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Financial Statements
Please Hold (UK) Limited

For the Year Ended 31 December 2016

Registered number: 3669221

Company Information

Director	G Reed
Company secretary	C Berisford
Registered number	3669221
Registered office	Oakland House Talbot Road Old Trafford Manchester M16 0PQ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	HSBC plc 2-4 St Ann's Square Manchester M2 7HD

Please Hold (UK) Limited

Contents

Group strategic report
For the Year Ended 31 December 2016

Introduction

The principal activities of the Group are that of audio branding and new media services.

Business review

During the last 12 months, the Group's strategy was to continue to build on the market-leading position developed over the last 18 years. A continual growth in revenue was achieved through an increase in client volume, which in turn led to an increase in reinvestment.

The client portfolio is at its strongest, with over 90% of our clients remaining with the Group in 2016 and new client acquisition continuing to grow by more than 5% year on year.

There is a constant focus on cost management to maintain operating margins. These cost controls are balanced with the requirements of delivering a creatively led service, ensuring each individual client receives a bespoke service that meets their varying demands.

Principal risks and uncertainties

The lack of external borrowings puts the Group in a strong financial position, as interest rate risk is eliminated. Additionally, its position as a provider of media content means technology risks are avoided.

New clients are consistently acquired through the establishment of effective market niches, creating specific platforms to showcase the benefits of the service. By attracting clients from a wide cross-section of industry sectors, the Group also minimises its exposure to credit risks.

Key performance indicators

The Group enjoyed another year of strong financial growth, with this result reflected in an increased gross profit margin of 56% (2015: 54%). The Group also had another excellent year of revenue growth at 35% (2015: 38%).

Despite the need to manage operating margins in order to achieve the strong results detailed above, the Group is pleased to have increased investment in the employee team by 35% in 2016, ensuring that we continue to deliver the high level of service demanded from our clients.

The Group operates with a primary focus on customer satisfaction, which has resulted in a consistent growth in the client base. As a member of the Institute of Customer Service, clients were questioned on their experiences and reported an overall satisfaction rate of 97%. Following this initial survey, the Group has continued to regularly survey its clients, who now value overall satisfaction at 98.5%.

The performance of the Group has also been recognised by the London Stock Exchange's 1,000 companies to inspire Britain for the fourth year running. These accreditations mark the Group's success in terms of revenue, staff and client growth, as well as the innovative, forward-thinking nature of the services it provides.

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

G Reed
Director

Date: 21 APRIL 2017

Director's report (continued)
For the Year Ended 31 December 2016

Employee involvement

Details of employees and related costs can be found in note 5 to the financial statements.

The Company's policies and practices are laid out in the employee's contracts of employment. Regular meetings are held within the individual offices with heads of departments and the resulting information is passed to all employees. The Company makes every effort to provide the same opportunities to disabled persons as to others and does not discriminate between employees on the grounds of race, ethnic origin or sex. Equal opportunity is given to all job applicants.

Briefing and consultative procedures exist throughout the Company to inform employees on all matters of concern to them and to provide opportunities for comment and discussion.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of any members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- he 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 and the Group's auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

G Reed
Director

Date: 21 April 2017

Director's report

For the Year Ended 31 December 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

Director's responsibilities statement

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group 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 £4,002,377 (2015 - £2,739,311).

Dividends of £2,700,000 (2015: £5,575,000) were paid during the year.

Director

The director who served during the year was:

G Reed

Future developments

We've enjoyed incredible growth in recent times, and we plan for this to continue over the coming years. First and foremost, we intend to invest in our staff – attracting new talent, and building in-house skill through training. With our continued focus on our clients, we'll enhance the overall customer experience to maintain our strong satisfaction rate, and encourage long-term client relationships. And finally, we'll work to remain at the cutting-edge of our industry, ensuring our expertise in audio branding matches that of a world leader.

Grant Thornton

Independent auditor's report to the members of Please Hold (UK) Limited

We have audited the financial statements of Please Hold (UK) Limited for the year ended 31 December 2016, which comprise the consolidated statement of income and retained earnings, the consolidated and company balance sheets, the consolidated statement of cash flows and the related notes. 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 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 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 responsbilities of director and auditor

As explained more fully in the Director's responsibilities statement set out on page 2, 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the course of the audit the information given in the Group Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Group Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Group Strategic Report and Directors' Report

Grant Thornton

Independent auditor's report to the members of Please Hold (UK) Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Stuart Muskett (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants

Manchester

Date: 26 April 2017

Please Hold (UK) Limited

Consolidated statement of income and retained earnings

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		**29,351,255**	21,712,776
Cost of sales		**(14,048,207)**	(10,824,698)
Gross profit		**15,303,048**	10,888,078
Administrative expenses		**(10,008,463)**	(7,417,826)
Operating profit and profit on ordinary activities before taxation	2	**5,294,585**	3,470,252
Interest payable and expenses		**(18,016)**	-
Profit before tax		**5,276,569**	3,470,252
Tax on profit on ordinary activities	6	**(1,274,192)**	(730,941)
Profit after tax		**4,002,377**	2,739,311
Retained earnings at the beginning of the year		**2,081,990**	4,917,679
		2,081,990	4,917,679
Profit for the year attributable to the owners of the parent		**4,002,377**	2,739,311
Dividends declared and paid		**(2,700,000)**	(5,575,000)
Retained earnings at the end of the year		**3,384,367**	2,081,990

The notes on pages 14 to 29 form part of these financial statements.

Please Hold (UK) Limited
Registered number:3669221

Consolidated balance sheet
As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	9		**1,484,283**		983,633
			1,484,283		983,633
Current assets					
Debtors: amounts falling due within one year	11	**11,736,218**		7,939,667	
Cash at bank and in hand	12	**477,971**		861,613	
		12,214,189		8,801,280	
Creditors: amounts falling due within one year	13	**(10,421,131)**		(7,556,735)	
Net current assets			**1,793,058**		1,244,545
Total assets less current liabilities			**3,277,341**		2,228,178
Provisions for liabilities					
Deferred tax		-		(137,188)	
			-		(137,188)
Net assets excluding pension asset			**3,277,341**		2,090,990
Net assets			**3,277,341**		2,090,990
Capital and reserves					
Called up share capital	15		**9,000**		9,000
Foreign exchange reserve	16		**(116,026)**		-
Profit and loss account	16		**3,384,367**		2,081,990
Equity attributable to owners of the parent Company			**3,277,341**		2,090,990
			3,277,341		2,090,990

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 April 2017

G Reed
Director
The notes on pages 14 to 29 form part of these financial statements.

Company balance sheet
As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	9		**1,326,159**		983,633
Investments	10		**68**		-
			1,326,227		983,633
Current assets					
Debtors: amounts falling due within one year	11	**13,669,410**		7,939,667	
Cash at bank and in hand	12	**464,391**		861,613	
		14,133,801		8,801,280	
Creditors: amounts falling due within one year	13	**(10,282,779)**		(7,556,735)	
Net current assets			**3,851,022**		1,244,545
Total assets less current liabilities			**5,177,249**		2,228,178
Provisions for liabilities					
Deferred tax		-		(137,188)	
			-		(137,188)
Net assets excluding pension asset			**5,177,249**		2,090,990
Net assets			**5,177,249**		2,090,990
Capital and reserves					
Called up share capital	15		**9,000**		9,000
Profit and loss account	16		**5,168,249**		2,081,990
			5,177,249		2,090,990

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 April 2017

G Reed
Director

Consolidated statement of changes in equity
For the Year Ended 31 December 2016

	Called up share capital	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2016	9,000	-	2,081,990	2,090,990	2,090,990
Comprehensive income for the year					
Profit for the year	-	-	4,002,377	4,002,377	4,002,377
Currency translation differences	-	(116,026)	-	(116,026)	(116,026)
Other comprehensive income for the year	-	(116,026)	-	(116,026)	(116,026)
Total comprehensive income for the year	-	(116,026)	4,002,377	3,886,351	3,886,351
Dividends: Equity capital	-	-	(2,700,000)	(2,700,000)	(2,700,000)
Total transactions with owners	-	-	(2,700,000)	(2,700,000)	(2,700,000)
At 31 December 2016	9,000	(116,026)	3,384,367	3,277,341	3,277,341

Consolidated statement of changes in equity

For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 January 2015	9,000	4,917,679	4,926,679	4,926,679
Comprehensive income for the year				
Profit for the year	-	2,739,311	2,739,311	2,739,311
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	2,739,311	2,739,311	2,739,311
Dividends: Equity capital	-	(5,575,000)	(5,575,000)	(5,575,000)
Total transactions with owners	-	(5,575,000)	(5,575,000)	(5,575,000)
At 31 December 2015	9,000	2,081,990	2,090,990	2,090,990

The notes on pages 14 to 29 form part of these financial statements.

Company statement of changes in equity
For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	9,000	2,081,990	2,090,990
Comprehensive income for the year			
Profit for the year	-	5,786,259	5,786,259
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	5,786,259	5,786,259
Contributions by and distributions to owners			
Dividends: Equity capital	-	(2,700,000)	(2,700,000)
Total transactions with owners	-	(2,700,000)	(2,700,000)
At 31 December 2016	9,000	5,168,249	5,177,249

Company 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	9,000	4,917,680	4,926,680
Comprehensive income for the year			
Profit for the year	-	2,739,310	2,739,310
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,739,310	2,739,310
Contributions by and distributions to owners			
Dividends: Equity capital	-	(5,575,000)	(5,575,000)
Total transactions with owners	-	(5,575,000)	(5,575,000)
At 31 December 2015	9,000	2,081,990	2,090,990

The notes on pages 14 to 29 form part of these financial statements.

Consolidated statement of cash flows

For the Year Ended 31 December 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	**4,002,377**	2,739,311
Adjustments for:		
Depreciation of tangible assets	**625,934**	434,884
Interest paid	**18,016**	-
Taxation charge	**1,274,192**	730,941
Increase in debtors	**(3,735,461)**	(1,445,110)
Increase in amounts owed to participating ints	**495,716**	3,551,970
Increase in creditors	**1,268,735**	1,080,899
Forex (loss)/gain on consolidation	**(116,026)**	-
Corporation tax (paid)	**(326,082)**	(405,481)
Net cash generated from operating activities	**3,507,401**	6,687,414
Cash flows from investing activities		
Purchase of tangible fixed assets	**(1,126,584)**	(652,354)
Net cash used in investing activities	**(1,126,584)**	(652,354)
Cash flows from financing activities		
Repayment of finance leases	**(46,443)**	60,439
Dividends paid	**(2,700,000)**	(5,575,000)
Interest paid	**(18,016)**	-
Net cash used in financing activities	**(2,764,459)**	(5,514,561)
Net (decrease)/increase in cash and cash equivalents	**(383,642)**	520,499
Cash and cash equivalents at beginning of year	**861,613**	341,114
Cash and cash equivalents at the end of year	**477,971**	861,613
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**477,971**	861,613
	477,971	861,613

Notes to the financial statements
For the Year Ended 31 December 2016

1. Accounting policies

1.1 Company information

Please Hold (UK) Limited is incorporated under the Companies Act 2006 in the United Kingdom and its registered office is Oakland House, Talbot Road, Old Trafford, Manchester, M16 0PQ.

1.2 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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group accounting policies.

The following principal accounting policies have been applied:

1.3 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.4 Going concern

After reviewing the group's forecasts and projections, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

Revenue is recognised in accordance with contractual terms and is in line with the provision of services to the Group's clients.

1.6 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.

Notes to the financial statements

For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

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:

Fixtures & fittings	- 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 Consolidated statement of income and retained earnings.

1.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 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.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the financial statements
For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.10 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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, which is an approximation of the amount that the Group 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.

1.11 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.

Notes to the financial statements
For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.12 Foreign currency translation

Functional and presentation currency

The Company's functional currency is GBP.

The presentational currency of the group and company is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of income and retained earnings within 'other operating income'.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

1.13 Finance costs

Finance costs are charged to the Consolidated statement of income and retained earnings 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.

1.14 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.

Notes to the financial statements
For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of income and retained earnings 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2015) to continue to be charged over the period to the first market rent review rather than the term of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

1.16 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of income and retained earnings 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 Group in independently administered funds.

Notes to the financial statements
For the Year Ended 31 December 2016

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 Consolidated statement of income and retained earnings, except that a charge 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	**625,934**	434,884
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	**20,000**	13,500
Non-audit fees - Tax compliance	**2,500**	2,500
Non-audit fees - Tax advisory	**19,035**	-
Exchange differences	**(18,706)**	5,022
Other operating lease rentals	**593,012**	497,479
Defined contribution pension cost	**64,785**	52,912

Notes to the financial statements

For the Year Ended 31 December 2016

3. Employees

Staff costs, including director's remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	**14,906,512**	10,943,148
Social security costs	**1,439,070**	1,108,303
Cost of defined contribution scheme	**64,785**	52,912
	16,410,367	12,104,363

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

	2016	2015
	No.	No.
Sales and administration	**353**	275

4. Director's remuneration

	2016	2015
	£	£
Director's emoluments	**147,396**	214,429
	147,396	214,429

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £147,396 (2015 - £214,429).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £342 (2015 - £342).

5. Interest payable and similar charges

	2016	2015
	£	£
Other interest payable	**18,016**	-
	18,016	-

Notes to the financial statements

For the Year Ended 31 December 2016

6. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**1,468,017**	682,913
Adjustments in respect of previous periods	**(12,836)**	13,977
	1,455,181	696,890
Total current tax	**1,455,181**	696,890
Deferred tax		
Origination and reversal of timing differences	**(180,989)**	34,051
Total deferred tax	**(180,989)**	34,051
Taxation on profit on ordinary activities	**1,274,192**	730,941

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**5,276,569**	3,470,252
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**1,055,214**	702,726
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,187**	9,532
Capital allowances for year in excess of depreciation	**11,758**	20,675
Higher rate taxes on overseas losses	**(333,456)**	-
Adjustments to tax charge in respect of prior periods	**(12,836)**	(1,992)
Adjustment to brought forward values	**(7,800)**	-
Adjustment to deferred tax in respect of prior periods	**(134,162)**	-
Adjustment to deferred tax for changes in tax rates	**352**	-
Defered tax asset not recognised	**693,935**	-
Total tax charge for the year	**1,274,192**	730,941

Notes to the financial statements
For the Year Ended 31 December 2016

6. Taxation (continued)

Factors that may affect future tax charges

During the year the UK corporation tax rate was decreased. There will be a further reduction in the main rate of corporation tax to 19% from 1 April 2017, and following Budget 2016 announcements the rate will fall to 17% in 2020.

7. Dividends

	2016	2015
	£	£
Equity dividends paid of 3 pence (2015: 6.19 pence) per ordinary share	**2,700,000**	5,575,000
	2,700,000	5,575,000

8. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The profit after tax of the parent company for the year was £5,786,259 (2015 - £2,739,311).

Notes to the financial statements
For the Year Ended 31 December 2016

9. Tangible fixed assets

Group

	Fixtures & fittings £
Cost	
At 1 January 2016	**1,903,415**
Additions	**1,126,584**
At 31 December 2016	**3,029,999**
Depreciation	
At 1 January 2016	**919,782**
Charge for the period on owned assets	**625,934**
At 31 December 2016	**1,545,716**
Net book value	
At 31 December 2016	**1,484,283**
At 31 December 2015	983,633

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

	2016 £	2015 £
Furniture, fittings and equipment	**34,261**	61,519
	34,261	61,519

Notes to the financial statements
For the Year Ended 31 December 2016

9. Tangible fixed assets (continued)

Company

	Fixtures & fittings £
Cost	
At 1 January 2016	1,903,415
Additions	956,624
At 31 December 2016	2,860,039
Depreciation	
At 1 January 2016	919,782
Charge for the period on owned assets	614,098
At 31 December 2016	1,533,880
Net book value	
At 31 December 2016	1,326,159
At 31 December 2015	983,633

Notes to the financial statements
For the Year Ended 31 December 2016

10. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Please Hold (US) Inc	Ordinary	100 %	Audio branding and new media services
Compass Audio Limited	Ordiary	100 %	Dormant

Company

	Investments in subsidiary companies £
Cost	
Additions	**68**
At 31 December 2016	**68**
Net book value	
At 31 December 2016	**68**
At 31 December 2015	-

During the year the company subscribed to 100% of the share capital in Please Hold (US) Inc.

11. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	**3,699,211**	2,519,866	**3,699,211**	2,519,866
Amounts owed by group undertakings	**-**	-	**1,981,060**	-
Other debtors	**5,358,852**	3,297,724	**5,349,195**	3,297,724
Prepayments and accrued income	**898,872**	781,412	**860,661**	781,412
Tax recoverable	**1,735,482**	1,340,665	**1,735,482**	1,340,665
Deferred taxation	**43,801**	-	**43,801**	-
	11,736,218	7,939,667	**13,669,410**	7,939,667

Notes to the financial statements
For the Year Ended 31 December 2016

11. Debtors (continued)

Included within other debtors due within one year is a loan to Grant Reed, a director, amounting to £5,288,471 (2015 - £3,224,647). The loan is interest free and repayable on demand.

12. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	**477,971**	861,613	**464,391**	861,613
	477,971	861,613	**464,391**	861,613

13. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	**824,119**	657,593	**790,011**	657,593
Amounts owed to other participating interests	**498,212**	2,496	**498,212**	2,496
Corporation tax	**2,142,583**	1,013,484	**2,142,583**	1,013,484
Other taxation and social security	**920,026**	1,108,197	**920,026**	1,108,197
Obligations under finance lease and hire purchase contracts	**16,257**	62,700	**16,257**	62,700
Other creditors	**127,046**	29,346	**113,794**	29,346
Accruals and deferred income	**5,892,888**	4,682,919	**5,801,896**	4,682,919
	10,421,131	7,556,735	**10,282,779**	7,556,735

Included within Accruals and deferred income is an amount of £4,415,436 (2015: £3,413,596) relating to deferred income.

On 23 November 2016, the company entered into an agreement with HSBC regarding specific credit balances which included the following charges:

- A debenture including fixed charge over all present freehold and leasehold property.
- First fixed charge over book and other debts, chattels, goodwill and uncalled captial, both present and future.
- A first floating charge over all assets and undertakings both present and future dated 3 May 2016.

There is also a composite company limited multilateral guarantee dated 3 May 2016 given by the company and Compass Audio Limited, a 100% owned subsidiary of the company.

Notes to the financial statements
For the Year Ended 31 December 2016

14. Deferred taxation

Group and company

	2016
	£
At beginning of year	**(137,188)**
Charged to profit or loss	**180,989**
At end of year	**43,801**

	Group 2016	Company 2016
	£	£
Accelerated capital allowances	**(85,031)**	(85,031)
Tax losses carried forward	**10,803**	10,803
Other	**118,029**	118,029
	43,801	43,801

Within the group there is an additional unrecognised deferred tax asset of £693,935 (2015: £nil), which is against unused trading losses carried forward. This unrecognised deferred tax asset will be recoverable to the extent that sufficient trading profits arise in the future.

15. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
450,000 B Ordinary shares of £0.01 each	**4,500**	4,500
450,000 C Ordinary shares of £0.01 each	**4,500**	4,500
	9,000	9,000

All shares rank pari passu.

Notes to the financial statements
For the Year Ended 31 December 2016

16. Reserves

Foreign exchange reserve

The foreign exchange reserve represents the cumulative foreign exchange differences arising on the translation of the results of foreign subsidiaries.

Profit & loss account

Includes all current and prior period retained profits and losses.

17. Share based payments

On 8 July 2011, the company granted options on the Ordinary A shares to certain employees under the Please Hold EMI Share Option Plan. The options may be exercised following the sale or flotation of the company.

The director has reviewed the potential charge and has considered it to be immaterial. On this basis no charge has been made within the financial statements.

18. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. the pension cost charge represents contributions payable by the group to the fund and amounted to £64,785 (2015: £52,912). Contributions totaling £12,103 (2015: £9,469) were payable to the fund at the balance sheet date and are included in other creditors.

19. Commitments under operating leases

At 31 December 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Not later than 1 year	**531,483**	436,125	**436,125**	436,125
Later than 1 year and not later than 5 years	**2,086,141**	1,733,106	**1,728,549**	1,733,106
Later than 5 years	**759,809**	1,191,377	**759,809**	1,191,377
	3,377,433	3,360,608	**2,924,483**	3,360,608

Notes to the financial statements
For the Year Ended 31 December 2016

20. Related party transactions

During the year, the following interest free loan accounts to the director and shareholders existed:

	2016	2015
	£	£
Mr G L Reed (Director/Shareholder)	5,288,471	3,224,647
	5,288,471	3,224,647

The maximum liabilities during the year amounted to £5,288,471.

Key management personnel: Emoluments in respect of three senior managers, excluding the director, in the year amounted to £619,259 (2015: £551,114). This includes salary, pension contributions and benefits in kind.

21. Controlling party

There is no ultimate controlling party.