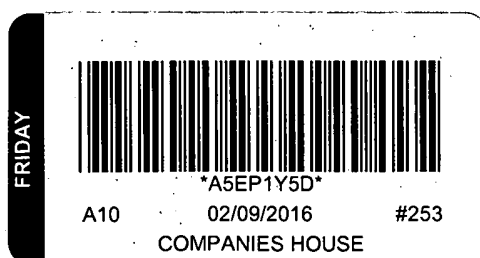


PARK COMMUNICATIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



PARK COMMUNICATIONS LIMITED

COMPANY INFORMATION

Directors	A. G. Branch H. Mason P. Walker
Registered number	02581687
Registered office	Alpine Way London E6 6LA
Independent auditors	MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Bankers	Bank of Scotland 38 Threadneedle Street London EC2P 5LF

PARK COMMUNICATIONS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 25

PARK COMMUNICATIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

The principal activity of the company during the year was the organisation, printing and finishing of documents.

Business review

2015 proved to be another year of good progress for the business.

The Company continued to actively implement its strategy to build sales in markets with longevity. This build was greatly supported by further success in the major national industry awards: the Company won, for the second year running, both of PrintWeek's 'Report and Accounts Printer of the Year' and 'Magazine Printer of the Year' awards, and were Highly Commended as 'Environmental Printer of the Year', having won this award for three out of the past five years and highly commended in the other two years.

The Company also won 'Best on Recycled' at the Print, Design and Marketing Awards and was nominated in the Antalis Review Awards.

To further widen and enhance our service to customers, the Company invested in mechanised mailing in early 2015. This has proved to be a great success with close to one million pieces having been enclosed within the first 12 months. Similar success has been brought by our investment in an HP Indigo 7800 digital press.

To ensure continuity of service and confidentiality in this world of cyber attacks, the Company invested in additional security, gaining the ISO 27001 certification in December 2015.

The Company delivered an operating profit of £728,544 (2014: £416,834) and a pre-tax profit of £717,594 (£412,384). At year-end, there was a cash balance of £890,623 (2014: £660,283), debt of £335,603 (2014: £90,823) and Shareholder Funds of £6,004,419 (2014: £5,639,568).

Progress has continued in 2016 with further investments to enhance and support service, to increase productivity and to build brand. Press capacity and capability has been enhanced through the successful installation of a KBA Rapida 106 B1 6 colour with coater. This has been followed by investments in summer 2016 to internalise lay-flat binding, provide PUR and Perfect binding dedicated to the digital department, and cutting and creasing.

Brand has further been enhanced in 2016 by winning 'Best on Recycled' and 'Best Magazine/Catalogues' at the Print, Design and Marketing Awards, the first for the second year running, and by five nominations in the Antalis Review Awards, winners to be announced in September 2016.

'Trees for Cities', 'Richard House', 'Computers for Africa' and 'Jeans for Refugees' have been our principal charities for support.

The directors are confident that the Company has the strategy, investment plans, people, facilities and location to grow market share and profitability in the coming years.

PARK COMMUNICATIONS LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Financial key performance indicators

The Company finances its operations by a combination of internally generated cash flows, existing cash deposits and borrowings.

The Company's financial controller manages the Company's cash borrowings, interest rate and its main banking relationships. This is operated as a cost and risk reduction programme. Transactions of a speculative nature are not permitted.

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



A. G. Branch
Director

Date: 30 - 08 - 2016

PARK COMMUNICATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £555,731 (2014 - £240,175).

Particulars of dividends paid are detailed in note 10 of the financial statements.

Directors

The directors who served during the year were:

A. G. Branch
H. Mason
P. Walker

PARK COMMUNICATIONS LIMITED

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

Disclosure of information to auditors

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

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

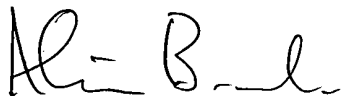
Post balance sheet events

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

Auditors

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

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



A. G. Branch
Director

Date: 30.08.2016

PARK COMMUNICATIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARK COMMUNICATIONS LIMITED

We have audited the financial statements of Park Communications Limited for the year ended 31 December 2015, set out on pages 7 to 25. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in 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 Auditors' 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 on page 3, 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 Financial Reporting Council'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 Strategic report and 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 or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those accounts. In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

PARK COMMUNICATIONS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARK COMMUNICATIONS 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.



Christopher Sutton FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

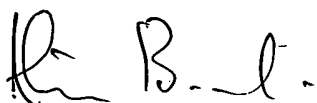
Date: 1 September 2016

PARK COMMUNICATIONS LIMITED
REGISTERED NUMBER:02581687

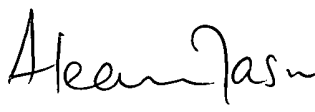
BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	11		2,048,599		2,073,702
			<u>2,048,599</u>		<u>2,073,702</u>
Current assets					
Stocks	12	417,450		491,746	
Debtors: amounts falling due within one year	13	6,752,444		6,248,856	
Cash at bank and in hand	14	890,623		660,283	
		<u>8,060,517</u>		<u>7,400,885</u>	
Creditors: amounts falling due within one year	15	(3,724,631)		(3,784,196)	
Net current assets			<u>4,335,886</u>		<u>3,616,689</u>
Total assets less current liabilities			<u>6,384,485</u>		<u>5,690,391</u>
Creditors: amounts falling due after more than one year	16		(218,690)		(50,823)
Provisions for liabilities					
Deferred tax	19	(161,376)		-	
			<u>(161,376)</u>		<u>-</u>
Net assets			<u>6,004,419</u>		<u>5,639,568</u>
Capital and reserves					
Called up share capital	20		600,000		600,000
Profit and loss account	21		5,404,419		5,039,568
			<u>6,004,419</u>		<u>5,639,568</u>

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



A. G. Branch
Director



H. Mason
Director

Date: 30.08.2016

The notes on pages 10 to 25 form part of these financial statements.

PARK COMMUNICATIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover	3	13,127,602	13,038,532
Cost of sales		(9,866,001)	(10,141,235)
Gross profit		3,261,601	2,897,297
Administrative expenses		(2,533,057)	(2,480,463)
Operating profit	4	728,544	416,834
Interest receivable and similar income	7	1,574	1,574
Interest payable and expenses	8	(12,524)	(6,024)
Profit before tax		717,594	412,384
Tax on profit	9	(161,863)	(172,209)
Profit for the year		555,731	240,175

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

There were no other comprehensive income for 2015 (2014: £NIL).

The notes on pages 10 to 25 form part of these financial statements.

All amounts relate to continuing operations.

PARK COMMUNICATIONS LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	600,000	5,039,568	5,639,568
Comprehensive income for the year			
Profit for the year	-	555,731	555,731
Total comprehensive income for the year	-	555,731	555,731
Dividends: Equity capital	-	(190,880)	(190,880)
Total transactions with owners	-	(190,880)	(190,880)
At 31 December 2015	600,000	5,404,419	6,004,419

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2014	600,000	4,950,307	5,550,307
Comprehensive income for the year			
Profit for the year	-	240,175	240,175
Total comprehensive income for the year	-	240,175	240,175
Dividends: Equity capital	-	(150,914)	(150,914)
Total transactions with owners	-	(150,914)	(150,914)
At 31 December 2014	600,000	5,039,568	5,639,568

The notes on pages 10 to 25 form part of these financial statements.

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Park Group Holdings Limited as at 31 December 2015 and these financial statements may be obtained from Companies House.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

1. Accounting policies (continued)

1.4 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	- 2%-20% straight line
Plant and machinery	- 8%-33% straight line
Fixtures and fittings	- 25%-33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

1.6 Debtors

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

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty.

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

1. Accounting policies (continued)

1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Income statement at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Income statement in the same period as the related expenditure.

1.11 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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

1. Accounting policies (continued)

1.13 Operating leases

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

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

1.14 Pensions

Defined contribution pension plan

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

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

1.15 Interest income

Interest income is recognised in the Income statement using the effective interest method.

1.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

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

1. Accounting policies (continued)

1.17 Current and deferred taxation

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

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

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

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

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

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Depreciation policies are determined based on the useful economic life of the assets to which they relate which are based on historical experience. Please see note 1.4 for details of specific policies applied.

Work in progress consists of labour, material, outwork and handling costs. The year end work in progress figure represents the time and materials consumed prior to year end that are expected to be fully recovered on completion of the work. Where possible actual costs have been used at arriving at the work in progress balance.

Trade debtors are provided against on a specific basis to the extent that they are considered irrecoverable. No general provisions are made against the trade debtor balance.

No other significant judgements have been made in the preparing these financial statements.

PARK COMMUNICATIONS LIMITED

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

3. Turnover

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Attributable to the one principal activity of the company	13,127,602	13,038,532
	<u>13,127,602</u>	<u>13,038,532</u>

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	12,878,317	12,715,673
Rest of Europe	160,941	167,102
Rest of the World	88,344	155,757
	<u>13,127,602</u>	<u>13,038,532</u>

4. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets owned by the group	371,998	462,230
Depreciation of tangible fixed assets held under finance leases	135,500	59,500
(Profit)/Loss on sales of fixed assets	(431,500)	(10,800)
Fees payable to the Company's auditor for the audit of the company's annual financial statements	16,250	18,000
Operating lease rentals - land and buildings	336,990	336,990
Operating lease rentals - other equipment	3,714	6,894
Defined contribution pension cost	324,680	300,447

PARK COMMUNICATIONS LIMITED

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

5. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	4,451,132	4,381,116
Social security costs	426,154	433,905
Cost of defined contribution scheme	324,680	300,447
	<u>5,201,966</u>	<u>5,115,468</u>

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

	2015 No.	2014 No.
Production	95	96
Distribution	17	19
Administrative	11	11
	<u>123</u>	<u>126</u>

6. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	36,000	36,000
Company contributions to defined contribution pension schemes	241,994	224,227
	<u>277,994</u>	<u>260,227</u>

During the year retirement benefits were accruing to 3 directors (2014 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £100,227 (2014: £26,551).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £72,334 (2014: £49,929).

7. Interest receivable

	2015 £	2014 £
Other interest receivable	1,574	1,574
	<u>1,574</u>	<u>1,574</u>

PARK COMMUNICATIONS LIMITED

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

8. Interest payable and similar charges

	2015	2014
	£	£
Bank interest payable	1,448	1,544
Finance leases and hire purchase contracts	11,076	4,480
	<u>12,524</u>	<u>6,024</u>

9. Taxation

	2015	2014
	£	£
Corporation tax		
Current tax on profits for the year	56,214	172,221
Adjustments in respect of previous periods	(55,727)	(12)
Total current tax	<u>487</u>	<u>172,209</u>
Deferred tax		
Origination and reversal of timing differences	161,376	-
Total deferred tax	<u>161,376</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>161,863</u>	<u>172,209</u>

PARK COMMUNICATIONS LIMITED

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

9. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 22%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	717,594	412,384
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 22%)	145,313	88,634
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,311	19,082
Capital allowances for year in excess of depreciation	83,622	133,133
Adjustments to tax charge in respect of prior periods	(55,727)	(12)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(25,366)	(68,628)
Marginal relief	(290)	-
Total tax charge for the year	161,863	172,209

10. Dividends

	2015 £	2014 £
Interim dividends paid on ordinary shares	190,880	150,914
	190,880	150,914

PARK COMMUNICATIONS LIMITED

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

11. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2015	2,156,271	6,108,860	948,532	9,213,663
Additions	-	551,179	56,478	607,657
Disposals	-	(1,300,000)	-	(1,300,000)
At 31 December 2015	2,156,271	5,360,039	1,005,010	8,521,320
Depreciation				
At 1 January 2015	1,145,266	5,235,816	758,879	7,139,961
Charge owned for the period	157,559	370,968	104,233	632,760
Disposals	-	(1,300,000)	-	(1,300,000)
At 31 December 2015	1,302,825	4,306,784	863,112	6,472,721
Net book value				
At 31 December 2015	853,446	1,053,255	141,898	2,048,599
At 31 December 2014	1,011,005	873,044	189,653	2,073,702

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2015 £	2014 £
Plant and machinery	398,528	93,750

PARK COMMUNICATIONS LIMITED

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

12. Stocks

	2015 £	2014 £
Raw materials	204,650	204,444
Work in progress	212,800	287,302
	417,450	491,746

Stock recognised in cost of sales during the year as an expense was £6,471,572 (2014: £6,358,194).

13. Debtors

	2015 £	2014 £
Trade debtors	1,935,534	1,816,545
Amounts owed by group undertakings	3,989,964	3,989,866
Other debtors	153,791	103,511
Prepayments and accrued income	673,155	338,934
	6,752,444	6,248,856

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

14. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	890,623	660,283
	890,623	660,283

PARK COMMUNICATIONS LIMITED

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

15. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	2,001,848	2,052,074
Corporation tax	56,214	182,770
Taxation and social security	240,042	239,222
Obligations under finance lease and hire purchase contracts	116,913	40,000
Other creditors	237,357	99,382
Accruals and deferred income	1,072,257	1,170,748
	<u>3,724,631</u>	<u>3,784,196</u>

Included within accruals and deferred income is £678,505 (2014: £803,768) in respect of LDA grants relating to the purchase of fixed assets. The grants are amortised to offset the depreciation charge in respect of the fixed assets to which they relate. The amount amortised in the year amounted to £125,262 (2014: £309,980).

Included within other creditors are unpaid pension contributions of £120,165 (2014: £13,073).

The obligations under finance leases are secured on the assets to which they relate.

16. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Net obligations under finance leases and hire purchase contracts	218,690	50,823
	<u>218,690</u>	<u>50,823</u>

The obligations under finance leases are secured on the assets to which they relate.

PARK COMMUNICATIONS LIMITED

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

17. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2015 £	2014 £
Within one year	116,913	40,000
	<u>116,913</u>	<u>40,000</u>
Falling due after one year		
Between 1-2 years	68,180	50,823
Between 2-5 years	150,510	-
	<u>218,690</u>	<u>50,823</u>

18. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets measured at fair value through profit or loss	890,623	660,283
Financial assets that are debt instruments measured at amortised cost	6,079,289	5,909,923
	<u>6,969,912</u>	<u>6,570,206</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,968,562)	(2,609,259)
	<u>(2,968,562)</u>	<u>(2,609,259)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, obligations under finance leases and hire purchase contracts, other creditors and accruals.

PARK COMMUNICATIONS LIMITED

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

19. Deferred taxation

	2015 £
Charged to the profit or loss	(161,376)
Liability at end of year	(161,376)

The deferred taxation balance is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(161,376)	-
	<u>(161,376)</u>	<u>-</u>

20. Share capital

	2015 £	2014 £
Shares classified as equity		
Allotted, called up and fully paid		
600,000 Ordinary shares of £1 each	<u>600,000</u>	<u>600,000</u>

21. Reserves

Profit and loss account

The reserve records the accumulated profit and loss distributable to the shareholders, net of any due taxes and dividends declared.

22. Capital commitments

At 31 December 2015 the Company had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	1,140,699	-
	<u>1,140,699</u>	<u>-</u>

PARK COMMUNICATIONS LIMITED

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

23. Pension commitments

The company operates a defined contribution pension scheme for the benefit of all employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions payable in the year amounted to £324,680 (2014: £300,447). The amount unpaid at 31 December 2015 was £120,165 (2014: £13,073).

24. Commitments under operating leases

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

	2015 £	2014 £
Land and buildings		
Not later than 1 year	336,990	336,990
Later than 1 year and not later than 5 years	1,347,960	1,347,960
Later than 5 years	140,413	477,403
Total	1,825,363	2,162,353
	2015 £	2014 £
Other		
Not later than 1 year	66,196	118,181
Later than 1 year and not later than 5 years	156,465	34,676
Later than 5 years	7,150	-
Total	229,811	152,857

25. Related party transactions

The results of Park Communications Limited are included in the consolidated financial statements of its ultimate parent company, Park Group Holdings Limited. The company has taken advantage of the exemption under FRS 102, paragraph 33.1A from disclosing transactions with Park Group Holdings Limited as it is a wholly owned subsidiary.

At the year end A G Branch, a shareholder and director, was owed £36,009 (2014: £19,930).

At the year end H Mason, a shareholder and director, was owed £43,562 (2014: £27,927).

At the year end P Walker, a shareholder and director, was owed £8,158 (2014: £27,446).

PARK COMMUNICATIONS LIMITED

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

26. Ultimate parent company and controlling party

The ultimate parent company is Park Group Holdings Limited, a company incorporated in England and Wales. Its registered office address is Alpine Way, London, E6 6LA.

The largest and smallest group in which the Company is consolidated is Park Group Holdings Limited.

The ultimate parent company was under the control of H Mason and A G Branch during the years ended 31 December 2015 and 31 December 2014, due to their majority shareholding.

27. First time adoption FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit and loss.