
Other taxation and social security	1,014	1,507
Accruals and deferred income	40,386	37,024
	90,124	99,909
Amounts falling due after more than one year		
Finance lease creditor - intercompany	-	892
Finance lease creditor – third party	2,021	2,490
	2,021	3,382

The intercompany finance lease relates to a finance sale and leaseback which was entered into on 14 December 2007 for a term of 5 years The contract was then further extended for an additional two years up to December 2014 and again subsequently extended in line with the extension of the CAC to 30 September 2016 An effective interest rate of 7 1% p a is applied with monthly repayments over the extended term

	2015 £000	2014 £000
Future minimum payments under the finance lease are as follows		
Within one year	1,043	1,391
In two to five years inclusive	-	1,043
Total gross payments	1,043	2,435
Less finance charges	(30)	(152)
	1,013	2,283

The third party finance lease relates to assets recognised as part of an embedded lease within certain advertising contracts held with third parties

	2015 £000	2014 £000
Future minimum payments under the finance lease are as follows		
Within one year	658	676
In two to five years inclusive	2,402	3,060
Total gross payments	3,060	3,736
Less finance charges	(570)	(794)
	2,490	2,942

Notes to the financial statements (continued)

13. Loans

Loans repayable, included within creditors, are analysed as follows

	2015 £000	2014 £000
Not wholly repayable within five years	-	-
Wholly repayable within five years	5,603	31,846
	5,603	31,846

Details of loans wholly repayable within five years are as follows

	2015 £000	2014 £000
1% above LIBOR group loan repayable on demand	-	16,814
Non-interest bearing unsecured group loans repayable on demand	5,603	15,032

£5,602,791 of the loan balance are included within amounts owed to fellow subsidiary undertakings (2014 - £5,048,715)

14. Provisions for liabilities

	Dilapidation Provision 2015 £000	Dilapidation Provision 2014 £000	Litigation Provision 2015 £000	Litigation Provision 2014 £000
At 1 January	1,286	1,250	341	–
Recognition of provision	408	–	–	341
Unwinding of the discount factor	54	73	–	–
Utilisation of provision in year	(103)	(37)	(341)	–
Release of provision	(64)	–	–	–
At 31 December	1,581	1,286	–	341

Dilapidation provision represents the Company's estimated cost of returning its leased offices and warehouses to its original state at the end of the lease term The original estimated cost was discounted at a rate of 5% over the estimated useful life of the asset or the lease term, whichever was shorter As at the balance sheet date the discount rate was revised to 1 87% This resulted in an additional provision being recognised

Litigation provision represents the Company's estimated cash outflow arising from outstanding litigations or claims made against it

Notes to the financial statements (continued)

15. Issued share capital

Allotted, called up and fully paid	*2015* £000	*2014* £000
(2015 – 650,000) ordinary shares of £1 each	650	650
	650	650

16. Pensions

During the year, certain employees of the Company were members of the Exterion Media Pension Scheme

The Exterion Media 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 financial statements are independently audited The pension cost relating to the scheme for the year was £794,486 (2014 – £1,138,291) of which £116,133 (2014 – £104,410) was accrued and unpaid at the year end

17. Other financial commitments

At 31 December 2015 the company had annual commitments under non-cancellable operating leases as set out below

	2015		*2014*	
	Land and buildings £000	*Other* £000	*Land and buildings* £000	*Other* £000
Operating leases which expire				
Within one year	124	35	112	101
In two to five years	55	323	141	261
Over five years	1,122	-	1,414	–
	1,301	358	1,667	362

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 2015 was £2,623,016 (2014 – £1,468,063)

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 above due to commercial sensitivity

Notes to the financial statements (continued)

18. Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of Exterion Holdings II (UK) Limited a company registered in United Kingdom Its ultimate parent company is Semper Veritas Holding S a r l, a company registered in Luxembourg The ultimate controlling party is Platinum Equity Capital Partners International III (Cayman), L P

The smallest group in which the results of the company are consolidated is that headed by Doubleplay II Limited and the largest group is that headed by Doubleplay I Limited, incorporated in England and Wales No other group financial statements include the results of the Company The consolidated financial statements of these groups are available to the public and may be obtained from Camden Wharf 28 Jamestown Road London NW1 7BY

19. Transition to FRS 101

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP) These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101 As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards"

Exemptions Applied

IFRS 1 allows first-time adopters certain exemptions from the general requirements to apply IFRSs as effective for December 2014 year ends retrospectively The Company has taken advantage of the followingexemptions

- IFRS 2 Share based payment has not been applied to any equity instruments that were granted on or before 7 November 2002, nor has it been applied to equity instruments granted after 7 November 2002 that vested before 1 January 2005 This is treatment is consistent with the transitional provisions taken when the company adopted FRS 20, the UK equivalent standard

Notes to the financial statements (continued)

Reconciliation of equity as at 1 January 2014	*Note*	UK GAAP £000	*FRS101 Re-classifications/ Re-measurement* £000	FRS 101 £000
Non-current assets				
Tangible assets	3	10,839	2,361	13,200
Investments		1,009		1,009
Other long term assets	2	4,353	7	4,360
Finance debtors amounts falling due after more than one year		-		
Deferred tax asset		15,948		15,948
		32,149	2,368	34,517
Current assets				
Trade and other receivables		77,989		77,989
Finance debtors amounts falling due within one year		6,809		
Cash at bank and in hand		22,771		22,771
		116,569	2,368	107,569
Total assets		139,718	2,368	142,086
Non-current liabilities				
Creditor amounts falling due after more than one year	3		(3,547)	(3,547)
Provisions for liabilities		(1,250)		(1,250)
		(1,250)	(3,547)	(4,797)
Current liabilities				
Creditor amounts falling due within one year	1,3	(96,641)	(764)	(97,405)
Provisions for liabilities falling due within one year		-		-
		(96,641)	(764)	(97,405)
Total liabilities		(97,891)	(4,311)	(102,202)
Net assets		**41,827**	**(1,943)**	**39,884**
Equity attributable to owners of the company				
Called up share capital		650		650
Share premium account		2		2
Share based payment reserve				
Retained earnings		41,175	(1,943)	39,232
Total equity		**41,827**	**(1,943)**	**39,884**

Notes to the financial statements (continued)

Reconciliation of equity as at 31 December 2014	*Note*	UK GAAP £000	*FRS101 Re-classifications/ Re-measurements* £000	FRS 101 £000
Noncurrent assets				
Tangible fixed assets	3	9,460	700	10,160
Investments		93		93
Other long term assets	2	706	19	725
Finance debtors amounts falling due after more than one year		892		892
Deferred tax asset		12,586		12,586
		23,737	719	24,456
Current assets				
Trade and other receivables		101,413		101,413
Finance debtors amounts falling due within one year		1,391		1,391
Cash at bank and in hand		21,056		21,056
		123,860		123,860
Total assets		147,597	719	148,316
Noncurrent liabilities				
Creditor amounts falling due after more than one year	3	(892)	(2,490)	(3,382)
Provisions for liabilities		(1,627)		(1,627)
		(2,519)	(2,490)	(5,009)
Current liabilities				
Creditor amounts falling due within one year	1,3	(99,371)	(538)	(99,909)
Provisions for liabilities falling due within one year		-		-
		(99,371)	(538)	(99,909)
Total liabilities		(101,890)	(3,028)	(104,918)
Net assets		**45,707**	**(2,309)**	**43,398**
Equity attributable to owners of the company				
Called up share capital		650		650
Share premium account		2		2
Share based payment reserve		428		428
Retained earnings		44,627	(2,309)	42,318
Total equity		**45,707**	**(2,309)**	**43,398**

Notes to the financial statements (continued)

1 Employee Benefits

Holiday pay accrual

On transition to FRS 101, a holiday pay accrual has been accounted for of £85,106 at 31 December 2014 (£163,468 at 1 January 2014)

2 Lease incentives

Under previous UK GAAP lease incentives provided to sub-lessors of the Company's leased properties were amortised up to the first rent review Under IFRS these are amortised to the end of the lease This impact has been to increase the balance sheet carrying value of the lease incentive at 1 January 2014 by £7,056 and at 31 December 2014 by £19,153

3 Finance leases

The Company's franchise contracts were reviewed to ascertain whether any contain a finance lease under IFRIC 4 This impact has led to recognition of a finance lease liability at 31 December 2014 £2,943,067 (£4,147,740 at 1 January 2014) along with the recognition of associated tangible fixed assets with a net book value of £699,765 as at 31 December 2014 (£2,361,318 at 1 January 2014)

4 Reconciliation of total comprehensive income

The effect of the remeasurement differences on the reported total comprehensive income of the Company for the year ended 31 December 2014 is as follows

	£000
Total comprehensive income for the year ended 31 December 2014 under UK GAAP	3,452
Holiday pay accrual	78
Lease incentives	12
Depreciation on leased assets	(1,661)
Finance lease interest charge	(410)
Cost of sales	1,615
Total Comprehensive income for the year ended 31 December 2014 under FRS 101	3,086