Registered number 03636143

CELLO SIGNAL GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CELLO SIGNAL GROUP LIMITED

COMPANY INFORMATION

Directors	M Bentley J S Rowley M C Scott P Frings (resigned 13 January 2016) R Marsham B Hosey (appointed 1 January 2016) M Huynh (appointed 1 January 2016) J Muscroft (appointed 1 January 2016)
Company secretary	Mark Bentley
Registered number	03636143
Registered office	11-13 Charterhouse Buildings London EC1M 7AP
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
Bankers	The Royal Bank of Scotland 62-63 Threadneedle Street London EC2R 8LA

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

PRINCIPAL ACTIVITIES

The company acts as an intermediate holding company for undertakings included in the Cello Signal operating group of Cello Group plc The principle activity of the company is the provision of management services to its subsidiaries and is not expected to change in the foreseeable future

RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company have been considered and the directors believe that the appropriate controls and strategies are in place to reduce these to an acceptable level

The directors consider the principal risk of the business to be

Key staff
Our directors and key staff of the company and its subsidiaries are fundamental to the servicing of existing business, and winning of new clients All senior staff are subject to locks ins and long term incentive arrangements, and all staff participate in a group wide annual bonus scheme

Financial Risk Management Objectives and policies
The company is conservatively managed The financial risk management objective of the company is, and has been since the company was founded, to retain sufficient cash reserves in the business to cover at least 6 months costs in the event of a drop off in income

FINANCIAL RISK MANAGEMENT

The company's activities may be exposed to certain financial risks, including liquidity risk and credit risk

Liquidity risk
The company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient liqiud financial assets to meet those requirements

Credit risk
Credit risk exposure is minimised by having good quality customers whose debt is actively managed There are few mixed costs, which enable the company to manage its price risk Sufficient resources of cash are retained within the company, which reduces the exposure to liquidity and cash flow risk

KEY PERFORMANCE INDICATORS

In the opinion of the directors there are no key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business

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

M Bentley
Director
Date 18 August 2016

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the financial statements for the year ended 31 December 2015

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

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

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

The directors are responsible for the maintenance and integrity of the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Results and dividends

The profit for the year, after taxation, amounted to £33,038 *(2014 - £47,878)*

No dividends were paid during the year (2014 NIL)

Directors

The Directors who served during the year were

M Bentley
J S Rowley
M C Scott
P Frings (resigned 13 January 2016)
R Marsham

Disclosure of information to auditors

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

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2015

Post balance sheet events

There have been no significant events affecting the Company since the year end

Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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

M Bentley
Director
Date 18 August 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CELLO SIGNAL GROUP LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Cello Signal Group Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

What we have audited

The financial statement, included within the Annual Report, comprise

- the balance sheet as at 31 December 2015,
- the statement of comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice)

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

OPINION ON OTHER 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

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

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

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

What an audit of financial statements involves

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

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

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

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

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

Simon O'Brien (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place
London
WC2N 6RH

18 August 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	*2014 £*
Revenue	3	**498,442**	*487,298*
Gross profit		**498,442**	*487,298*
Administrative expenses		**(478,995)**	*(400,815)*
Operating profit	4	**19,447**	*86,483*
Finance income	7	**2,313**	*137*
Profit before tax		**21,760**	*86,620*
Tax on profit	8	**11,278**	*(38,742)*
Total comprehensive income for the year		**33,038**	*47,878*

There were no recognised gains and losses for 2015 or 2014 other than those included in the statement of comprehensive income

The notes on pages 9 to 19 form part of these financial statements

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	*2014 £*
Non current assets			
Tangible assets	9	**142**	*700*
Investments	10	**2,592,134**	*2,592,134*
		2,592,276	*2 592,834*
Current assets			
Trade and other receivables	11	**927,370**	*551,172*
Cash and cash equivalents	12	**84,310**	*442,898*
		1,011,680	*994,070*
Creditors amounts falling due within one year	13	**(583,992)**	*(607,411)*
Net current assets		**427,688**	*386,659*
Net assets		**3,019,964**	*2,979,493*
Capital and reserves			
Called up share capital	15	**762,177**	*762,177*
Share premium account		**65,738**	*65,738*
Share based payment reserve		**38,697**	*30,656*
Profit and loss account		**2,153,352**	*2,120,922*
Total shareholders' funds		**3,019,964**	*2,979,493*

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

M Bentley
Director
Date 18 August 2016

The notes on pages 9 to 19 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
At 1 January 2015	762,177	65,738	30,656	2,120,922	2,979,493
Comprehensive income for the year					
Profit for the year	-	-	-	33,038	33,038
Total comprehensive income for the year	-	-	-	33,038	33,038
Tax on share based payments recognised in equity	-	-	-	(608)	(608)
Share option charge	-	-	8,041	-	8,041
Total transactions with owners	-	-	8,041	(608)	7,433
At 31 December 2015	762,177	65,738	38,697	2,153,352	3,019,964

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
At 1 January 2014	762,177	65,738	22,772	2,059,373	2,910,060
Comprehensive income for the year					
Profit for the year	-	-	-	47,878	47,878
Total comprehensive income for the year	-	-	-	47,878	47,878
Tax on share based payments recognised in equity	-	-	-	13,671	13,671
Share option charge	-	-	7,884	-	7,884
Total transactions with owners	-	-	7,884	13,671	21,555
At 31 December 2014	762,177	65,738	30,656	2,120,922	2,979,493

The notes on pages 9 to 19 form part of these financial statements

1 Accounting policies

1 1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006

Information on the impact of first-time adoption of FRS 101 is given in note 18

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates It also requires management to exercise judgment in applying the Company's accounting policies (see note 2)

First time application of FRS 100 and FRS 101

In the current year the Company has adopted FRS 100 and FRS 101 In previous years the financial statements were prepared in accordance with applicable UK accounting standards

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP Consequently the principal accounting policies are unchanged from the prior year The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP

The following principal accounting policies have been applied

1 2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of
    - paragraph 79(a)(iv) of IAS 1,
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment,
    - paragraph 118(e) of IAS 38 Intangible Assets,
    - paragraphs 76 and 79(d) of IAS 40 Investment Property, and
    - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- 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
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets

1 3 Consolidation exemption

The Company is a wholly owned subsidiary of Cello Group plc It is included in the consolidated financial statements of Cello Group plc which are publicly available Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements

1 4 Going concern

The directors confirm that they are satisfied that the company has adequate resources to continue in business for the foreseeable future This has been determined by a review of forecast cash flows for a period of at least 12 months from the date of approval of the financial statements For this reason, the directors continue to adopt the going concern basis in preparing the financial statements

1 Accounting policies (continued)

1 5 Turnover

Turnover is management charges chargeable on an accruals basis to group companies in the period

1.6 Intangible assets

Intangible assets are initially recognised at cost After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method

Depreciation is provided on the following basis

Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income

1 8 Operating leases the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1 9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid

1 10 Trade receivables

Short term trade receivables are measured at transaction price, less any impairment Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

1 11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value

1 12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

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

1 **Accounting policies (continued)**

1 13 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income Statement over the vesting period Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest Market vesting conditions are factored into the fair value of the options granted The cumulative expense is not adjusted for failure to achieve a market vesting condition

The fair value of the award also takes into account non-vesting conditions These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Income Statement over the remaining vesting period

Where equity instruments are granted to persons other than employees, the Income Statement is charged with fair value of goods and services received

1 14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity Once the contributions have been paid the Company has no further payments obligations

The contributions are recognised as an expense in the Income Statement when they fall due Amounts not paid are shown in accruals as a liability in the Balance Sheet The assets of the plan are held separately from the Company in independently administered funds

1 15 Interest income

Interest income is recognised in the Income Statement using the effective interest method

1 16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

2 Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and judgements concerning the application of the Company's accounting policies and concerning the future The resulting estimates may, by definition, vary from the actual results Estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable

The Directors consider the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgements are

1 Impairment of investments
The Company tests the varrying value of investments annually for impairment, in accordance with the Company's accounting policies The recoverable amount is based on value-in-use calculations, which requires estimates of future cash flows and the discount rate to apply in order to calculate the present values of these cash flows

3 Turnover

The whole of the turnover is attributable to the provision of management services

All turnover arose within the United Kingdom

4 Operating profit

The operating profit is stated after charging

	2015 £	*2014 £*
Depreciation of tangible fixed assets	**558**	*493*
Auditors' remuneration – audit of the financial statements	**4,700**	*4,600*
Auditors' remuneration – other services	**2,710**	*2,600*

5 Employees

Staff costs, including Directors' remuneration, were as follows

	2015 £	*2014 £*
Wages and salaries	**206,644**	*170,050*
Social security costs	**23,951**	*22,702*
Pension	**19,250**	*17,976*
	249,845	*210,728*

The average monthly number of employees, including the Directors, during the year was as follows

	2015 No.	*2014 No*
Director	**1**	*1*

Directors are considered to be key management personnel

6 Directors' remuneration

	2015 £	*2014 £*
Directors' emoluments	206,644	*170,050*
Company contributions to defined contribution pension schemes	19,250	*17,976*
	225,894	*188,026*

During the year retirement benefits were accruing to 1 Director *(2014 - 1)* in respect of defined contribution pension schemes

The highest paid Director received remuneration of £181,644 *(2014 - £188,026)*

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £181,896 *(2014 - £188,026)*

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid Director amounted to £181,896 *(2014 - £188,026)*

The total accrued pension provision of the highest paid Director at 31 December 2015 amounted to £NIL *(2014 - £NIL)*

The amount of the accrued lump sum in respect of the highest paid Director at 31 December 2015 amounted to £NIL *(2014 - £NIL)*

Only one director is paid by Cello Signal Group Limited All other directors are paid by other group entities

7 Finance income

	2015 £	*2014 £*
Interest receivable from group companies	2,313	*137*

8 Taxation

	2015 £	*2014 £*
Corporation tax		
Current tax on profits for the year	6,854	*22,681*
Adjustments to tax charge in respect of prior periods	(16,547)	*17,868*
Total current tax	(9,693)	*40,549*
Deferred tax		
Origination and reversal of timing differences	(1,585)	*(1,807)*
Taxation on (loss)/profit on ordinary activities	(11,278)	*38,742*

8 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2014 - lower than)* the standard rate of corporation tax in the UK of 20 25% *(2014 - 21 5%)* The differences are explained below

	2015 £	*2014* *£*
Profit on ordinary activities before tax	**21,760**	*86,620*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 25% (2014 - 21 5%)	**4,406**	*18,623*
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**820**	*2,363*
Adjustments to tax charge in respect of prior periods	**(16,547)**	*17,868*
Other timing differences leading to an increase (decrease) in taxation	**43**	*(112)*
Total tax (credit)/charge for the year	**(11,278)**	*38,742*

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 21 0% to 20 0% with effect from 1 April 2015 Accordingly the company's profits are taxed at an effective rate of 20 25% (2014 21 5%)

Further reductions to the UK Corporate tax rates were substantively enacted These reduced the main rate to 19% from 1 April 2017, and 18% from 1 April 2020 The deferred tax assets and liabilities have been updated to reflect the reduction in the rates

9 Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2015	**1,672**
At 31 December 2015	**1,672**
Depreciation	
At 1 January 2015	**972**
Charge owned for the period	**558**
At 31 December 2015	**1,530**
Net book value	
At 31 December 2015	**142**
At 31 December 2014	*700*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10 Investments

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 January 2015	2,592,134
At 31 December 2015	2,592,134
Net book value	
At 31 December 2015	2,592,134
At 31 December 2014	*2,592,134*

The above represents 100% shareholding in Cello Signal Limited and Brightsource Limited

Subsidiary undertakings

The following were subsidiary undertakings of the Company

Name	Country of incorporation		Holding	Principal activity
Cello Signal Limited	UK	Directly held	100 %	Marketing and communications
Brightsource Limited	UK	Directly held	100 %	Print managemnet and related marketing services
The Leith Agency	UK	Directly held	100 %	Dormant
Cello 123 Limited	UK	Directly held	100 %	Dormant
Blonde Digital Limited	UK	Indirectly held	100 %	Digital advertising and marketing
Stripe PR and Communications Limited	UK	Indirectly held	100 %	Strategic PR and communications
Tangible Data Limited	UK	Indirectly held	100 %	Dormant
Navigator Response Advertising Limited	UK	Indirectly held	100 %	Dormant
Human Innovation Limited	UK	Indirectly held	100 %	Dormant

11 Trade and other receivables

	2015 £	2014 £
Amounts owed by group undertakings	889,968	514,453
Prepayments and accrued income	1,964	2,258
Deferred taxation	35,438	34,461
	927,370	551,172

Amounts owed by group undertakings are unsecured and repayable on demand Funding balances carry interest at 1 5% (2014 1 5%)

12 Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	84,310	442,898

13 Creditors Amounts falling due within one year

	2015 £	2014 £
Trade creditors	315	1,470
Amounts owed to group undertakings	516,791	517,355
Corporation tax	6,854	22,681
Taxation and social security	18,482	23,848
Accruals and deferred income	41,550	42,057
	583,992	607,411

Amounts owed to group undertakings are unsecured and repayable on demand Funding balances carry interest at 1 5% (2014 1 5%)

14 Deferred taxation

	2015 £	2014 £
At 1 January	34,461	18,983
Charged to the profit or loss	1,585	1,807
Recognised in equity	(608)	13,671
At 31 December	35,438	34,461

14 Deferred taxation (continued)

The deferred tax asset is made up as follows

	2015 £	*2014* *£*
Decelerated capital allowances	**283**	-
Unrelieved share-based payment expense	**35,155**	*34,461*
	35,438	*34,461*

15 Share capital

	2015 £	*2014* *£*
Shares classified as equity		
Authorised, allotted, called up and fully paid		
76,217,675 *(2014 - 76,217,700)* ordinary shares of £0 01 each	**762,177**	*762,177*

16 Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows

	2015 £	*2014* *£*
Other		
1 year	**1,715**	-

17 Controlling party

The ultimate parent company and controlling party is Cello Group plc, a company incorporated in England and Wales Cello Group plc is the largest and smallest group into which the entity has been consolidated Consolidated accounts have been drawn up for Cello Group plc and are available from the following address

Cello Group plc
11-13 Charterhouse Buildings
London
EC1M 7AP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

18 First time adoption of FRS 101

	As previously stated 1 January 2014	*Effect of transition 1 January 2014*	**FRS 101 (as restated) 1 January 2014**	*As previously stated 31 December 2014*	*Effect of transition 31 December 2014*	**FRS 101 (as restated) 31 December 2014**
	£	£	£	£	£	£
Fixed assets	2 593 093	-	2,593,093	2,592,834	-	2,592,834
Current assets	801,390	14,351	815,741	966,048	28,022	994,070
Creditors amounts falling due within one year	(498,775)	-	(498,775)	(607 411)	-	(607,411)
Net current assets	302,615	14,351	316,966	358,637	28,022	386,659
Total assets less current liabilities	2,895,708	14,351	2,910,059	2,951,471	28,022	2,979,493
Net assets	2,895,708	14,351	2,910,059	2,951,471	28,022	2,979,493
Capital and reserves	2,895,708	14,351	2,910,059	2,951,470	28,023	2,979,493

18 First time adoption of FRS 101 (continued)

	As previously stated 31 December 2014 £	*Effect of transition 31 December 2014 £*	**FRS 101 (as restated) 31 December 2014 £**
Turnover	*487,298*	-	**487,298**
Gross profit	*487,298*	-	**487,298**
Administrative expenses	*(400,815)*	-	**(400,815)**
Operating profit	*86,483*	-	**86,483**
Interest receivable and similar income	*137*	-	**137**
Taxation	*(38,742)*	-	**(38,742)**
Profit on ordinary activities after taxation and for the financial year	*47,878*	-	**47,878**

Explanation of changes to previously reported profit and equity

1 The valuation of deferred tax assets under FRS101 is different to that under UK GAAP This results in an increase in deferred tax assets recognised under FRS 101 of £28,022 at 31 December 2014 (£14,351 at 1 January 2014), with a corresponding increase in equity This difference is all recognised directly in equity so there is no effect on the statement of comprehensive income