

# **WIRELESS CONNECT LIMITED**

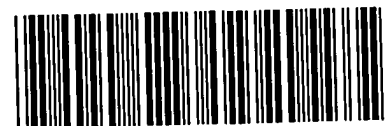
**(formerly UTV Connect Limited)**

## **Report and Financial Statements**

**31 December 2015**



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COMPANIES HOUSE

**CORPORATE INFORMATION**

**DIRECTORS**

J McCann  
S Taunton  
N McKeown

**SECRETARY**

M Jess

**AUDITORS**

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

**BANKERS**

Bank of Ireland  
28 University Road  
Belfast  
BT7 1NH

**SOLICITORS**

A&L Goodbody  
6th Floor  
42-46 Fountain Street  
Belfast  
BT1 5EF

**REGISTERED OFFICE**

Havelock House  
Ormeau Road  
Belfast  
BT7 1EB

# Wireless Connect Limited

Registered No. NI 032652

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## **DIRECTORS' REPORT**

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

## **DIRECTORS OF THE COMPANY**

The directors of the company during the year were those listed on page 1.

## **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £20,719 (2014: loss of £463,229). The directors do not recommend the payment of a dividend (2014: £nil).

During 2014, amounts from group undertakings were waived. In line with accounting guidance, this waiver resulted in a capital contribution of £2,180,000 being recognised in the company's reserves.

## **PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS**

The company's principal activity until 30 June 2014 was the provision of internet services.

The business and business assets of the company were sold, with effect from 30 June 2014, and it is the Directors intention to wind the company up. Consequently the financial statements have therefore been prepared on a break-up basis.

## **EVENTS SINCE THE BALANCE SHEET DATE**

On 3 March 2016 the company changed its name from UTV Connect Limited to Wireless Connect Limited.

## **AUDITORS**

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

## **DIRECTORS STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

## **DIRECTORS' LIABILITIES**

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions remains in force as at the date of approving the directors' report.

## **SMALL COMPANY EXEMPTION**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Wireless Connect Limited

Registered No. NI 032652

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**DIRECTORS' REPORT (CONTINUED)**

**STRATEGIC REPORT**

The directors have not prepared a strategic report as the company is entitled to the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the board,

A handwritten signature in black ink, appearing to read 'N McKeown', written over a horizontal line.

N McKeown

Director

29 September 2016

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 of the company for that period. In preparing those 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;
- 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIRELESS CONNECT LIMITED**

We have audited the financial statements of Wireless Connect Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17. 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'. The financial statements have been prepared on a break-up basis.

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 Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 Directors 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.

### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIRELESS CONNECT LIMITED (CONTINUED)

### 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.



**Michael Kidd (Senior Statutory Auditor)**

For and on behalf of Ernst & Young LLP,

Statutory Auditor

Belfast

Date: 30 September 2016

# INCOME STATEMENT

for the year ended 31 December 2015

|   | Notes | 2015<br>£ | 2014<br>£   |
|---|-------|-----------|-------------|
| <b>TURNOVER</b>   | 3     | -         | 2,574,188   |
| Cost of sales   |       | -         | (2,255,729) |
| <b>GROSS PROFIT</b>   |       | -         | 318,459     |
| Administrative expenses                                     |       | 20,719    | (1,797,843) |
| <b>OPERATING PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS</b>     | 4     | 20,719    | (1,479,384) |
| Exceptional income  | 6     | -         | 714,036     |
| <b>OPERATING PROFIT/(LOSS)</b>                              |       | 20,719    | (765,348)   |
| Interest payable  |       | -         | (1,546)     |
| <b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | 20,719    | (766,894)   |
| Tax (expense)/credit  | 8     | -         | 303,665     |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>                 |       | 20,719    | (463,229)   |

All amounts relate to discontinued activities.

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

|   | 2015<br>£     | 2014<br>£        |
|---|---------------|------------------|
| Profit/(Loss) for the financial year                                  | 20,719        | (463,229)        |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |               |                  |
| Exchange difference on reserves                                       | 4,172         | 11,633           |
| <b>Total comprehensive income for the year</b>                        | <b>24,891</b> | <b>(451,596)</b> |



**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2015**

|                            | <i>Share capital</i> | <i>Retained earnings</i> | <i>Total equity</i> |
|----------------------------|----------------------|--------------------------|---------------------|
|                            | £                    | £                        | £                   |
| <b>At 1 January 2014</b>   | 10,000               | (1,723,074)              | (1,713,074)         |
| Loss for the year          | -                    | (463,229)                | (463,229)           |
| Exchange difference        | -                    | 11,633                   | 11,633              |
| Capital contribution       | -                    | 2,180,000                | 2,180,000           |
| <b>At 31 December 2014</b> | 10,000               | 5,330                    | 15,330              |
| Profit for the year        | -                    | 20,719                   | 20,719              |
| Exchange difference        | -                    | 4,172                    | 4,172               |
| <b>At 31 December 2015</b> | <u>10,000</u>        | <u>30,221</u>            | <u>40,221</u>       |

# Wireless Connect Limited


Registered No. NI 032652

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## **BALANCE SHEET** as at 31 December 2015

|   | <i>Notes</i> | <i>2015</i><br>£ | <i>2014</i><br>£ |
|---|--------------|------------------|------------------|
| <b>CURRENT ASSETS</b>                                 |              |                  |                  |
| Debtors   | 9            | 122,664          | 80,935           |
| Financial asset                                       | 10           | -                | 325,000          |
| Cash at bank and in hand                              |              | <u>9,674</u>     | <u>12,657</u>    |
|   |              | 132,338          | 418,592          |
| <b>CREDITORS: amounts falling due within one year</b> |              |                  |                  |
| Trade and other payables                              | 11           | <u>(92,117)</u>  | <u>(403,262)</u> |
| <b>NET ASSETS</b>                                     |              | <u>40,221</u>    | <u>15,330</u>    |
| <b>CAPITAL AND RESERVES</b>                           |              |                  |                  |
| Share capital   | 12           | 10,000           | 10,000           |
| Retained earnings                                     | 13           | <u>30,221</u>    | <u>5,330</u>     |
| <b>TOTAL EQUITY</b>                                   |              | <u>40,221</u>    | <u>15,330</u>    |

The financial statements of Wireless Connect Limited were approved by the Board of Directors and authorised for issue on 29 September 2016. They were signed on its behalf by:



N McKeown

Director

29 September 2016

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2015

### 1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements of Wireless Connect limited for year ended 31 December 2015 were authorised for issue by the board of directors on 29 September 2016 and the balance sheet was signed on the board's behalf by N McKeown. Wireless Connect limited is incorporated and domiciled in Northern Ireland.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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

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

### 2. ACCOUNTING POLICIES

#### *Basis of preparation*

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. There were no material amendments on adoption of FRS.

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 IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of IAS 1 Presentation of Financial Statements to present comparative information in respect of;
  - i) paragraph 79 (a) (iv) of IAS1;
- c) the requirements of paragraphs 10(d), 38A, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- d) all the requirements of IAS 7 Statement of Cash Flows;
- e) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- f) the requirements of 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 party to the transaction is wholly owned by such a member.

The financial statements have been prepared on the break-up basis. Where appropriate, adjustments have been made to reduce the carrying value of assets to their estimated realisable value, to provide for any further liabilities which will arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Preparation of financial statements on a break-up basis involves the company making estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances and are continually re-evaluated.

#### *Judgements and key sources of uncertainty*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The Board do not consider there to be any key sources of judgement or estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2015

### 2. ACCOUNTING POLICIES (CONTINUED)

#### *Foreign currencies*

The company's financial statements are presented in sterling, which is also the company's functional currency. Transactions in foreign currencies are recorded at the 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.

#### *Pensions*

The company is part of a group defined contribution scheme which requires contributions to be made to a separately administered fund. Contributions to the defined contribution scheme are recognised in the income statement in the period in which they become payable.

#### *Revenue recognition*

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Key classes of revenue are recognised on the following basis:

- Provision of internet services                      - on delivery
- Interest    - as interest accrues using the effective interest method

#### *Current taxation*

The tax charge represents the sum of tax currently payable and is charged or credited in the income statement. Tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes both items of income or expense that are taxable or deductible in other years as well as items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

#### *Deferred taxation*

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 3. TURNOVER

Turnover represents amounts derived from the provision of goods and services in the period which fall within the company's ordinary activities, stated net of value added tax. Turnover was attributable to one principal activity, the provision of internet services.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**as at 31 December 2015**

**4. OPERATING LOSS**

|                                | 2015 | 2014  |
|--------------------------------|------|-------|
|                                | £    | £     |
| This is stated after charging: |      |       |
| Auditor's remuneration         | —    | 5,550 |

**5. AUDITOR'S REMUNERATION**

The Company has recognised the following in respect of amounts paid or payable to its auditors in respect of the audit of the financial statements and for other services provided to the Company.

|                        | 2015 | 2014  |
|------------------------|------|-------|
|                        | £    | £     |
| Auditor's remuneration | —    | 5,550 |

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of its parent, Wireless Group plc.

**6. EXCEPTIONAL INCOME/(COSTS)**

|  | 2015 | 2014      |
|--|------|-----------|
|  | £    | £         |
| Consideration on disposal of customer base | -    | 874,636   |
| Disposal cost                              | -    | (28,163)  |
| Redundancy costs                           | -    | (132,437) |
|  | —    | 714,036   |

The trade and assets of the Company were disposed of in 2014 for a cash consideration of £874,636 of which £325,000 was contingent and remained outstanding at 31 December 2014, as explained further in note 10.

**7. STAFF COSTS AND DIRECTORS' REMUNERATION**

*(a) Staff costs:*

|                       | 2015 | 2014    |
|-----------------------|------|---------|
|                       | £    | £       |
| Wages and salaries    | -    | 352,674 |
| Social security costs | -    | 44,284  |
| Other pension costs   | -    | 11,881  |
|                       | —    | 408,839 |

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

|                | 2015 | 2014 |
|----------------|------|------|
|                | No.  | No.  |
| Administration | -    | 9    |
| Web resources  | -    | 14   |
|                | —    | 23   |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2015

## 7. STAFF COSTS AND DIRECTORS' REMUNERATION (CONTINUED)

*(b) Directors' remuneration:*

The directors of the company who served during the year were also directors of the ultimate parent company (Wireless Group Plc) and fellow subsidiaries. In addition to the amounts above, directors remuneration of £1,129,066 (2014: £1,453,035) was paid to the company's directors by fellow subsidiaries. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the ultimate parent company at year end, and fellow subsidiary companies.

## 8. TAXATION

*(a) Tax charged in the income statement:*

|                                      | 2015 | 2014      |
|--------------------------------------|------|-----------|
|                                      | £    | £         |
| <i>Current income tax:</i>           |      |           |
| Current year group relief receivable | -    | (303,665) |
| Tax credit in the income statement   | -    | (303,665) |

*(b) Reconciliation of the total tax credit*

The tax credit in the income statement for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%). The differences are reconciled below:

|  | 2015     | 2014      |
|--|----------|-----------|
|  | £        | £         |
| Loss on ordinary activities before tax   | (20,719) | (766,894) |
| Tax calculated at UK standard rate of corporation tax in the UK of 20.25% (2014: 21.50%) | (4,196)  | (164,882) |
| Movement in unrecognised deferred tax asset  | -        | (13,444)  |
| Disallowed expenses and non-taxable income   | -        | 774       |
| Utilisation of group tax losses  | -        | (181,992) |
| Group relief surrendered for nil payment   | 4,196    | 55,879    |
| Total tax credit reported in the income statement  | -        | (303,665) |

*(c) Factors that may affect future tax charges:*

A reduction to the UK corporation tax rate was substantively enacted on 26 October 2015 which will reduce the corporation tax rate to 19% from 1 April 2017. A further reduction in the tax rate to 17% from 1 April 2020 has been announced but has not yet been substantively enacted. There are no potential income tax consequences resulting from the payment of dividends.

## 9. DEBTORS

|                                       | 2015           | 2014          |
|---------------------------------------|----------------|---------------|
|                                       | £              | £             |
| Trade debtors                         | -              | 33,933        |
| Other taxes and social security costs | 152            | 47,002        |
| Amounts owed from group undertakings  | 122,512        | -             |
|                                       | <u>122,664</u> | <u>80,935</u> |

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2015

## 10. FINANCIAL ASSET

The trade and assets of the Company were disposed of in 2014 for a cash consideration of £874,636 of which £325,000 was contingent and remained outstanding at 31 December 2014. In January 2015 the Company received the full earn out of £175,000 in respect of the first milestone and in August 2015 the remaining maximum earn out of £150,000 was received having met the second milestone as at 30 June 2015.

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2015          | 2014           |
|------------------------------------|---------------|----------------|
|                                    | £             | £              |
| Trade creditors                    | 7,890         | 52,741         |
| Accruals                           | 84,227        | 118,315        |
| Amounts owed to group undertakings | -             | 232,206        |
|                                    | <u>92,117</u> | <u>403,262</u> |

## 12. AUTHORISED, ISSUED AND CALLED UP SHARE CAPITAL

|   | 2015          | 2014          | 2015          | 2014          |
|---|---------------|---------------|---------------|---------------|
|   | No.           | No.           | £             | £             |
| <i>Authorised</i>                         |               |               |               |               |
| Ordinary shares of £1 each                | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> |
| <i>Allotted, called up and fully paid</i> |               |               |               |               |
| Ordinary shares of £1 each                | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> |

## 13. RESERVES

### *Equity share capital*

The balance classified as equity share capital includes the total net proceeds (both nominal value and share premium) on issue of the Company's equity share capital, comprising £1 ordinary shares.

## 14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

## 15. POST BALANCE SHEET EVENTS

On 3 March 2016 the company changed its name from UTV Connect Limited to Wireless Connect Limited.

On 30 June 2016, Wireless Group plc announced a recommended cash offer by News Corp UK & Ireland Limited for the entire issued and to be issued share capital of Wireless Group plc. On 26 September 2016, the offer by News Corp UK & Ireland Limited to acquire the entire issued and to be issued share capital of Wireless Group plc became wholly unconditional.

## 16. ULTIMATE GROUP UNDERTAKING

The Company's immediate parent undertaking is Wireless Group New Media Limited. The Company's ultimate parent undertaking at 31 December 2015 was Wireless Group plc. The company is included within these group accounts which are publicly available from Ormeau Road, Belfast, BT7 1EB.

## 17. 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**as at 31 December 2015**

**17. TRANSITION TO FRS 101 (CONTINUED)**

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. There are no 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".