Registration number: 04610811

Open Outdoor Limited

Report and Financial Statements

For the Year Ended 31 December 2016

Contents

Company Information

Directors	M Gutreich N Hubble (resigned 14.09.2016) A F Kelly T Ransome A Rickard G Wilson R Rosenthal (resigned 11.11.2016) S.Whyte (appointed 14.09.2016)
Secretary	A Moberly

Registered office

10 Triton Street
Regent's Place
London
NW1 3BF

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Strategic Report for the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Fair review of the business

The principal activity of the company is that of outdoor advertising agents.

The Company's key performance indicators during the year were as follows:

	2016	*2015*	*Change*
	£000	*£000*	*%*
Turnover	4,936	4,080	21%
Operating Profit	2,614	1,576	66%
Profit before tax	2,648	1,598	66%

The company had a good year with continued growth generated organically from existing agencies. The market place continued to be very competitive with pressure on margins and resource. However continued control of costs, improved margins and the growth in media billings have led to this 66% increase in operating profit.

The directors continue to believe they are well placed to deliver growth.

Future Developments

Notwithstanding the risks and uncertainties outlined below, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

The Company's parent undertaking was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. Details of the recognition or measurement differences arising on the adoption of FRS 101 are included in Note 16 to these financial statements.

Principal risks and uncertainties

The directors consider that the only significant financial risks to the company are credit risk and liquidity risk. The company's principal assets subject to credit risk are trade debtors.

The company does not use derivative financial instruments.

Approved by the Board on 19th July 2017 and signed on its behalf by:

Marc Gutreich
Director

Directors Report for the Year Ended 31 December 2016

The directors, who served during the year, are shown on page 2; present their report and the financial statements of Open Outdoor Limited for the year ended 31 December 2016.

Objectives and policies

Results and dividends

The profit for the year after taxation amounted to £2,106k (2015: £1,270k). No dividends were paid out in 2016 (2015 - nil)

Going concern

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has a strong cash position, with long established relationships with both clients and media owners alike. The company directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Employment policies

It is the policy of the company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled every practical effort is made to provide continued employment.

The directors are committed to maintain and develop communication and consultation procedures with employees, who in turn are encouraged to become aware of and involve themselves in the performance of their company. This is achieved through companywide and departmental meetings, by the use of e-mail and intranet, through publication of an internal magazine and during individual performance appraisals.

Creditor payment policy

The company agrees terms and conditions for its business transactions with suppliers. Payment is then made on these terms subject to the terms and conditions being met by the supplier. As at 31 December 2016 trade creditors were 40 days (2015 - 40 days) of average purchases during the year.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

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

Approved by the Board and signed on its behalf by:

Marc Gutreich on behalf of the Board

Director

19th July 2017

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the members of Open Outdoor Limited

We have audited the financial statements of Open Outdoor Limited for the year ended 31 December 2016, which comprise the Income Statement, the Balance Sheet, the Statement of Comprehensive income, the statement of changes in equity 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 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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 to the financial statements.

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 Annual 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 the 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework" 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 the financial statements.

Independent Auditor's Report to the members of Open Outdoor 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

Ernst & Young LLP

Richard Addison (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 21 July 2017

Income Statement

for the year ended 31 December 2016

	Notes	*2016* *£ 000*	*2015* *£ 000*
Turnover	1	4,936	4,080
Cost of sales		(1,339)	(1,526)
Gross Profit		3,597	2,554
Administrative expenses		(986)	(978)
Operating Profit	2	2,614	1,576
Interest receivable and similar income	5	35	22
Profit on ordinary activities before taxation		2,648	1,598
Tax	6	(542)	(328)
Profit for the financial year		2,106	1,270

The above results were derived from continuing operations.

Statement of Comprehensive Income

for the year ended 31 December 2016

There are no recognised gains or losses for the period, other than the profit of £2,106k (2015: £1,270k)

Balance sheet
at 31 December 2016

	Notes	*2016* *£ 000*	*2015* *£ 000*
Non-current assets			
Tangible Fixed Assets (non-current)	8	61	39
Current assets			
Trade and other receivables	9	9,511	8,472
Cash at bank and in hand	10	9,285	6,524
Profit and loss account		18,796	14,995
Creditors: amounts falling due within one year	11	(13,321)	(11,603)
Net current assets		5,475	3,392
Net assets		5,536	3,430
Capital and reserves			
Called up share capital	12	1	1
Share premium account	13	3	3
Profit and loss account	13	5,532	3,426
Shareholders' funds		5,536	3,430

Approved by the Board on 19th July 2017 and signed on its behalf by:

Marc Gutreich
Director

Open Outdoor Limited

Statement of changes in equity for the year ended 31 December 2016

	Share Capital	*Share Premium*	*Retained Earnings*	*Total*
	£ 000	*£ 000*	*£ 000*	*£ 000*
At 1 January 2016	1	3	3,426	3,330
Profit for the year	-	-	2,106	2,106
New Shares issued	-	-	-	-
Total Comprehensive Income	-	-	2,106	2,106
At 31 December 2016	1	3	5,532	5,536

	Share Capital	*Share Premium*	*Retained Earnings*	*Total*
	£ 000	*£ 000*	*£ 000*	*£ 000*
At 1 January 2015	1	3	2,155	2,160
Profit for the year	-	-	1,270	1,270
Total Comprehensive Income	-	-	-	-
Dividends	-	-	1,270	1,270
At 31 December 2015	1	3	3,426	3,430

Notes to the Financial Statements for the Year Ended 31 December 2016

1 Authorisation of financial statements and statement of Compliance with FRS 101

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

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

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

2 Accounting policies

2.1 Basis of preparation

The accounting policies which follow the accounting framework FRS 101 set out those policies which apply in preparing the financial statements for the year ended 31 December 2016.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  (i) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  (ii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the effects of new but not yet effective IFRSs.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2015

2 Accounting policies (continued)

2.2 Accounting estimates and uncertainties

The Company makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the related actual results.

2.3 Significant accounting policies

Trade and other receivables

Trade and other receivables are amounts due from the fellow undertaking which is not interest bearing and is payable on demand.

Trade and other payables

Trade and other payables are obligations to pay for goods or services to the fellow undertaking which is not interest bearing and is payable on demand.

Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively acted by the balance sheet date.

Turnover and revenue recognition

Turnover represents amounts billable for media handled by the Group on behalf of clients, together with fees earned for media and research services provided, net of discounts, VAT and other sales-related taxes.

Gross margin is the net value of media and research fees and commission revenue earned by the Group.

Media revenue arises in the form of fees and commissions for media services and performance related incentives. Fee and commission revenue is recognised when earned, principally when advertisements appear in the media over the period of the relevant assignments or agreements. Performance related income is recognised when it can be reliably estimated whether, and the extent to which, the performance criteria have been met.

For market research and media project businesses, revenue is recognised based on the stage of completion of each project, which is indicated by the satisfactory completion of a specific phase of a project. Provision is made for losses on a project as soon as it becomes clear that a loss will arise. Invoices raised during the course of a project are booked as deferred income in the balance sheet until such a time as the related revenue is recognized in the income statement.

Notes to the Financial Statements for the Year Ended 31 December 2016

2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment losses. Depreciation is charged to write off the cost of these assets to their residual value over their expected useful lives, using the straight-line method, on the following basis:

Leasehold improvements: - Over the period of the lease

Office furniture, fixtures and equipment: - 20% per annum

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Notes to the Financial Statements for the Year Ended 31 December 2016

1. Turnover

The directors consider there to be one class of revenue. All revenue originates in the United Kingdom and relates to continuing operations.

2. Operating Profit

This is stated after charging:

	2016	*2015*
	£ 000	*£ 000*
Auditors' remuneration	8	9
Depreciation of tangible fixed assets – owned by the company	12	-

3. Staff costs

	2016	*2015*
	£ 000	*£ 000*
Wages and salaries	663	613
Social security costs	71	66
Pension costs	23	21

The average monthly number of employees (including executive directors) was 14 (2015: 12)

4. Directors' remuneration

	2016	*2015*
	£ 000	*£ 000*
Remuneration	331	329

The highest paid director received remuneration (including benefits in kind) of £124k (2015: £124k).

No retirement benefits are accruing to any director in the current or prior period

5.

	2016	*2015*
	£ 000	*£ 000*
Other interest receivable	35	22

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

6. Tax on profit on ordinary activities

(a) Tax charged in the income statement :

	2016 £ 000	2015 £ 000
Current tax:		
UK Corporation tax charge at 20% (2015 - 20.25%)	538	328
Deferred tax:		
Origination and reversal of timing differences	4	-
Tax on profit on ordinary activities	542	328

(b) **Reconciliation of the total tax charge**

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK: 20% (2015: 20.25%). The differences are explained below:

	2016 £ 000	2015 £ 000
Profit on ordinary activities before taxation	2,648	1,598
Expected tax charge based on standard rate of UK corporation tax at 20% (2015 20.25%)	538	328
Dividends receivable not taxable	-	-
Current tax charge/(credit)	538	328

(c) Change in corporation tax rate

The UK Government enacted legislation which reduced the main rate of corporation tax to 20% from 1 April 2015. A further reduction in the main rate of corporation tax is proposed to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020.

It is expected that this will reduce the Company's future current tax charge accordingly.

7. Dividends

	2016 £ 000	2015 £ 000
Dividends paid on equity capital	-	-

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

8. Tangible fixed assets

	Leasehold property £ 000	*Office equipment £ 000*	*Total £ 000*
Cost:			
At 1 January 2016	34	5	39
Additions	-	34	34
At 31 December 2016	34	39	73
Depreciation:			
At 1 January 2016	-	-	-
Charge for the year	5	7	12
At 31 December 2016	5	7	12
Net book value:			
At 31 December 2016	29	32	61
At 31 December 2015	33	5	39

9. Trade and other receivables

	2016 £ 000	*2015 £ 000*
Trade receivables	3,617	6,110
Receivables from related parties	1,373	1,131
Other receivables	4,521	1,230
	9,511	8,471

10. Cash at bank and in hand

	2016 £ 000	*2015 £ 000*
Current account	7,166	4,633
Client account for business placed as agent	2,119	1,891
	9,285	6,524

Notes to the Financial Statements for the Year Ended 31 December 2015 (Continued)

11. Creditors: amounts falling due within one year

	2016 £ 000	2015 £ 000
Trade creditors	3,011	5,124
Amounts due to related parties	(320)	289
Corporation tax	1,130	587
Other taxes and social security costs	684	335
Bank overdraft	-	-
Other creditors	8,816	5,268
	13,321	11,603

12. Issued share capital

Allotted, called up and fully paid	2016 No.	2016 £ 000	2015 No.	2015 £ 000
Ordinary A shares of £1 each	390	-	390	-
Ordinary B shares of £1 each	610	1	610	1
Ordinary C shares of £1 each	53	-	53	-
		1		1

13. Movements on reserves

	Share premium account £ 000	*Profit and loss account* £ 000
At 1 January 2016	3	3,426
Profit for the year	-	2,106
Dividends	-	-
At 31 December 2016	3	5,532

14. Other financial commitments

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

	2016 £ 000	2015 £ 000
Operating leases which expire:		
Within one year	50	50
In two to five years	39	87

Notes to the Financial Statements for the Year Ended 31 December 2016 (Continued)

15. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Dentsu Aegis London Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent undertaking and controlling party is Dentsu Inc., a company incorporated in Tokyo and registered in Japan. Dentsu Inc. is the parent undertaking of the largest group for which group financial statements are prepared and of which the Company is a member. Copies of Group financial statements can be obtained from: The Secretary, Dentsu Inc., 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7001. The smallest group in which the results of the company are consolidated is the group headed by Dentsu Aegis Network Limited.