REGISTERED NUMBER: 09550826 (England and Wales)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

FOR TIME OUT MARKET LIMITED

CONTENTS OF THE REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

Directors:	J Bruno Castellanos A Collins S A R Rose V Vadaneaux D Souillat
Registered office:	4th Floor 125 Shaftesbury Avenue London WC2H 8AD
Registered number:	09550826 (England and Wales)
Independent auditors:	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Bankers:	HSBC 70 Pall Mall London SW14 SE2

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their Strategic Report of the Company for the year ended 31 December 2016.

Overview of the business

The first Time Out market was launched in May 2014, and occupies a former food market hall in Lisbon. The market in Lisbon sees to bring together a curated selection of the city's best restaurants, food shops and culture under one roof. In May 2015, Time Out Market Limited acquired a 75.1% interest in MC-Mercados da Capital, Lda which operates the Time Out market in Lisbon.

The Directors believe that the Time Out market concept has the potential to attract millions of customers and to enhance customers' physical and digital connection to the Time Out brand. The Company sees opportunities to expand the market concept internationally and has signed leases for sites in London, Miami and Porto.

Principal risks and uncertainties

The Directors set out below the principal risks and uncertainties that the Directors consider could impact the business. The Directors continually reviews the potential risks facing the Company and the controls in place to mitigate any potential adverse impacts. The Directors also recognizes that the nature and scope of risks can change and that there may be other risks to which the Company is exposed and so the list is not intended to be exhaustive.

Competition
Offerings which focus on food and drink are common and as such the Company operates in a highly competitive environment, the most directly comparable concept being Eataly, an Italian-based marketplace. The Directors believe that the strategy to leverage the growth of the food hall concept using globally consistent and well-recognised branding differentiates it from other competitors.

Key Management
Time Out Market's success depends on its key personnel, particularly its senior management team, and its ability to retain them and hire other qualified employees. The loss of a significant number of key personnel may have a negative effect on Time Out's ability to deliver its products in a timely manner and would, amongst other things, require the remaining key personnel to divert immediate and substantial attention to seeking a replacement. In order to mitigate this risk, the HR department monitors employee satisfaction through employee surveys and forums, and uses the information to develop staff retention programs. The Remuneration Committee also seeks to ensure that rewards correspond with performance and retention.

Consumer Spending Habits/Tourism/Terrorism
Other economic factors which may affect spending habits of consumers include, but are not limited to, acts of terrorism or other visitor incidents, including fire, crowd control, or any other disaster or failure to comply with health and safety, security and environmental requirements. These could affect the willingness of consumers to continue existing spending habits and use of free time.

Market Development
The roll-out of new markets may take longer than planned, due to delays in negotiating commercial terms with landlords, securing vacant possession of premises, obtaining necessary planning permissions, and in construction.

Technology
Failure of IT systems, or poor execution of IT solutions, preclude potential synergies with Time Out Group's digital strategy.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016 - continued

Review of the year

The Company continues to make significant progress developing its rollout of the market concept. The Company is planning to open new markets in areas where leases have been signed and planning and licencing has been obtained. These include Porto, Miami and London. Further sites have been identified and lease negotiations are in progress.

Operating results

The Company reported an EBITDA loss of £2,907k (2015: £952k) before taking into account exceptional items and depreciation and amortisation as discussed below.

The operating loss for the year was £2,910k million (2015: £952k) and included £88k of exceptional charges (2015: £nil) relating to aborted costs for new site development. The operating loss also includes depreciation of £1k and amortisation of £3k (2015: £nil and £nil respectively).

The loss for the year before income tax of £3,610k (2015: £1,167k) results primarily from the above.

The Strategic Report on pages 2 to 3 was approved by the Board of Directors on ...29/09/....2017 and signed on its behalf by:

....
Didier Souillat

Date: ....29/09/2017....

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report with the audited financial statements of the Company for the year ended 31 December 2016.

Principal activity
The Company's principal activity is to act as a management and holding company with oversight of its subsidiary's activity operating a cultural and food market in Lisbon along with the development of future market rollouts.

Review of operations
The Company made a loss after tax of £3,610,194. The financial statements have been prepared on a going concern basis as the Company has received a letter of support from a parent undertaking indicating its intention to continue to provide financial support to the Company for a period of not less than twelve months from the date of approval of these financial statements.

Future developments
Please refer to the Strategic Report for a review of the Company's business and future developments.

Dividends
The Directors do not recommend the payment of any dividends (2015: £nil).

Events since the end of the period
Information relating to events since the end of the period is given in note 17 of the financial statements.

Directors
The Directors of the company who were in office during the year and up to the date of this report were:

A Collins
V Vadaneaux (Resigned 30 June 2017)
S A R Rose
J Bruno Castellanos
D Souillat (Appointed 22 February 2016)

Qualifying third party indemnity provisions
The Company has made qualifying third-party indemnity provisions for the benefit of its Directors and officers during the year and these remain in force as at the date of approving the report of the Directors.

Disclosure of information to auditors
The Directors who held office at the date of the approval of this report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Financial risk management
The Company faces a number of financial risks which are managed as part of the Time Out Group Plc's risk management objectives and policies. The Company does not hedge any of these risks and therefore hedge accounting is not applied in these financial statements.

Market risk
The Company is exposed to foreign exchange risk as it has transactions in foreign currencies. The Company's loss on foreign exchange for the year was £1,066,920 (2015: £122,753). The Company does not hedge its foreign currency risk as the majority of the Company's receivables, payables and borrowings are denominated in the functional currency of the Company. Consequently, there are no material currency exposures to disclose.

REPORT OF THE DIRECTORS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The Directors 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
The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

....
Didier Souillat

Date: 29/09/2017

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TIME OUT MARKET LIMITED

Report on the financial statements

Our opinion

In our opinion, Time Out Market 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Statement of Financial Position as at 31 December 2016;
- the Income Statement and 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 matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in this respect.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TIME OUT MARKET LIMITED - continued

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 Statement of Directors' Responsibilities, 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TIME OUT MARKET LIMITED - continued

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. With respect to the Strategic Report and Report of the Directors, we consider whether those reports include the disclosures required by applicable legal requirements.

Ian Benham

Ian Benham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 29 September 2017

TIME OUT MARKET LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016	Restated 7 months ended 31 December 2015
		£	£
Administrative expenses		(2,910,187)	(951,838)
Operating loss	6	(2,910,187)	(951,838)
Analysed as			
Adjusted EBITDA loss		(2,819,662)	(951,838)
Exceptional items	3	(87,600)	-
EBITDA loss		(2,907,262)	(951,838)
Amortisation of intangible assets		(2,925)	-
Operating loss		(2,910,187)	(951,838)
Finance income	4	108,379	16,122
Finance cost	5	(808,386)	(231,712)
Loss before income tax		(3,610,194)	(1,167,428)
Income tax expense	7	-	-
Loss for the year / period		(3,610,194)	(1,167,428)

All amounts relate to continuing operations.

The period ended 2015 includes a restatement of £204,591 for fees and transaction costs previously included within Investments.

The notes form part of these financial statements

TIME OUT MARKET LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Year ended 31 December 2016	Restated 7 months ended 31 December 2015
	£	£
Loss for the year / period	**(3,610,194)**	(1,167,428)
Other comprehensive income	-	-
Total comprehensive expense for the year / period	**(3,610,194)**	(1,167,428)

The notes form part of these financial statements

TIME OUT MARKET LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016	Restated 31 December 2015
		£	£
Assets			
Non-current assets			
Tangible Fixed Assets	8	**2,750**	-
Intangible Fixed Assets	9	**29,651**	-
Investments	10	**7,405,400**	5,504,221
Trade and other receivables	11	**1,251,471**	1,112,245
		8,689,272	6,616,466
Current assets			
Trade and other receivables	11	**3,023,826**	1,007
Cash and cash equivalents		**393,279**	340,010
		3,417,105	341,017
Total assets		**12,106,377**	6,957,483
Liabilities			
Current liabilities			
Trade and other payables	12	**(5,983,529)**	(3,135,665)
		(5,983,529)	(3,135,665)
Non-current liabilities			
Borrowings	13	**(10,900,446)**	(4,989,226)
		(10,900,446)	(4,989,226)
Total liabilities		**(16,883,975)**	(8,124,891)
Net liabilities		**(4,777,598)**	(1,167,408)
Equity			
Called up share capital	14	**24**	20
Accumulated losses		**(4,777,622)**	(1,167,428)
Total equity		**(4,777,598)**	(1,167,408)

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

The financial statements on pages 9 to 26 were approved by the Board of Directors on ......29../09./..2017.... and were signed on its behalf by:

....

Didier Souillat (Time Out Market Limited – registered number 09550826)

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Accumulated losses	**Total equity**
	£	£	**£**
Balance at 20 April 2015	-	-	-
Changes in equity			
Loss for the period - Restated	-	(1,167,428)	**(1,167,428)**
Total comprehensive expense	**-**	**(1,167,428)**	**(1,167,428)**
Issue of share capital	20	-	**20**
Balance at 31 December 2015 and 1 January 2016	**20**	**(1,167,428)**	**(1,167,408)**
Changes in equity			
Loss for the year	-	(3,610,194)	**(3,610,194)**
Total comprehensive expense	**-**	**(3,610,194)**	**(3,610,194)**
Issue of share capital	4	-	**4**
Balance at 31 December 2016	**24**	**(4,777,622)**	**(4,777,598)**

1. Accounting policies

Domicile
The Company is a private company limited by shares, registered and domiciled in England & Wales. The registered office is located at 4th Floor, 125 Shaftesbury Avenue, London WC2H 8AD.

Basis of preparation
The financial statements of Time Out Market Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements 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 (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The Company made a loss after tax of £3,610,194. The financial statements have been prepared on a going concern basis as the Company has received a letter of support from a parent undertaking indicating its intention to continue to provide financial support to the Company for a period of not less than twelve months from the date of approval of these financial statements.

The Company is a subsidiary of Time Out Group BC Limited and of its ultimate parent, Time Out Group Plc. The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The accounting policies have been applied consistently.

New and amended standards adopted by the Company
There have been no new or amended standards adopted by the Company in these financial statements.

1. **Accounting policies - continued**

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017 and have not been adopted in these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group. The following standards, interpretations and amendments to existing standards are not yet effective, or have not yet been endorsed by the EU and have not been adopted early by the Group:

- IFRS 9, *'Financial Instruments'* for periods beginning on or after 1 January 2018 and is the first standard issued as part of a process to replace IAS 39. It simplifies the mixed measurement model and establishes two primary measurement categories for financial assets, amortised cost and fair value.
- IFRS 15, *'Revenue from contracts with Customers'* applies for periods beginning on or after 1 January 2018 and specifies how and when revenue is recognised as well as requiring such entities to provide users of the financial statements with more informative, relevant disclosures.

The Directors anticipate that the future introductions of those standards, amendments and interpretations listed above will not have a material impact on the future consolidated financial statements, however a detailed assessment has not yet been undertaken.

Financial instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Financial instruments - continued
Where the contractual obligations of financial instruments (including preference shares) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Where the contractual terms of preference shares do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Financial assets are derecognised when the right to receive cash-flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. When securities classified as available for sale are sold, or impaired, the accumulated fair value adjustments previously taken to reserves are included in the income statement.

Taxation
The charge for taxation is based on profits or losses for the period and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full using the balance sheet liability method. A deferred tax asset is recognised where it is probable that future taxable income will be sufficient to utilise the available relief. Tax is charged or credited to the income statement except when it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity. Deferred tax is provided on temporary timing differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax liabilities and assets are not discounted.

1. **Accounting policies - continued**

Foreign currencies
The functional and presentational currency of the Company is sterling. All transactions denominated in foreign currency are translated at the rate of exchange ruling at the time of the transaction. All foreign exchange differences are taken to the Income Statement in the period in which they arise. At the Statement of Financial Position date, monetary assets and liabilities denominated in foreign currencies are translated using the closing rate.

Property, plant and equipment
The cost of property, plant and equipment includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Computer equipment – over three years on a straight-line basis

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets
Trademark and copyright assets are amortised over a period of fifteen years on a straight-line basis from the month of acquisition. Websites are amortised over four years on a straight-line basis.

Investments
Investments are stated at cost less provision for impairment.

Investments – Correction of prior period error
Investments in the prior year included fees and transaction costs totalling £204,591 that should have been expensed to the profit and loss account.

This change has resulted in restatement of the affected line items for the prior period as follows:

Impact on equity (increase/(decrease) in equity)	2015 £
Investments	(204,591)
Net impact on equity	**(204,591)**

Impact on statement of comprehensive income (increase/(decrease) in profit

	2015 £
Other operating expenses	(204,591)
Net impact on profit for the year	**(204,591)**

1. **Accounting policies - continued**

Trade and other receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with a maturity of three months or less.

Borrowings
All interest bearing loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Preference shares that are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognised in the income statement as an interest expense.

Employee benefit costs
The Company contributes to certain employees' personal pension plans on a defined contribution basis. The Company pays contributions to publicly or privately administrated pension plans on a mandatory, contractual or voluntary basis depending on location. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the income statement.

1. **Accounting policies - continued**

Critical accounting estimates and judgements
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, and the disclosure of contingent liabilities, at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment exists when the carrying value on an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model, where appropriate. The cash flows are derived from the business plan for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The estimation uncertainty exists here due to a number of estimation factors applied to any model used.

Valuation of deferred consideration is defined as a multiple of earnings at a future date. The company evaluates this on an annual basis using the latest business projections.

2. Employees and Directors

	2016	2015
	£	£
Wages and salaries	610,477	-
Social security costs	79,995	-
Other pension costs	27,303	-
	717,775	-

The average monthly number of employees during the year was as follows:

	2016	2015
Administration	4	-
	4	-

Information regarding total remuneration to Directors and key managers is as follows:

	2016	2015
	£	£
Short-term employee benefits	418,270	-
Pension costs	20,833	
	439,103	-

Information regarding the highest paid Director or key manager is as follows:

	2016	2015
	£	£
Short-term employee benefits	418,270	-
Pension costs	20,833	
	439,103	-

Directors' remuneration for S A R Rose as Chairman of the Board was £60,847 for the year ended 31 December 2016.

3. Exceptional items

Exceptional items can be analysed as follows:

	2016	2015
	£	£
Fees related to aborted acquisitions	87,600	-
	87,600	-

4. Finance income

	2016	2015
	£	£
Interest receivable and similar income	108,379	16,122
	108,379	16,122

5. Finance costs

	2016	2015
	£	£
Interest payable on preference shares	808,386	231,712

6. Operating loss

Expenses by nature:

	2016	2015 (restated)
	£	£
Staff costs (note 2)	717,775	-
Depreciation - owned assets	781	-
Amortisation of intangibles	2,925	-
Auditors' remuneration for audit services	5,000	5,000
Loss on foreign exchange	1,066,920	122,753
Other expenses	1,116,786	824,085
Total cost of sales and administrative expenses	2,910,187	951,838

7. Income Tax Expense

Analysis of tax (income)/expense

	2016	2015
UK corporation tax:	**£**	£
Current tax charge/(credit)	-	-
Deferred tax charge	-	-
	-	-

Factors affecting the tax (income)/expense

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2016	Restated 2015
	£'000	£
Loss on ordinary activities before taxation	**(3,610,194)**	(1,167,428)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20%)	**(722,039)**	(233,486)
Effects of:		
Expenses not deductible for tax purposes	**391,067**	111,611
Tax losses not recognised	**275,232**	121,875
Adjust deferred tax to average rate of 20%	**55,740**	-
Foreign tax charges	-	-
Other short term timing differences	-	-
Current tax (credit)/charge	-	-
Deferred tax charge	-	-
Total tax (income)/expense	-	-

Potential deferred tax assets of £275,232 relating to timing differences on losses carried forward have not been recognised as the Directors take an approach not to recognise any deferred tax asset until such time as there is greater visibility of profitability in the medium term.

At Summer Budget 2015, the government announced legislation setting the Corporation Tax rate at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax rate for the year starting 1 April 2020, setting the rate at 17%.

8. Tangible Fixed Assets

	Computer equipment	Total
	£	£
Cost		
At 1 January 2016	-	-
Additions	3,531	3,531
At 31 December 2016	**3,531**	**3,531**
Depreciation		
At 1 January 2016	-	-
Charge for the year	781	781
At 31 December 2016	**781**	**781**
Net book value		
At 31 December 2016	2,750	**2,750**
At 31 December 2015	-	-

9. Intangible Fixed Assets

	Website	Trade Mark	Total
	£	£	£
Cost			
At 1 January 2016	-	-	-
Additions	10,797	21,779	**32,576**
At 31 December 2016	**10,797**	**21,779**	**32,576**
Depreciation			
At 1 January 2016	-	-	-
Charge for the year	1,799	1,126	**2,925**
At 31 December 2016	**1,799**	**1,126**	**2,925**
Net book value			
At 31 December 2016	8,998	20,653	**29,651**
At 31 December 2015	-	-	-

10. **Investments**

	Shares in subsidiary undertakings £	Total £
Cost		
At 20 April 2015	-	-
Additions (Restated)	5,504,221	5,504,221
At 31 December 2015	5,504,221	5,504,221
Additions	1,901,179	1,901,179
At 31 December 2016	7,405,400	7,405,400
Net book value		
At 31 December 2016	**7,405,400**	**7,405,400**
At 31 December 2015	5,504,221	5,504,221

Addition of £3,201 relate to an investment in Time Out Market Porto, Lda, a company incorporated in Portugal. As at 31 December 2016, the Company held an investment of 75.1% in Time Out Market Porto, Lda, the trading company of the planned Time Out Market in Porto.

The remaining additions of £1,897,978 in the year relate entirely to an investment in MC-Mercados da Capital, Lda, a company incorporated in Portugal. During the year, the Company increased its investment in MC – Mercados da Capital Lda by 20.2%, to 95.3%.

The Directors consider the value of the investments to be supported by their underlying assets.
At 31 December 2016, the Company held investments in the following undertakings:

Name of company	Holding	Nature of business	Registered address	Country of registration (or incorporation)
Direct subsidiaries:				
Time Out Market Porto, LDA	75.1%	Food Market	Rua D. Luis no 19-2 andar 1200-149 Lisbon	Portugal
MC-Mercados da Capital, LDA	95.3%	Food Market	Rua D. Luis no 19-2 andar 1200-149 Lisbon	Portugal
Time Out Market London Limited	100%	Food Market	125 Shaftesbury Ave, London WC2H 8AD	England and Wales
Time Out Market US Holdings, LLC	100%	Intermediate Holding Company	1540 Broadway, 42nd Floor New York, NY 10036	USA
Indirect subsidiaries:				
Time Out Market (Miami), LLC	100%	Food Market Operations	1540 Broadway, 42nd Floor New York, NY 10036	USA

11. Trade and other receivables

	2016	2015
Current:	**£**	£
Other debtors	**18,296**	20
Prepayment and accrued income	**10,027**	-
Value added tax	**86,380**	987
Amounts owed by group undertakings	**2,909,123**	-
	3,023,826	1,007

Amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand. There are no items falling due after more than one year (2015: £nil).

	2016	2015
Non-current:	**£**	£
Amounts owed by group undertakings	**1,251,471**	1,112,245
Total trade and other receivables	**4,275,297**	1,113,252

The fair values of all financial assets of the Company equate to their carrying value.

Amounts owed by group undertakings include loans which have been issued by the Company to MC-Mercados da Capital, Lda totalling €2,618,266 (equivalent to £2,239,218) of principal and €152,481 (equivalent to £124,497) of interest. These loans are interest bearing at 5% per annum, unsecured and repayable within two years.

The remaining amounts owed by Group undertakings totalling £1,796,878 are interest free, unsecured and repayable on demand.

12. Trade and other payables

	2016	2015
	£	£
Current:		
Trade creditors	**99,530**	107,853
Accruals and deferred income	**296,068**	41,382
Amounts due to group undertakings	**5,251,131**	323,350
Other creditors	**29,428**	1,114,586
Financial liability for option over non-controlling interest	**307,372**	1,548,494
	5,983,529	3,135,665

The fair values of all financial liabilities of the Company equate to their carrying value. All amounts owed to group undertakings are non-interest bearing, unsecured and repayable on demand.

The financial liability for option over non-controlling interest reflects the liability of the Company as party of a put/call option agreement with the minority shareholders of MC-Mercados da Capital, Lda, the operator of the Lisbon Time Out market. The liability has been recognised at fair value.

13. Borrowings

	2016	2015
	£	£
Non-current:		
Preference shares	**10,900,446**	4,989,226

Borrowings are repayable as follows:	2016	2015
	£	£
Preference shares		
Between one and two year	**10,900,446**	4,989,226

The Preference shares do not carry rights to receive notice of or to attend and vote at any general meeting of the Company. The Preference shares shall be entitled to a fixed cumulative preferential dividend at 9% which shall be paid by the Company, at the Company's option of (i) 31 May each year or (ii) at any time thereafter. On a return of capital on liquidation, reduction of capital or otherwise, the surplus assets of the Company shall be applied first, in paying the holders of the Preference Shares.

The fair values of all financial liabilities of Company equate to their carrying value.

14. Called up share capital

Authorised and fully paid shares	**2016**	2015
	Number	Number
Ordinary shares	**20,000**	20,000
SR shares	**706**	0
Management shares	**2,823**	0
	23,529	20,000

Authorised and fully paid shares	Nominal value	**2016**	2015
		£	£
Ordinary shares	£0.001	**20.00**	20.00
SR shares	£0.001	**0.71**	0
Management shares	£0.001	**2.82**	0
		23.53	20.00

During the year the Company issued 706 SR shares at a value of £0.001 per share and 2,823 Management shares at a value of £0.001 per share.

Each Ordinary share, SR share and Management share is entitled to vote, receive dividends or other distributions and participate in a distribution arising on a winding up of the Company or otherwise. These shares are not redeemable.

15. Related party disclosures

Related party transactions can be summarised as follows:

MC-Mercados da Capital, Lda
In July 2016, Time Out Market Limited acquired a further 20.2% interest in MC-Mercados da Capital, Lda. At the end of the year, MC-Mercados da Capital, Lda owed Time Out Market Limited £2,363,715 relating to shareholder loans and £357,401 for intercompany trading. At the end of the year, the Company owed MC-Mercados da Capital, Lda £44,366.

Directors & Shareholders
At the end of the year, the company owed S A R Rose fees of £11,250 for his role as director of the Company.

16. Ultimate controlling party

The ultimate parent company and controlling entity is Time Out Group Plc, a company listed on the Alternative Investment Market in London. Previously, from incorporation to 14 June 2016, the Company's ultimate parent company and controlling entity was Oakley Capital Investments Limited.

The largest and smallest group of which this company is a member and for which Group financial statements are prepared is Time Out Group Plc. Copies of the consolidated financial statements may be obtained from its registered office at 4th Floor, 125 Shaftesbury Avenue, London, WC2H.

17. Events after the reporting period

On 9 March 2017, Time Out Market Limited purchased for consideration of €225,000 a further 1.0% of the share capital in MC-Mercados da Capital, Lda, taking their direct shareholding to 96.3%.

On 12 May 2017, the Company incorporated a new subsidiary, Time Out Market (Chicago), LLC which is registered in the United States.

On 12 May 2017, the Company incorporated a new subsidiary, Time Out Market (Boston), LLC which is registered in the United States.

During the period subsequent to 31 December 2016 to the date of these financial statements, the Company issued loans totalling €475,000 (equivalent to £405,706) to MC-Mercados da Capital, Lda. The loans are interest bearing at 5% per annum, unsecured and repayable within two years.

18. Impact of conversion to FRS 101 and changes to accounting policies

For the period ended 31 December 2015, the Company prepared its financial statements in accordance with United Kingdom Generally Accepted Accounting Standards (UK GAAP). These financial statements for the year ended 31 December 2016 are the first the Company has prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

Following transition from UK GAAP to FRS 101, no comparative figures were identified to be restated. As a result, it is not deemed necessary to present tables reconciling the transition within these financial statements. In preparing these financial statements, the Company's opening Statement of Financial Position was prepared at 20 April 2015, the Company's date of transition to FRS 101. No adjustments were made in regard of this transition.