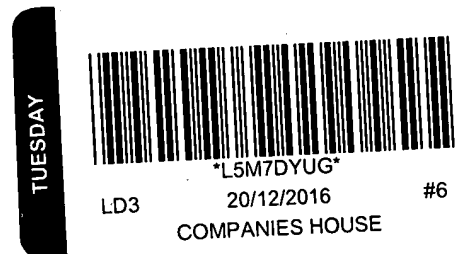


**Cinelease UK Limited**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

Directors' report and financial statements for the year  
ended 31 December 2015

Company Number: 08696121



**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

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**COMPANY INFORMATION**

**DIRECTORS**

Steven Ortiz  
Francis J Early  
*(resigned 10 August 2016)*  
Nuns Moodliar  
*(resigned 29 April 2016)*

**COMPANY SECRETARY**

Nuns Moodliar  
*(resigned 29 April 2016)*

**REGISTERED OFFICE**

Hertz House,  
11 Vine Street,  
Uxbridge,  
Middlesex UB8 1QE.

**COMPANY NUMBER**

08696121

**BANKERS**

Deutsche Bank AG London,  
Winchester House,  
1 Great Winchester Street,  
London EC2N 2DB.

**INDEPENDENT AUDITORS**

Ernst & Young,  
Chartered Accountants,  
Ernst & Young Building,  
Harcourt Centre,  
Harcourt Street,  
Dublin 2.

**DIRECTORS' REPORT**  
**for the year ended 31 December 2015**

**Company Registration Number: 08696121**

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006. As the company is entitled to avail of the small companies' exemption there is no requirement to prepare a Strategic Report under section 414A of the Companies Act 2006.

*PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS*

The company changed its name from Hertz Equipment Rental (UK) Limited to Cinelease UK Limited during the year. The company's principal activity is the rental of lighting and ancillary equipment, generator carriers along with the supply of consumable supplies to customers producing feature films, commercials and television series primarily in the UK.

*RESULTS FOR THE PERIOD ENDED AND STATE OF AFFAIRS AT 31 DECEMBER 2015*

The results for the year and the state of affairs of the company are set out on pages 7 and 9. The loss on ordinary activities before taxation for the year amounted to £866,757 (prior period: £259,953). After a tax credit of £160,114 (prior period: £38,235), the loss for the year amounted to £706,643 (prior period: £221,719)

The net liabilities at 31 December 2015 amounted to £928,361 (prior period: £221,718).

*DIVIDENDS*

No dividends were declared or paid during the period (prior period: nil) and accordingly the loss after tax for the year was taken into reserves.

*FUTURE DEVELOPMENTS*

The trading environment continues to be challenging post year end, however the company is increasing turnover by continuing to invest in rentable inventory and hire additional qualified professionals to improve operational performance while diversifying its revenue base.

*PRINCIPAL RISKS AND UNCERTAINTIES*

The key business risks and uncertainties affecting the company are considered to relate to competition from other national equipment rental operators. The external commercial environment is expected to remain competitive as the company's major competitors continue to invest in their service provision.

The company is well positioned in market with a strong brand and management continue to monitor market activity with regard to continuing company strategy and the ability of the company to sustain and improve upon current levels of sales activity.

**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

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**DIRECTORS' REPORT (Continued)**  
**for the year ended 31 December 2015**

*PRINCIPAL RISKS AND UNCERTAINTIES (continued)*

The company's operations expose it to a number of financial risks. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The principle financial risks are as follows:

*Liquidity risk*

The company faces liquidity risk which is addressed through having access to intercompany finance should it be necessary to fund the company's activities.

*Credit risk*

The company faces the risk of financial loss as a result of customers failing to meet their financial obligations for the provision of equipment rentals. Credit risk is managed through credit control procedures and the monitoring of trade receivable levels. The credit risk over intercompany receivables is limited as the counterparties are group companies.

*POLITICAL DONATIONS*

The company did not make any political donations during the year.

*IMPORTANT EVENTS SINCE THE BALANCE SHEET DATE*

Subsequent to the year end, Hertz Global Holdings Inc. separated the equipment rental business from the car rental business. Equipment rental became a stand-alone business with HERC Holdings Inc. as the ultimate parent of the company. HERC Holdings Inc. is an independent publically traded corporation listed on the New York Stock Exchange.

*DIRECTORS*

The directors who served during the year and up to the date of signing the financial statement are as follows:

Steven Ortiz

Francis J. Early (resigned 10 August 2016)

Nuns Moodliar (resigned 29 April 2016)

There are no directors' interests requiring disclosure under the Companies Act 2006.

*DIRECTORS' LIABILITIES*

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

*GOING CONCERN*

The financial statements have been prepared on a going concern basis. The company's immediate parent undertaking, Hertz Equipment Rental Co Holdings Netherlands BV., has provided written confirmation to the directors that it will continue to provide financial support to the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

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**DIRECTORS' REPORT (Continued)**  
**for the year ended 31 December 2015**

**DISCLOSURE OF INFORMATION TO THE AUDITORS**

So far as the director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. The director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

**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 period. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

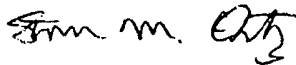
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

**AUDITORS**

The auditors, Ernst & Young, Chartered Accountants, are willing to continue in office in accordance with section 485 of the Companies Act 2006.

On behalf of the Board



Steven Ortiz  
Director

Date 19 December 2016

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINELEASE UK LIMITED (FORMERLY HERTZ EQUIPMENT RENTAL (UK) LIMITED)**

We have audited the financial statements of Cinelease UK Limited (formerly Hertz Equipment Rental (UK) Limited) for the year ended 31 December 2015 which comprise of the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position 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 FRS 102, the Financial Reporting Standard applicable to the UK and Republic of Ireland.

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 auditors***

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is 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 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 loss for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, the Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

*Continued / ...*



Building a better  
working world

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINELEASE UK LIMITED  
(FORMERLY HERTZ EQUIPMENT RENTAL (UK) LIMITED) (continued)**

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

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

***Matters on which we are required to report by exception***

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 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.

*Ernst & Young*

Roger Wallace (Senior statutory auditor)  
for and on behalf of Ernst & Young,  
Chartered Accountants, Statutory Auditor

Dublin

Date:

*19 December 2016*

**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

**INCOME STATEMENT**  
**for the year ended 31 December 2015**

		2015	18 September 2013 to 31 December 2014
	Note	£	£
Turnover – continuing activities	1(e)	1,717,094	858,689
Cost of sales		(993,947)	(364,320)
		<hr/>	<hr/>
Gross profit		723,147	494,369
Administrative expenses		(1,360,648)	(654,320)
		<hr/>	<hr/>
Operating loss – continuing activities	2	(637,501)	(159,951)
Interest payable and similar charges	4	(229,256)	(100,002)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(866,757)	(259,953)
Taxation credit on loss on ordinary activities	5	160,114	38,235
		<hr/>	<hr/>
Loss for the financial year		<u>(706,643)</u>	<u>(221,719)</u>

There is no other comprehensive income during the year or prior period other than the loss attributable to shareholders of the company.



**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

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

	<i>Called up share capital – presented as equity</i> £	<i>Profit and loss account</i> £	<i>Total equity</i> £
At 18 September 2013 (incorporation)	1	-	1
Loss for the period 18 September 2013 to 31 December 2014	-	(221,719)	(221,719)
At 31 December 2014 - deficit	1	(221,719)	(221,718)
Loss for the financial year	-	(706,643)	(706,643)
At 31 December 2015 - deficit	1	(928,362)	(928,361)

**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	6	7,412,941	5,766,644
<b>CURRENT ASSETS</b>			
Stocks	7	64,035	19,873
Debtors: amounts falling due within one year	8	1,125,183	640,429
Cash at bank		227,866	116,115
		<u>1,417,084</u>	<u>776,417</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(9,758,386)</u>	<u>(6,764,779)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(8,341,302)</u>	<u>(5,988,362)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(928,361)</u>	<u>(221,718)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital presented in equity	14	1	1
Profit and loss account		(928,362)	(221,719)
<b>SHAREHOLDERS' FUNDS – (DEFICIT)</b>		<u>(928,361)</u>	<u>(221,718)</u>



Steven Ortiz  
Director

Date: 19 December 2016

Company Registration Number: 08696121

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2015**

**1 PRINCIPAL ACCOUNTING POLICIES**

**(a) *Statement of compliance***

Cinelease UK Limited is a limited liability company incorporated in England. The Registered Office is Hertz House, 11 Vine Street, Uxbridge, Middlesex UB8 1QE. The financial statements have been prepared in accordance with FRS 102 for the the year ended 31 December 2015.

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The transition to FRS 102 has no impact on the loss for the period ended 31 December 2014 and year ended 31 December 2015.

**(b) *Basis of preparation and change in accounting policy***

The financial statements of Cinelease UK Limited (formerly Hertz Equipment Rental (UK) Limited) were authorised for issue by the Board of Directors on 19 December 2016.

These financial statements have been prepared on a going concern basis which assumes that the company will be able to meet its liabilities as they fall due for the foreseeable future. The company's immediate parent undertaking, Hertz Equipment Rental Co Holdings Netherlands BV., has provided written confirmation to the directors that it will continue to provide financial support to the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

The financial statements are prepared in sterling which is the functional currency of the company.

Cinelease UK Limited (formerly Hertz Equipment Rental (UK) Limited) (the company) is availing of the reduced disclosure framework under FRS 102 on the basis that it itself meets the definition of a qualifying entity, being a member of a group that prepare publicly available financial statements which give a true and fair view. The group and company financial statements are available from the company's registered office above.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 December 2015

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(b) *Basis of preparation and change in accounting policy (continued)*

The company has taken advantage of the following disclosure exemption under FRS 102 for qualifying entities:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

(c) *Judgements and key sources of estimation uncertainty*

The preparation of the 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 revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

*Operating lease commitments*

The company has entered into a commercial property lease as a lessee to obtain use of property, plant and equipment. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires and asset and liability to be recognised in the Statement of Financial Position.

The following are the company's key sources of estimation uncertainty:

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

**1 PRINCIPAL ACCOUNTING POLICIES (continued)**

*(c) Judgements and key sources of estimation uncertainty (continued)*

*Impairment of non-financial assets:*

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on 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. The cash flows are derived from the budget 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 flows and the growth rate used for extrapolation purposes.

*Taxation:*

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax that can be recognised, based upon likely timing together with an assessment of the effect of future tax planning strategies. Further details are contained in note 5.

*(d) Property, Plant and Equipment:*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	5 years
Rental equipment	Between 3 and 20 years
Service vehicles	Up to 5 years
Furniture & fixtures	Up to 5 years
Computer equipment	Up to 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

*(e) Turnover*

Turnover represents the amounts derived from the provision of equipment rental services which fall within the company's ordinary activities, stated net of value added tax and is recognised over the period of an equipment rental. Revenue earned on open rental agreements is accrued at the balance sheet date. Turnover has been mainly earned in the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

(f) *Stocks*

Stocks are stated at lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Cost comprises invoice price net of trade rebates and trade discounts together with cost of freight and duty.

Net realisable value comprises the actual or estimated selling price (net of trade discounts) less all further cost to completion or to be incurred in marketing, selling and distribution.

Stocks are valued on a weighted average cost basis.

(g) *Pension*

The company operates a defined contribution pension scheme. Contributions are charged to the Income Statement as they become payable

Differences between the amounts charged in the Income Statement and payments made to pension funds are treated as assets or liabilities.

(h) *Deferred tax*

Deferred tax is recognised in respect of all timing 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 exception; 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 timing 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 timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(i) *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and revenues, costs and non-monetary at the exchange rates ruling at the dates of the transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the Income Statement.

(j) *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

1. ACCOUNTING POLICIES (continued)

(k) *Loan notes*

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

(l) *Short-term debtors and creditors*

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

(m) *Interest-bearing loans and borrowings*

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

**2. OPERATING LOSS**

Operating loss is stated after charging:

		<i>18 September 2013 to 31 December</i>
	2015	2014
	£	£
Depreciation of tangible fixed assets	535,250	180,611
Operating lease costs	114,314	85,736
Foreign exchange loss	4,005	35,701
	<u>553,569</u>	<u>302,048</u>

Auditors' remuneration of €20,000 (prior period: €30,000) is compiled centrally and is borne in full by Hertz (U.K.) Limited, a fellow group undertaking.

The directors received no remuneration in respect of their role as directors of the company.

**3. EMPLOYEES AND REMUNERATION**

The monthly average number of staff employed by the company during the financial year and last period amounted to:

		<i>18 September 2013 to 31 December</i>
	2015	2014
	No	No
Operations	6	4
Head office	4	2
Sales and marketing	3	2
	<u>13</u>	<u>8</u>



**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

**3. EMPLOYEES AND REMUNERATION (continued)**

The aggregate payroll costs of the above were:

		<i>18 September 2013 to 31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Wages and salaries	643,564	316,023
Social security costs	54,925	33,011
Other pension costs	10,661	6,886
	<u>709,150</u>	<u>355,920</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

		<i>18 September 2013 to 31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Interest payable on amounts due to group undertaking	<u>229,256</u>	<u>100,002</u>

**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

**5. TAX ON LOSS ON ORDINARY ACTIVITIES**

		<i>18 September 2013 to 31 December</i>
(a) <i>Analysis of the Income Statement</i>	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
<i>Current tax</i>		
UK corporation tax based on results for period at 20.25% (prior period: 21.50%)	(309,271)	(176,801)
Adjustment in respect of prior period	74,999	-
	<u>(234,272)</u>	<u>(176,801)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	152,704	138,566
Adjustment in respect of prior period	(55,753)	-
Change in rates	(22,793)	-
	<u>(160,114)</u>	<u>(38,235)</u>

**(b) *Factors affecting the current tax charge***

The tax assessed on the loss on ordinary activities differs from the standard rate of corporation tax in the UK of 20.25% Due to reduction in the main rate of corporation tax from 21% to 20% from April 2015, an average rate of 20.25% has been applied for the period. The differences are explained below:

		<i>18 September 2013 to 31 December</i>
	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Taxation on loss on ordinary activities	(866,757)	(259,953)
	<u></u>	<u></u>
Loss on ordinary activities multiplied by standard UK rate 20.25% (prior period: 21.50%)	(175,518)	(55,890)
Expenses not deductible for tax purposes	56,368	28,047
Change in rates	(22,793)	-
Adjustment in respect of prior period	19,246	-
Other	(37,417)	(10,392)
	<u>(160,114)</u>	<u>(38,235)</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

5. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(b) *Factors affecting the current tax charge (continued)*

The adjustment in relation to the prior period relates to losses surrendered to a fellow subsidiary undertaking with an equal charge to that company, not ultimately utilised resulting in a reversal of the original charge.

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

There are no expected changes in rates of UK corporation tax and capital allowances will impact the amount of future cash tax payments to be made by the company.

(d) *Deferred tax*

The deferred tax included in the balance sheet is as follows:

	2015 £	2014 £
Included in creditors (Note 9)	212,724	138,566

The balance of the deferred tax account consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Excess of capital allowances over depreciation	212,724	138,566

	2014 £
At 18 September 2013	-
Deferred tax charge in the Income Statement	138,566
At 31 December 2014	138,566

	2015 £
At 1 January 2015	138,566
Deferred tax charge in Income Statement	74,158
At 31 December 2014	212,724

No deferred tax asset has been recognised on the losses carried forward by the company as referred to in note 5(b) above.

NOTES TO THE FINANCIAL STATEMENTS  
31 December 2015 (Continued)

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Rental equipment £	Service Vehicles £	Furniture & fixtures £	Computer Equipment £	Total £
<i>Cost:</i>						
At 1 January 2015	83,996	5,770,530	50,432	14,922	27,375	5,947,255
Additions	76,937	2,017,714	17,917	10,232	58,747	2,181,547
At 31 December 2015	160,933	7,788,244	68,349	25,154	86,122	8,128,802
<i>Accumulated depreciation:</i>						
At 1 January 2015	(11,200)	(157,002)	(6,465)	(1,990)	(3,954)	(180,611)
Charge for the year	(39,903)	(449,730)	(12,526)	(6,280)	(26,811)	(535,250)
At 31 December 2015	(51,103)	(606,732)	(18,991)	(8,270)	(30,765)	(715,861)
<i>Net book value:</i>						
At 31 December 2015	109,830	7,181,512	49,358	16,884	55,357	7,412,941
At 1 January 2015	72,796	5,613,528	43,967	12,932	23,421	5,766,644

NOTES TO THE FINANCIAL STATEMENTS  
31 December 2015 (Continued)

6. TANGIBLE FIXED ASSETS (continued)

	Leasehold improvements £	Rental equipment £	Service Vehicles £	Furniture & fixtures £	Computer Equipment £	Total £
<i>Cost:</i>						
At 18 September 2013	-	-	-	-	-	-
Additions	83,996	5,770,530	50,432	14,922	27,375	5,947,255
At 31 December 2015	83,996	5,770,530	50,432	14,922	27,375	5,947,255
<i>Accumulated depreciation:</i>						
At 1 January 2015	-	-	-	-	-	-
Charge for the year	(11,200)	(157,002)	(6,465)	(1,990)	(3,954)	(180,611)
At 31 December 2015	(11,200)	(157,002)	(6,465)	(1,990)	(3,954)	(180,611)
<i>Net book value:</i>						
At 31 December 2014	72,796	5,613,528	43,967	12,932	23,421	5,766,644
At 18 September 2013	-	-	-	-	-	-

**CINELEASE UK LIMITED**  
**(Formerly Hertz Equipment Rental (UK) Limited)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

7.	STOCKS	2015 £	2014 £
	Consumables and sales inventory	64,035	19,873

The difference between purchase price of stock and the replacement cost is not material.

Stocks recognised as an expense in the period were £43,196 (prior period: £11,175).

8.	DEBTORS: amounts falling due within one year	2015 £	2014 £
	Trade debtors	294,931	109,323
	Amounts owed by group undertakings	431,699	176,801
	Value added tax	127,092	122,568
	Prepayments	271,461	231,737
		1,125,183	640,429

Amounts owed by group undertakings includes and amount of €309,271 related to the accumulated taxation credit for the year and the prior period which have been surrendered as group relief. These amounts are unsecured and have no fixed repayment date.

9.	CREDITORS: amounts falling due within one year	2015 £	2014 £
	Trade creditors	82,437	34,543
	Accruals and deferred income	114,123	93,682
	Amounts owed to fellow group undertakings	9,349,102	6,497,988
	Deferred taxation (note 5(d))	212,724	138,566
		9,758,386	6,764,779

Included in amounts owed to group undertakings is £9,200,000 (prior period: £6,300,000) owed to Hertz Equipment Rental Company Holdings Netherlands B.V. Ltd upon which interest is charged at the variable rate of 1 month GBP Libor plus 2.5%. This balance is fully repayable within one year. Other amounts are unsecured interest free and have no fixed date of repayment.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

**10. PENSIONS**

The company operates a defined contribution pension scheme. The cost in respect of the scheme for the year ended 31 December 2015 was £10,661 (prior period: £6,886). There were no contributions in relation to the scheme outstanding at the year-end 31 December 2015.

**11. CAPITAL AND OTHER FINANCIAL COMMITMENTS**

*Operating leases*

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

	<i>2015</i>	<i>2014</i>
	<i>Land and</i>	<i>Land and</i>
	<i>buildings</i>	<i>buildings</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
Within 2 to 5 years	437,084	571,692
	<u>          </u>	<u>          </u>

**12. FINANCIAL INSTRUMENTS**

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
<i>Financial assets that are measured at amortised cost:</i>		
- Trade debtors	294,931	109,323
- Amounts owed by group undertaking	431,699	176,801
<i>Financial liabilities measured at amortised cost:</i>		
- Trade creditors	82,437	34,543
- Amounts owed to fellow group undertakings	9,349,102	6,497,988

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 December 2015**

**13. RELATED PARTY TRANSACTIONS**

The company has availed of exemption provided in FRS 102, Section 33 "Related Party Disclosures" whereby transactions entered into between two or more members of a group are not required to be disclosed, provided that any subsidiary undertaking which is a party to the transaction is wholly owned member of that group.

<b>14. CALLED UP SHARE CAPITAL</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<i>Authorised, allotted, and fully-paid</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

**15. CONTROLLING PARTY**

The immediate parent undertaking is Hertz Equipment Rental Company Holding Netherland BV Ltd a company registered in the Netherlands.

The ultimate parent undertaking and controlling party of Hertz Equipment Rental (UK) Limited is Hertz Global Holdings, Inc., incorporated in the United States of America.

The smallest and largest group in which the results of Hertz Equipment Rental (UK) Limited are consolidated for the year ended 31 December 2015 is that headed by Hertz Global Holdings, Inc. The consolidated financial statements of Hertz Global Holdings, Inc. are available to the public and may be obtained from Public Affairs, 225 Brae Boulevard, Park Ridge, New Jersey, 07656 U.S.A.

**16. TRANSITION TO FRS 102**

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The transition to FRS 102 has no impact on the loss for the period ended 31 December 2014 and year ended 31 December 2015.

**17. SUBSEQUENT EVENTS**

Subsequent to the year end, Hertz Global Holdings Inc. separated the equipment rental business from the car rental business. Equipment rental became a stand-alone business with HERC Holdings Inc. as the ultimate parent of the company. HERC Holdings Inc. is an independent publically traded corporation listed on the New York Stock Exchange.