

Cinelease UK Limited

**Directors' report and financial statements for the year
ended 31 December 2016**

Company Number: 08696121

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CINELEASE UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2016

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CINELEASE UK LIMITED

COMPANY INFORMATION

DIRECTORS

Steven Ortiz
Kyle Scott (*appointed 21 December 2016*)

REGISTERED OFFICE

Unit E,
Metropolitan Park, Field Way,
Greenford,
Middlesex UB6 8UN.

COMPANY NUMBER

08696121

BANKERS

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

AUDITORS

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

CINELEASE UK LIMITED

DIRECTORS' REPORT for the year ended 31 December 2016

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'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 2016

The results for the year and the state of affairs of the company are set out on pages 8 and 10. The loss on ordinary activities before taxation for the year amounted to £672,005 (2015: £866,757). After a tax charge of £112,104 (2015: credit of £160,114), the loss for the year amounted to £784,109 (prior period: £706,643)

The net liabilities at 31 December 2016 amounted to £1,712,470 (2015: £928,361).

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.

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.

CINELEASE UK LIMITED

DIRECTORS' REPORT (Continued) for the year ended 31 December 2016

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

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

There have been no significant events subsequent to the balance sheet date.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statement are noted on page 1.

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.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as the directors at the date of approving this report are 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 directors has taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

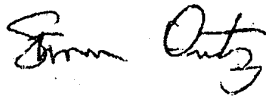
CINELEASE UK LIMITED

DIRECTOR'S REPORT (Continued)
for the year ended 31 December 2016

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 2017

CINELEASE UK LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
for the year ended 31 December 2016**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

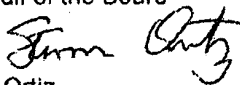
Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 director is 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. He is 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.

On behalf of the Board



Steven Ortiz
Director

Date: 19 December 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINELEASE UK LIMITED

We have audited the financial statements of Cinelease UK Limited for the year ended 31 December 2016 which comprise of the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 15. 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 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 Directors' Responsibilities Statement set out on page 5, 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINELEASE UK LIMITED
(continued)

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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 from the requirement to prepare a 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: 22 December 2017

CINELEASE UK LIMITED

INCOME STATEMENT for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover – continuing activities	1(e)	1,962,508	1,717,094
Cost of sales		(1,102,319)	(993,947)
Gross profit		860,189	723,147
Administrative expenses		(1,259,444)	(1,360,648)
Operating loss – continuing activities	2	(399,255)	(637,501)
Interest payable and similar charges	4	(272,750)	(229,256)
Loss on ordinary activities before taxation		(672,005)	(866,757)
Taxation credit on loss on ordinary activities	5	(112,104)	160,114
Loss for the financial year		(784,109)	(706,643)

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

CINELEASE UK LIMITED

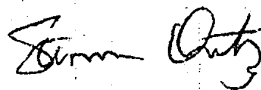
STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2016

	<i>Called up share capital – presented as equity</i> £	<i>Profit and loss account</i> £	<i>Total equity</i> £
At 1 January 2015 - 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)
Loss for the financial year	-	(784,109)	(784,109)
At 31 December 2016 - deficit	1	(1,712,471)	(1,712,470)

CINELEASE UK LIMITED

STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	6	6,908,664	7,412,941
CURRENT ASSETS			
Stocks	7	99,967	64,035
Debtors: amounts falling due within one year	8	666,381	1,125,183
Cash at bank		753,240	227,866
		<u>1,519,588</u>	<u>1,417,084</u>
CREDITORS: amounts falling due within one year	9	<u>(10,140,722)</u>	<u>(9,758,386)</u>
NET CURRENT LIABILITIES		<u>(8,621,134)</u>	<u>(8,341,302)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,712,470)</u>	<u>(928,361)</u>
CAPITAL AND RESERVES			
Called up share capital presented in equity	14	1	1
Profit and loss account		<u>(1,712,471)</u>	<u>(928,362)</u>
SHAREHOLDERS' FUNDS - (DEFICIT)		<u>(1,712,470)</u>	<u>(928,361)</u>


Steven Ortiz
Director

Date: 19 December 2017

Company Registration Number: 08696121

CINELEASE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016

1 PRINCIPAL ACCOUNTING POLICIES

(a) *Statement of compliance*

Cinelease UK Limited is a limited liability company incorporated in England. The Registered Office is Unit E, Metropolitan Park, Field Way, Greenford, Middlesex UB6 8UN. The financial statements have been prepared in accordance with FRS 102 for the year ended 31 December 2016.

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

The financial statements of Cinelease UK Limited were authorised for issue by the Board of Directors on 14 December 2017.

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 (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 2016

PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Basis of preparation and change in accounting policy

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

- Prior period reconciliation of the number of shares outstanding at the beginning and at the end of the period.
- A cash flow statement on the grounds that the company is a wholly owned subsidiary and its parent Herc Holdings Inc. produces a publicly available consolidated cash flow statement.
- The company has selected to follow the provisions and disclosure requirements of section 11 and 12 of the FRS 102 Financial Instruments standards.
- Related party transactions on the grounds that these are also disclosed in the Herc Holdings Inc. publicly available information.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2016

1 PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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:

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.

CINELEASE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2016

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 2016

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

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2016

2. OPERATING LOSS

Operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	604,641	535,250
Operating lease costs	102,985	114,314
Foreign exchange loss	21,122	4,005
Auditors remuneration	20,000	20,000

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:

	2016 No	2015 No
Operations	8	6
Head office	4	4
Sales and marketing	3	3
	<u>15</u>	<u>13</u>

CINELEASE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2016

3. EMPLOYEES AND REMUNERATION (continued)

The aggregate payroll costs of the above were:

	2016 £	2015 £
Wages and salaries	674,598	643,564
Social security costs	70,658	54,925
Other pension costs	17,396	10,661
	<u>762,652</u>	<u>709,150</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest payable on amounts due to group undertaking	<u>272,750</u>	<u>229,256</u>

CINELEASE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2016

5. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) <i>Analysis of the Income Statement</i>	2016 £	2015 £
<i>Current tax</i>		
UK corporation tax based on results for period at 20% (prior period: 20.25%)	-	(309,271)
Adjustment in respect of prior year	-	74,999
	-	(234,272)
<i>Deferred tax</i>		
Origination and reversal of timing differences	112,104	152,704
Adjustment in respect of prior period	-	(55,753)
Changes in rates	-	(22,793)
	112,104	(160,114)
Taxation charge/(credit) on loss on ordinary activities	112,104	(160,114)

(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% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Taxation on loss on ordinary activities	(672,005)	(866,757)
Loss on ordinary activities multiplied by standard UK rate 20% (prior period: 20.25%)	(134,401)	(175,518)
Expenses not deductible for tax purposes	3,448	56,368
Changes in rates	-	(22,793)
Adjustment in respect of prior period	-	19,246
Depreciation on non-qualifying assets	7,980	-
Deferred tax movement	112,104	-
Taxable losses available not utilised	122,973	-
Other	-	(37,417)
Total tax (note 5(a))	112,104	(160,114)

CINELEASE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2016

5. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(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:

	2016 £	2015 £
Included in creditors (Note 9)	324,775	212,724

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

	2016 £	2015 £
Excess of capital allowances over depreciation	447,748	212,724
Losses available for use	(122,973)	-
Total Deferred tax	324,775	212,724

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

	2016 £
At 1 January 2016	212,724
Deferred tax charge in Income Statement	112,104
At 31 December 2016	324,775

NOTES TO THE FINANCIAL STATEMENTS
31 December 2016 (Continued)

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Rental equipment £	Service Vehicles £	Furniture & fixtures £	Computer Equipment £	Total £
<i>Cost:</i>						
At 1 January 2016	160,933	7,788,244	68,349	25,154	86,122	8,128,802
Additions	-	122,348	876	-	5,608	128,832
Disposal	-	-	(30,130)	-	-	(30,130)
At 31 December 2016	<u>160,933</u>	<u>7,910,592</u>	<u>39,095</u>	<u>25,154</u>	<u>86,122</u>	<u>8,227,504</u>
<i>Accumulated depreciation:</i>						
At 1 January 2016	(51,103)	(606,732)	(18,991)	(8,270)	(30,765)	(715,861)
Charge for the year	(35,957)	(535,115)	(9,023)	(5,446)	(19,100)	(604,641)
Depreciation on Disposal	-	-	1,662	-	-	1,662
At 31 December 2016	<u>(87,060)</u>	<u>(1,141,847)</u>	<u>(26,352)</u>	<u>(13,716)</u>	<u>(49,865)</u>	<u>(1,318,840)</u>
<i>Net book value:</i>						
At 31 December 2016	<u>73,873</u>	<u>6,768,745</u>	<u>12,743</u>	<u>11,438</u>	<u>41,865</u>	<u>6,908,664</u>
At 1 January 2016	<u>109,830</u>	<u>7,181,512</u>	<u>49,358</u>	<u>16,884</u>	<u>55,357</u>	<u>7,412,941</u>

NOTES TO THE FINANCIAL STATEMENTS
31 December 2016 (Continued)

6. TANGIBLE FIXED ASSETS (continued)

	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

CINELEASE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2016

7.	STOCKS	2016 £	2015 £
	Consumables and sales inventory	99,967	64,035

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

Stocks recognised as an expense in the year were £61,300 (2015: £43,196).

8.	DEBTORS: amounts falling due within one year	2016 £	2015 £
	Trade debtors	258,738	294,931
	Other debtors	286,051	431,699
	Value added tax receivable	-	127,092
	Prepayments	121,592	271,461
		666,381	1,125,183

Included in other debtors are amounts owed by former group undertakings including an amount of £286,051 (2015: £309,271) related to the accumulated taxation credit for the prior period which have been surrendered as group relief.

9.	CREDITORS: amounts falling due within one year	2016 £	2015 £
	Trade creditors	198,005	82,437
	Value added tax payable	81,016	-
	Accruals and deferred income	58,430	114,123
	Amounts owed to fellow group undertakings	9,478,496	9,349,102
	Deferred taxation (note 5(d))	324,775	212,724
		10,140,722	9,758,386

Included in amounts owed to group undertakings is £9,200,000 (prior period: £9,200,000) 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.

CINELEASE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2016

10. PENSIONS

The company operates a defined contribution pension scheme. The cost in respect of the scheme for the year ended 31 December 2016 was £17,396 (prior period: £10,661). There were no contributions in relation to the scheme outstanding at the year-end 31 December 2016.

11. CAPITAL AND OTHER FINANCIAL COMMITMENTS

Operating leases

At 31 December 2016, the company had annual commitments under non-cancellable operating leases as set out below.

	2016 Land and buildings £	2015 Land and buildings £
Operating leases which expire: Within 2 to 5 years	437,084	437,084

12. FINANCIAL INSTRUMENTS

	2016 £	2015 £
<i>Financial assets that are measured at amortised cost:</i>		
- Trade debtors	258,738	294,931
- Other debtors	286,051	431,699
<i>Financial liabilities measured at amortised cost:</i>		
- Trade creditors	198,005	82,437
- Amounts owed to fellow group undertakings	9,478,496	9,349,102

CINELEASE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2016

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.

14. CALLED UP SHARE CAPITAL

	2016 £	2015 £
<i>Authorised, allotted, and fully-paid</i> 1 ordinary share of £1	1	1

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 Cinelease UK Limited is Herc Holdings, Inc., incorporated in the United States of America.

The smallest and largest group in which the results of Cinelease UK Limited are consolidated for the year ended 31 December 2016 is that headed by Herc Holdings, Inc. The consolidated financial statements of Herc Holdings, Inc. are available to the public and may be obtained from 27500 Riverview Center Blvd Bonita Springs, FL 34134.